

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

In re the Matter of the Application)
of EOG Resources, Inc. for)
Unit Operation)
)
) Application Date: November 18, 2022
)
Xavier HFP07 A Unit) First Supplement: November 22, 2022

APPLICATION OF EOG RESOURCES, INC. FOR UNIT OPERATIONS

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TABLE OF CONTENTS

APPLICATION

- I. APPLICANT INFORMATION
- II. PROJECT DESCRIPTION
- III. TESTIMONY
- IV. THE CHIEF SHOULD GRANT THIS APPLICATION
 - A. Legal Standard
 - B. EOG's Application Meets The Legal Standard
 - i. *The Unitized Formation is Part of a Pool*
 - ii. *Unit Operations Are Reasonably Necessary to Increase Substantially the Ultimate Recovery of Oil and Gas*
 - iii. *The Value of the Additional Recovery Exceeds its Additional Costs*
 - iv. *The Unit Plan Meets the Requirements of Ohio Revised Code § 1509.28*
- V. REQUEST FOR HEARING
- VI. CONCLUSION

ATTACHMENTS

Attachment 1	Unit Plan
Attachment 2	Unit Operating Agreement <ul style="list-style-type: none">Exhibit A – Exhibit A to Operating AgreementExhibit A-1 – Unit Plat MapExhibit A-2 – List of All Mineral OwnersExhibit A-3 – List of All Unleased Mineral OwnersExhibit A-4 – List of All Committed Working Interest OwnersExhibit A-5 – List of All Uncommitted Working Interest OwnersExhibit A-6 – List of All Parcels Subject to LitigationExhibit B – Example Paid-Up Oil and Gas LeaseExhibit C – COPAS Accounting Procedure Joint OperationsExhibit D – Operator Insurance CoveragesExhibit E – Gas Balancing Agreement
Attachment 3	Prepared Testimony of Chase Thompson (Landman) <ul style="list-style-type: none">Exhibit A – Affidavit of Leasing EffortsExhibit B – Due Diligence AffidavitExhibit C – Right to Drill and Produce AffidavitExhibit D – Color-Coded Plat MapExhibit E – Aerial Plat MapExhibit F – Ownership AffidavitExhibit G – Lease Affidavit
Attachment 4	Prepared Testimony of Jenna Hessert (Geologist) <ul style="list-style-type: none">Exhibit A – Geologic Cross-Section and Geophysical Type LogExhibit B – Geophysical Unit Proximity Map
Attachment 5	Prepared Testimony of Price Hernandez (Engineer) <ul style="list-style-type: none">Exhibit A – Calculations of Estimated RecoveriesExhibit B – Engineering Data Source Map and TablesExhibit C – Existing Units Map
Attachment 6	Working Interest Owner Approval – EOG Resources, Inc. <ul style="list-style-type: none">Exhibit A – Tracts Committed by EOG Resources, Inc.
Attachment 7	Working Interest Owner Approvals (Ascent & RHDK) <ul style="list-style-type: none">Exhibit A – Tracts Committed by Ascent & RHDK
Attachment 8	Mailing List

APPLICATION

Pursuant to Ohio Revised Code 1509.28, EOG Resources, Inc. (“EOG”) hereby respectfully requests the Chief of the Division of Oil and Gas Resources Management (the “Division”) to issue an order authorizing EOG to operate the Unitized Formation and applicable land area in Harrison County, Ohio (hereinafter, the “Xavier HFP07 A Unit” or “Unit”) as an oil and gas drilling unit according to the Unit Plan attached hereto and as more fully described herein. EOG makes this request for, and unitization is necessary for, the purpose of increasing substantially the ultimate recovery of oil, natural gas and related hydrocarbons from the Unitized Formation, and to protect the correlative rights of mineral owners, consistent with the public policy of Ohio to conserve and develop the state’s natural resources and prevent waste.

I. APPLICANT INFORMATION

EOG is a corporation organized under the laws of the Delaware, with its an office located at 14701 Bogert Parkway, Oklahoma City, Oklahoma 73134.

EOG 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 proposed Xavier HFP07 A Unit is located in Freeport and Washington Townships, Harrison County, Ohio, and consists of sixty-eight (68) 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 Xavier HFP07 A Unit is approximately 949.0416 acres as determined by deed references and field surveys. At the time of this Application, EOG and its working interest partners have the right to drill on and produce from approximately 80.318837%, or approximately 762.2592 of the net mineral acres of the proposed Unit, which exceeds the sixty-five percent (65%) threshold required by Ohio Revised Code 1509.28. There are fourteen (14) tracts with unleased or partially unleased interests that total 10.9217%, or 103.6515 of the net mineral acres in the proposed Unit. Additionally, as of the time of this Application, B&B

Appalachia, LLC (“B&B”) has not consented to commit their working interest in their lease to the Xavier HFP07 A Unit. Further, Ascent Resources – Utica, LLC (“ARU”) and RHDK Oil & Gas, LLC (“RHDK”) have not consented to commit a portioin of their working interest in three (3) of their tracts to the Xavier HFP07 A Unit. B&B’s working interest accounts for approximately 4.178658%, or 39.6572 of the net mineral acres in the Unit, the uncommitted portion of RHDK’s working interest in the three (3) uncommitted leases accounts for approximately 1.145201%, or 10.8684 of the net mineral acres in the Unit, and the uncommitted portion of ARU’s working interest three (3) uncommitted leases accounts for approximately 3.435604%, or 32.6053 of the net mineral acres in the Unit.

EOG seeks this unit order to allow it to develop the Xavier HFP07 A Unit in accordance with the Unit Plan (as defined below) 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, EOG seeks authorization from the Division, as more specifically described herein, to drill and complete three (3) horizontal wells in the Unitized Formation, from a well pad located on the Southeast end of the Xavier HFP07 A Unit, to efficiently test, develop, operate and produce the Unitized Formation for oil, natural gas, and related hydrocarbons. EOG’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” (as that term is understood in the Ohio Revised Code) in the Unit, and conforms to industry standards for the drilling and operating of horizontal wells in the Utica/Point Pleasant Formation.

III. TESTIMONY

The following pre-filed testimony is attached in support of this Application: (i) testimony from a Senior Geologist establishing that the Unitized Formation is part of a pool, and supporting the Unit Plan’s recommended allocation of unit production and expenses on a surface acreage basis¹; (ii) testimony from a Reservoir Engineer establishing that unitization is reasonably necessary to increase substantially the ultimate recovery of oil and gas, and that the value of the estimated additional recovery of oil and gas from Unit operations exceeds the estimated

¹ See Attachment 4, Testimony of Jenna Hessert

additional cost of Unit operations²; and (iii) testimony from a Land Specialist responsible for overseeing EOG's development of the proposed Xavier HFP07 A Unit who describes the project, the Unit Plan, efforts to lease unleased owners, and the approvals received for Unit development.³

IV. THE CHIEF SHOULD GRANT THIS APPLICATION

A. Legal Standard

Ohio Revised Code § 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 unit operation is reasonably necessary to increase substantially the ultimate recovery of oil and gas, and the value of that estimated additional recovery from the Unit exceeds the estimated additional cost of unit operations. See Ohio Rev. Code § 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 in the unit area;
- (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 area;
- (5) a provision addressing how unit operation expenses shall be determined and charged to the separately owned tracts in the unit area, 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 unit operations shall commence and the manner in which, and circumstances under which, unit operations will terminate; and

² See Attachment 5, Testimony of Price Hernandez

³ See Attachment 3, Testimony of Chase Thompson

(9) such other provisions appropriate for engaging in unit operations and for the protection or adjustment of correlative rights.

See Ohio Rev. Code § 1509.28(A). The Chief's order for Unit operations will become effective when EOG provides the Chief with final written approval of the Chief's prescribed Unit operations by the consenting working interest owners, and also by the royalty interest owners or, with respect to unleased acreage, unleased mineral owners of 65% of the acreage to be included in the unit. 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." See Ohio Rev. Code § 1509.28.

B. EOG's Application Meets the Legal 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 of the Unit Operating Agreement) at a depth located from fifty feet above the top of the Utica Shale to fifty feet below the top of the Trenton Limestone formation. The evidence presented in this Application establishes that the Unitized Formation is part of a "pool" (as that term is defined in Ohio Rev. Code § 1509.01(E)) and thus appropriate for unit operation under Ohio Rev. Code § 1509.28. Additionally, that evidence establishes that the Unitized Formation is likely to be reasonably uniformly distributed throughout the Unit Area – and thus that it is reasonable for the Unit Plan to allocate Unit production and expenses to separately owned tracts on a surface acreage basis.⁴

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 that comprise the Xavier HFP07 A Unit. The Unit Plan contemplates the drilling of three (3) horizontal wells from a single well pad (the Xavier HFP07 2A, 4A, and 6A), with lateral lengths of approximately 15,600 feet each.⁵ EOG estimates that the ultimate recovery of oil, natural gas and related hydrocarbons from its planned development of the Unit could be as much as 6.303

⁴ See Attachment 4

⁵ See Attachment 5

million barrels of oil equivalent (“BOE”) if the requested Order for unit operations is granted. However, because of the location of unleased or non-consenting tracts within the Unit, without an Order for unit operations, the producing lateral portion of the 2A, 4A and 6A wells would be limited to only approximately 871 feet, 1,371 feet and 1,873 feet, respectively, after accounting for the 400 foot regulatory setbacks from unleased and uncommitted tracts. Consequently, without an order for Unit operations, EOG estimates that the total recovery from all three wells would be only 555,000 BOE. Thus, without an order for Unit operations, EOG estimates that it would have to leave at least 5.748 million BOE of the estimated production undeveloped and stranded, resulting in a waste of resources.

The evidence shows that the contemplated unit operations are reasonably necessary to increase substantially the recovery of natural gas from the Unitized Formation.

iii. *The Value of Additional Recovery Exceeds its Additional Costs*⁶

The evidence presented in this Application and at the hearing will establish that the value of the estimated additional recovery exceeds the estimated additional costs incident to conducting unit operations, including costs associated with the construction, drilling, completion of the wells, to obtain such additional recovery. The cost to develop the Xavier HFP07 A Unit as proposed in this Application is estimated to be \$36 million while, without an Order authorizing unit operations, the cost to develop is estimated to be \$13.47 million. Thus, unit operations increase the cost to develop the Xavier HFP07 A Unit by \$22.53 million. However, this increase in cost is accompanied by an increased estimated additional production of 5.748 million BOE, and the undiscounted revenue from production over the life of the wells increases \$162.58 million with unit operations. This increased production and revenue creates a positive net present value (using a standard 10% forward discount rate) of the Unit operations of approximately \$52.32 million, as compared to *negative* \$3.75 million if the wells were drilled without unit operations. This information is set out in detail on Attachment 5, Exhibit A, showing the estimated value of the production from both wells, the estimated drilling and operating costs, and the difference between those numbers with and without an order authorizing unit operations.

iv. *The Unit Plan Meets the Requirements of Ohio Revised Code § 1509.28*

The Unit Plan proposed by EOG meets the requirements set forth in Ohio Revised Code

⁶ The calculations contemplated in this section and in Attachment 5 are estimates only.

Section 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 (*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.

V. REQUEST FOR HEARING

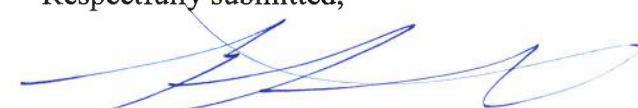
Ohio Revised Code Section 1509.28 requires the Chief to hold a hearing to consider this Application, when requested by sixty-five percent (65%) of the owners of the land area underlying the proposed unit.⁷ That threshold level is met here. Accordingly, EOG respectfully requests that the Division schedule a hearing as soon as possible to consider this Application.

⁷ See Ohio Rev. Code § 1509.28(A)

VI. CONCLUSION

Ohio Revised Code § 1509.28 requires the Chief to issue an Order for 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 recovery from the unit's operations exceeds its additional costs. EOG's Application meets this standard, and that the terms and conditions of the Unit Plan are just and reasonable and satisfy the requirements of Ohio Revised Code Section 1509.28(B). EOG asks the Chief to issue an order authorizing EOG to operate the Xavier HFP07 A according to the Unit Plan attached hereto.

Respectfully submitted,



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**UNIT PLAN
XAVIER HFP07 A UNIT
FREEPORT AND WASHINGTON TOWNSHIPS,
HARRISON COUNTY, OHIO**

The following shall constitute the Unit Plan applicable to the Xavier HFP07 A Unit in Freeport and Washington Townships, Harrison 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:

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 Unit Plan for the Xavier HFP07 A Unit, Freeport and Washington Townships, Harrison County, Ohio, including, unless otherwise expressly mentioned, any and all attachments and exhibits hereto.

Royalty Interest means a right to, or interest in, proceeds from the sale of Unitized Substances, 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, or the proceeds from the sale thereof, 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 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.

Xavier HFP07 A Unit
Freeport and Washington Townships, Harrison County, Ohio

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 located from 50' feet above the top of the Utica formation to 50' feet below the top of the Trenton formation.

Unit Operating Agreement means the modified A.A.P.L. Form 610-1989 Model Form Operating Agreement that is attached hereto as Exhibit A and incorporated herein by reference as if fully re-written 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 terms of this Plan, excluding the Unit Operating Agreement, the 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 gaseous, 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, except as modified by an Order for Unit Operations, 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 shall be determined solely upon a surface acreage basis as the proportion that the Tract surface acreage inside the Unit Area bears to the total surface acreage of the Unit Area. The Tract Participation of each Tract has been calculated as follows: **TRACT SURFACE ACRES WITHIN THE UNIT AREA DIVIDED BY THE TOTAL SURFACE ACRES WITHIN THE UNIT AREA.** The Tract Participations as shown in Exhibits A-2 through A-6 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, or proceeds from the sale thereof, 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 from the sale 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

Xavier HFP07 A Unit

Freeport and Washington Townships, Harrison County, Ohio

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, or proceeds from the sale thereof, 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 Xavier HFP07 A Unit.

ARTICLE 7. TITLE

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. If 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 is in dispute, Unit Operator at the direction of Working Interest Owners may: (1) 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 (2) withhold and market the portion of Unitized Substances with respect to which title or right is 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 Working Interest Owners, 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 Working Interest or Royalty Interest in Oil and Gas Rights owned by any Person 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.

Xavier HFP07 A Unit

Freeport and Washington Townships, Harrison County, Ohio

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 Xavier HFP07 A 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 Xavier HFP07 A Unit, owned by an Unleased Mineral Owner as identified in Exhibit A-3 of the Unit Operating Agreement.

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. Each Person who is a party to this Agreement understands and acknowledges, and is hereby deemed to covenant and agree that during the term of this Agreement they will not 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, and to that extent waives all otherwise existing legal rights to partition.

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 county or 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.

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

ARTICLE 14. MISCELLANEOUS

Determinations by Working Interest Owners. All decisions, determinations, or approvals by Working Interest Owners hereunder shall be made pursuant to the voting rights and procedures of the Unit Operating Agreement attached hereto unless otherwise provided herein.

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.

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

EFFECTIVE _____, **2022** ,

OPERATOR _____ **EOG Resources, Inc.** _____

CONTRACT AREA The lands shown on the plat attached as Exhibit A-1 and described on
Exhibit A-2 and generally known as the XAVIER HFP07 A UNIT

COUNTY OF Harrison _____, **STATE OF** Ohio _____

UNIT NAME: XAVIER HFP07 A UNIT

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AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 - 1989

TABLE OF CONTENTS

Article	Title	Page
I. <u>DEFINITIONS</u>		1
II. <u>EXHIBITS</u>		1
III. <u>INTERESTS OF PARTIES</u>		2
A. OIL AND GAS INTERESTS:		2
B. INTERESTS OF PARTIES IN COSTS AND PRODUCTION:		2
C. SUBSEQUENTLY CREATED INTERESTS:		2
IV. <u>TITLES</u>		2
A. TITLE EXAMINATION:		2
B. LOSS OR FAILURE OF TITLE:		3
1. Failure of Title.....		3
2. Loss by Non-Payment or Erroneous Payment of Amount Due.....		3
3. Other Losses.....		3
4. Curing Title		3
V. <u>OPERATOR</u>		4
A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR:		4
B. RESIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR:		4
1. Resignation or Removal of Operator.....		4
2. Selection of Successor Operator.....		4
3. Effect of Bankruptcy		4
C. EMPLOYEES AND CONTRACTORS:		4
D. RIGHTS AND DUTIES OF OPERATOR:		4
1. Competitive Rates and Use of Affiliates		4
2. Discharge of Joint Account Obligations.....		4
3. Protection from Liens.....		4
4. Custody of Funds		5
5. Access to Contract Area and Records		5
6. Filing and Furnishing Governmental Reports		5
7. Drilling and Testing Operations		5
8. Cost Estimates		5
9. Insurance		5
VI. <u>DRILLING AND DEVELOPMENT</u>		5
A. INITIAL WELL:		5
B. SUBSEQUENT OPERATIONS:		5
1. Proposed Operations		5
2. Operations by Less Than All Parties		6
3. Stand-By Costs.....		7
4. Deepening		8
5. Sidetracking.....		8
6. Order of Preference of Operations		8
7. Conformity to Spacing Pattern		9
8. Paying Wells		9
C. COMPLETION OF WELLS; REWORKING AND PLUGGING BACK:.....		9
1. Completion.....		9
2. Rework, Recomplete or Plug Back		9
D. OTHER OPERATIONS:.....		9
E. ABANDONMENT OF WELLS:.....		9
1. Abandonment of Dry Holes		9
2. Abandonment of Wells That Have Produced		10
3. Abandonment of Non-Consent Operations		10
F. TERMINATION OF OPERATIONS:.....		10
G. TAKING PRODUCTION IN KIND:.....		10
(Option 1) Gas Balancing Agreement		10
(Option 2) No Gas Balancing Agreement		11
VII. <u>EXPENDITURES AND LIABILITY OF PARTIES</u>		11
A. LIABILITY OF PARTIES:		11
B. LIENS AND SECURITY INTERESTS:.....		12
C. ADVANCES:		12
D. DEFAULTS AND REMEDIES:.....		12
1. Suspension of Rights.....		13
2. Suit for Damages.....		13
3. Deemed Non-Consent		13
4. Advance Payment.....		13
5. Costs and Attorneys' Fees.....		13
E. RENTALS, SHUT-IN WELL PAYMENTS AND MINIMUM ROYALTIES:		13
F. TAXES:		13
VIII. <u>ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST</u>		14
A. SURRENDER OF LEASES:		14
B. RENEWAL OR EXTENSION OF LEASES:.....		14
C. ACREAGE OR CASH CONTRIBUTIONS:.....		14

TABLE OF CONTENTS

D. ASSIGNMENT; MAINTENANCE OF UNIFORM INTEREST:	15
E. WAIVER OF RIGHTS TO PARTITION:	15
F. PREFERENTIAL RIGHT TO PURCHASE:	15
IX. INTERNAL REVENUE CODE ELECTION	15
X. CLAIMS AND LAWSUITS	15
XI. FORCE MAJEURE	16
XII. NOTICES	16
XIII. TERM OF AGREEMENT	16
XIV. COMPLIANCE WITH LAWS AND REGULATIONS	16
A. LAWS, REGULATIONS AND ORDERS:	16
B. GOVERNING LAW:	16
C. REGULATORY AGENCIES:	16
XV. MISCELLANEOUS	17
A. EXECUTION:	17
B. SUCCESSORS AND ASSIGNS:	17
C. COUNTERPARTS:	17
D. SEVERABILITY:	17
XVI. OTHER PROVISIONS	17

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 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 ^{existing} burdens on its share of the production from the Contract Area up to, but not in excess of, 12.5% 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 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 of any proposed well prior to commencement of drilling operations and, if a majority in interest of the Drilling Parties so request or 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.

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

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

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

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:

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

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

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

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

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

54 C. Employees and Contractors:

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

58 D. Rights and Duties of Operator:

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

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

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

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

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
12 or its duly authorized representative, at the Non-Operator'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 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 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
28 limited to the Initial Well:

29 (a) Operator will promptly advise Non-Operators 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 such reports, test results and notices regarding the progress of operations on the well
32 as the Non-Operators 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.

ARTICLE VI. DRILLING AND DEVELOPMENT

A. Initial Well:

53 On or before the ____ day of ____, 20____, Operator shall commence the drilling of the Initial
54 Well at the following location: **Operator anticipates commencing the drilling of the Initial Well within one (1) year of the effective date
55 of the Unit Order,**

56 and shall thereafter continue the drilling of the well with due diligence to a depth sufficient in the Operator's reasonable opinion, to
57 adequately test the Utica/Point Pleasant formation with the Initial Well. Operator shall propose the drilling of the Initial Well to the
58 other parties by sending them written notice containing, at a minimum, the following: (i) the proposed location of the Initial Well,
59 including the proposed surface and bottom hole locations and total measured depth of the well; and (ii) an AFE setting forth the
60 estimated cost to drill and complete the Initial Well. Operator will deliver such notice no later than the later of (x) 30 days before the
61 Initial Well is spud; or (y) five days after receipt of written notice that a party, which previously did not own any Oil and Gas Lease
62 in the Contract Area has acquired an Oil and Gas Lease in the Contract Area. The Parties shall have until the earlier of (A) thirty
63 (30) days after receipt of the notice or (B) the spud date of the Initial Well to notify the Operator in writing whether they elect to
64 participate in the cost of the Initial Well. A party failing to make an election within that thirty (30) day period shall be deemed a
65 Non-Consenting Party.

66 In the event a Party elects or is deemed to have elected not to participate (a Non-Consenting Party) in the Initial Well proposed
67 in the Contract Area pursuant to Article VIA., upon the timely commencement of actual drilling operations on such Well, such
68 Non-Consenting Party shall be deemed to have relinquished to the Consenting Parties, and the Consenting Parties shall own and be
69 entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of
70 production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not
71 sold, (after deducting production taxes, excise taxes, royalty, overriding royalty and other interests not excepted by Article III.C.
72 payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the
73 total of the following: (a) 500% of such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond
74 the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 500%

1 of such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until
2 such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that such
3 Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to such
4 Non-Consenting Party had it participated in the well from the beginning of the operations; and (b) 500% of that portion of the costs
5 and expenses of drilling, testing and completing, after deducting any cash contributions received under Article III.C., and 500% of
6 that portion of the cost of newly acquired equipment in the well (to and including wellhead connections), which would have been
7 chargeable to such Non-Consenting Party if it had participated therein. Such Non-Consenting Party shall, furthermore, be solely
8 responsible for paying out-of-pocket any royalty, overriding royalty, production payment or other burden on production in excess
9 of the amount stipulated in Article IIIB.

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

12 **B. Subsequent Operations:**

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

10 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, **Operator** ~~the party or parties giving the noticee~~ and such other parties as shall elect to participate in the operation shall, no
30 later than ~~ninety (90)~~ ^{one hundred eighty (180)} 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, ^{subject to article XVI.2}. 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.

40 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 **Operator 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 **Operator 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. **The Consenting Parties shall bear proportionately the well costs
attributed to any unleased owners in the Contract Area.** 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-
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1 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% 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 500% 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 One hundred eighty (180)

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

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

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

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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
74

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 or Sidetracking, testing, Completing and
18 equipping of the well, including necessary tankage and/or surface facilities.
- 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.

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 _____
53 **One Hundred Thousand** Dollars (\$ **100,000.00**) 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 **One Hundred Thousand** Dollars
60 (\$ **100,000.00**). 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 **51** % 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. 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 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 50 % 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 have the right to
68 Each party shall / take in kind or separately dispose of its proportionate share of all Oil and Gas produced from the
69 Contract Area, exclusive of production which may be used in development and producing operations and in preparing and
70 treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking
71 in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any
72 party taking its share of production in kind shall be required to pay for only its proportionate share of such part of
73 Operator's surface facilities which it uses.

74 Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in
75 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 proportionate
24 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 appraisement
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) 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

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

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.

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.

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.

ARTICLE VIII.

ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST

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.

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

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

B. Renewal or Extension of Leases:

40 If any party secures a renewal or replacement of an Oil and Gas Lease or Interest subject to this agreement, then all other parties
41 shall be notified promptly upon such acquisition or, in the case of a replacement Lease taken before expiration of an existing Lease,
42 promptly upon expiration of the existing Lease. The parties notified shall have the right for a period of thirty (30) days following
43 delivery of such notice in which to elect to participate in the ownership of the renewal or replacement Lease, insofar as such Lease
44 affects lands within the Contract Area, by paying to the party who acquired it their proportionate shares of the acquisition cost
45 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
46 parties in the Contract Area. Each party who participates in the purchase of a renewal or replacement Lease shall be given an
47 assignment of its proportionate interest therein by the acquiring party.

48 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
49 by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in
50 the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the
51 purchase of such renewal or replacement Lease. The acquisition of a renewal or replacement Lease by any or all of the parties hereto
52 shall not cause a readjustment of the interests of the parties stated in Exhibit "A," but any renewal or replacement Lease in which
53 less than all parties elect to participate shall not be subject to this agreement but shall be deemed subject to a separate Operating
54 Agreement in the form of this agreement.

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

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

64 The provisions in this Article shall also be applicable to extensions of Oil and Gas Leases.

C. Acreage or Cash Contributions:

66 While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other
67 operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall
68 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
69 the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the
70 proportions said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the
71 extent possible, be governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any
72 acreage or cash contributions it may obtain in support of any well or any other operation on the Contract Area. The above
73 provisions shall also be applicable to optional rights to earn acreage outside the Contract Area which are in support of well drilled
74 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 the 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 interests 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 One Hundred Thousand Dollars (\$ 100,000.00) 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.
74

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, lightening, 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, / telegram, 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, facsimile / or telex 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 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 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 180 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 180 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 Operating 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 1.) In the event of a conflict between the provisions of the Article XVI and any other provisions of the Agreement, the provisions of this
43 Article XVI shall control and prevail.

44 2.) **Commencement of Operations:** For the purpose of Articles VI.B.1. and VI.B.2., Operator may commence activities preliminary to actual
45 drilling operations, including, without limitation, building location, roads and pits, delivering materials and equipment to the well site,
46 rigging up a drilling rig, and/or actual drilling operations at any time either before or after giving the notice of proposed operations
47 required by said Articles. Notwithstanding the foregoing, the parties receiving notice of proposed operations pursuant to Articles VI.B.1.
48 and VI.B.2 shall have the full time allowed in which to make their election(s) and shall be subject to the non-consent provisions thereof
49 to the same extent and in the same manner as provided in said Article VI.B without reference to the time that such activities were
50 commenced relative to giving notice. Additionally, the commencement date of the proposed operation may be extended, upon written
51 notice of same by Operator to the other parties, for a reasonable period if, in the sole opinion of Operator, such additional time is
52 reasonably necessary to obtain permits from governmental authorities, surface rights (including rights-of-way) or appropriate drilling
53 equipment, or to complete title examination or curative matter required for title approval or acceptance.

54 3.) **Mechanical Production Enhancements:** Notwithstanding anything herein contained to the contrary mechanical production
55 enhancements, including but not limited to replacements, adjustments or repairs to artificial lift and wellbore clean outs or other
56 maintenance operations associated therewith, shall be exempt from the provisions of Article VI.B and/or the limitations set forth in
57 Article VII.D.3. Mechanical production enhancements shall fall under the responsibilities of the Operator without restriction or
58 limitation as such responsibilities are set out in Article V.A.

59 4.) **Construction:** Each party has had the opportunity to contribute to the drafting of this Agreement and/or the opportunity to have it
60 reviewed by its legal counsel; therefore, the parties agree that in the event of a dispute over meaning or application of this Agreement,
61 it shall be construed as if drafted equally by the parties and no presumption shall arise favoring or disfavoring any party by virtue of the
62 authorship of any provisions of the Agreement.

63 5.) **Carried Interest:** It is agreed between the parties that should an oil and gas interest(s) owned by a third party be unleased or otherwise
64 uncommitted to the agreement or the drilling of a proposed well on the Contract Lands, the Parties hereto agree that operator shall bear
65 all cost and/or net revenue interest burden represented by such uncommitted interest(s) in addition to their respective ownership interests
66 in the Contract Area.

67 6.) **Participation Elections:** Notwithstanding anything in this Agreement to the contrary, all proposals for any operations to be conducted
68 under this Agreement and all participation elections required to be made to such proposals shall be based on one-hundred percent (100%)
69 of said party's interest in the Contract Area and no partial ownership proposals or elections are allowed.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 7.) Advance Billing: In addition to all rights and powers of the Operator under Article VII, Operator has the following additional rights:
2 a. Drilling and Completion Costs – Operator has the right to demand and receive from the parties (or any of them) in its discretion,
3 payment of their respective share or shares of the entire estimated amount of the expenses to be incurred in operations for Drilling,
4 Deepening, Sidetracking, Testing, Completion and equipping of a well in the amount of the “Drilling and Completion costs” set
5 forth on the applicable AFE. Such right may be exercised by submitting to each such party an itemized AFE of the estimated
6 expense. Such AFE shall be submitted no earlier than sixty (60) days prior to the estimated date of spudding the applicable well and
7 the party shall pay Operator its proportionate share of such estimated expense within thirty (30) days after receiving such AFE, or
8 be deemed to have gone non-consent on the proposed operations (regardless of the election the party may have otherwise made).
9 b. Adjustments – Proper adjustment shall be made between such advance payments and the actual expenses incurred to the end that
10 each party shall bear and pay its proportionate share of the actual expenses incurred, and no more.
11 (8) Any assignment or transfer of an Oil and Gas Lease or Oil and Gas Interest subject to this Operating Agreement shall relieve the
12 transferor from liability for the cost and expense of operations conducted thereafter, provided that the transferor shall remain liable for and
13 shall cause to be paid its proportionate part of the cost and expense of all operations conducted prior to the actual transfer, except costs and
14 expense arising out of or directly related to a specific operation in which the transferor elected (or was deemed to have elected) not to
15 participate pursuant to Article VI. From and after the effective date of said assignment or transfer, the transferee shall be deemed to be a party
16 to this Operating Agreement.
17 9.) Amendments: Operator shall amend Exhibit “A,” from time to time, in order to enlarge or reduce the size or to correct mistakes therein
18 or to reflect changes in ownership within the Contract Area. Operator’s duty to amend Exhibit “A” shall be subject to the following:
19 1. If such amendment is a correction of the initial Exhibit “A,” it shall be effective, retroactively as of the effective date of this
20 agreement. If such amendment reflects a change occurring after the effective date of this agreement, it shall be effective,
21 retroactively, as of the effective date of such change. In either event, if the amendment changes the interests of any parties in the
22 Contract Area, the accounts of the affected parties shall be thus adjusted.
23 2. If a proposed amendment to Exhibit “A” results in an increase or decrease in the percentage of ownership of one or more parties,
24 Operator shall amend Exhibit “A” and shall notify all consenting parties of any recalculation or adjustment of the parties working
25 interest.
26 3. Whenever any amendment is made to Exhibit “A,” Operator shall promptly furnish each party with a copy of the amended
27 Exhibit “A,” together with a copy of the attorney’s opinion upon which such amendment is based, when applicable, irrespective
28 of whether such party is affected by the amendment.
29

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

36 IN WITNESS WHEREOF, this agreement shall be effective as of the ____ day of ____, 2022.

37 EOG Resources, Inc., who has prepared and circulated this form for execution, represents and warrants
38 that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form
39 Operating Agreement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or
40 modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in
41 Articles _____, have been made to the form.
42

43 **ATTEST OR WITNESS:**

44 **OPERATOR**

45 **EOG RESOURCES, INC.**

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Tax ID or S.S. No. _____

ACKNOWLEDGMENTS

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts.
2 The validity and effect of these forms in any state will depend upon the statutes of that state.
3

4 Corporate Acknowledgment:
5

6 State of _____)
7) ss.
8 County of _____)
9

10 This instrument was acknowledged before me on _____, 2022 by
11 _____, as _____ of EOG Resources, Inc., a Delaware corporation.
12

13 (Seal, if any) _____
14

15 My commission expires: _____
16

17 Acknowledgment in representative capacity:
18

19 State of _____)
20) ss.
21 County of _____)
22

23 This instrument was acknowledged before me on _____, 2022 by
24 _____, as _____ of _____, a _____ corporation.
25

26 (Seal, if any) _____
27

28 My commission expires: _____
29

30 State of _____)
31) ss.
32 County of _____)
33

34 This instrument was acknowledged before me on _____, 2022 by
35 _____, as _____ of _____, a _____ corporation.
36

37 (Seal, if any) _____
38

39 My commission expires: _____
40

41 State of _____)
42) ss.
43 County of _____)
44

45 This instrument was acknowledged before me on _____, 2022 by
46 _____, as _____ of _____, a _____ corporation.
47

48 (Seal, if any) _____
49

50 My commission expires: _____
51

52 State of _____)
53) ss.
54 County of _____)
55

56 This instrument was acknowledged before me on _____, 2022
57

58 by _____, as _____ of _____, a
59 _____ company.
60

61 (Seal, if any) _____
62

63 My commission expires: _____
64

EXHIBIT "A"

Attached to and made part of that certain Operating Agreement dated _____, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Xavier HFP07 A Unit.

1. **Description of lands subject to this agreement:**

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

2. **Restrictions, if any, as to depths, formations or substances:**

This Agreement shall cover the Contract Area shown on Exhibit "A-1" from fifty feet above the top of the Utica Shale to fifty feet below the base of the Point Pleasant interval (as more particularly defined in Article 1 of the Unit Agreement).

3. **Oil and gas leases and/or oil and gas interests subject to this Agreement:***

The owners and interests of the owners are set forth in Exhibits "A-2" and "A-6," attached hereto.

4. **Oil and Gas Leases and/or Oil and Gas Interests subject to this Agreement:**

<u>Operator</u>	<u>Working Interest</u>
EOG Resources, Inc.	66.313155%
<u>Non-Operator</u>	
B&B Appalachia, LLC	4.178658%
Ascent Resources – Utica, LLC	13.939866%
RHDK Oil & Gas, LLC	4.646622%
Unleased Mineral Owners (See Exhibit "A-3")	<u>10.921700%</u>
<u>TOTAL:</u>	<u>100%</u>

5. **Addresses of parties for notice purposes:**

EOG Resources, Inc.
14701 Bogert Parkway
Oklahoma City, OK 73134-2646
Attention: Chuck Walton, Division Land Manager

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.

* The working interests listed in this Unit Operating Agreement (and any attachments hereto) are estimates only and are subject to change based upon final verification of title, due diligence, additional leasehold acquired within the Contract Area, and/or the participation of non-participation of unleased mineral interests and/or third parties. The parties' interests shall be adjusted to reflect the actual interest owned by the parties in the Contract Area.

Exhibit A-1

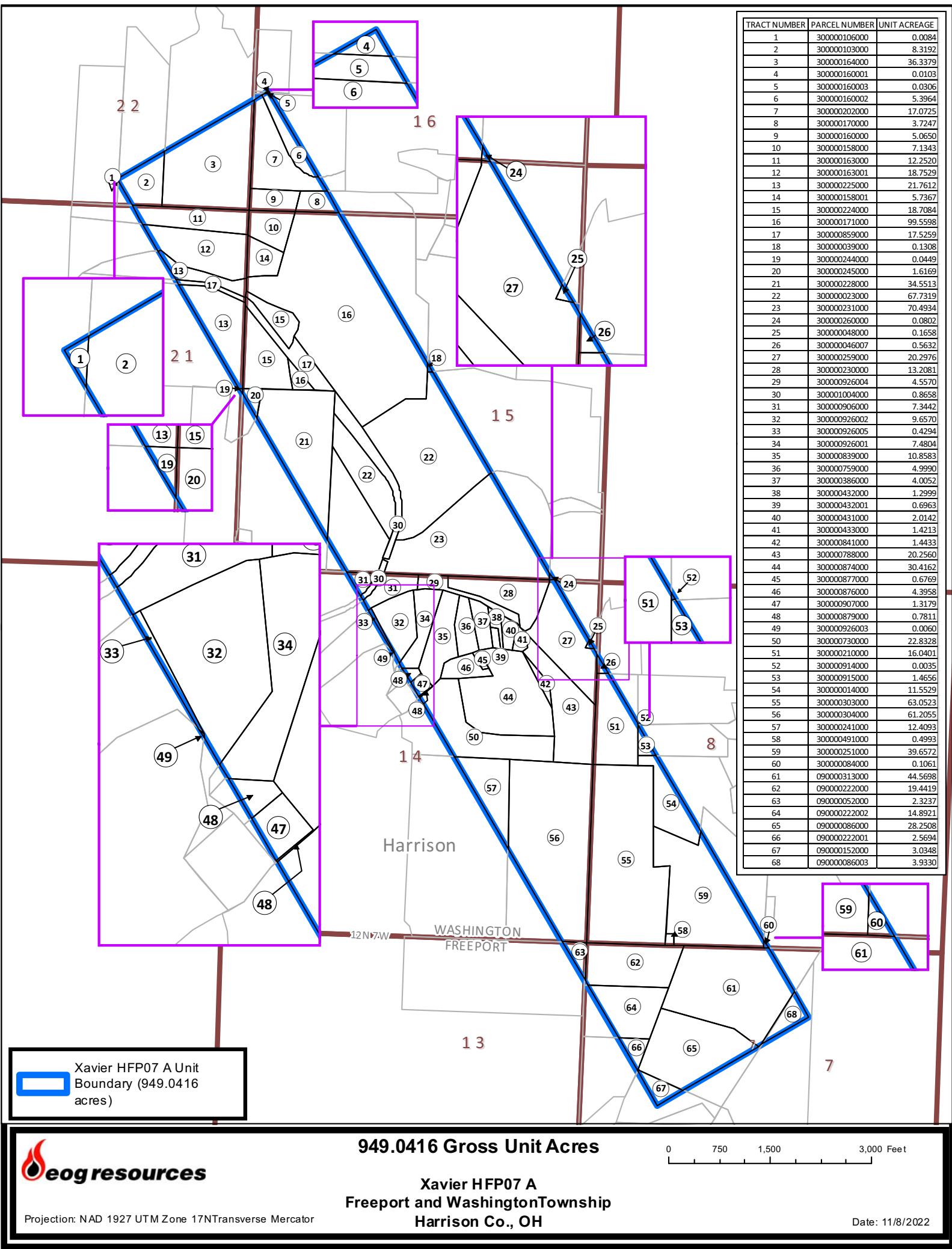


Exhibit A-2
All Mineral Owners in the proposed Xavier HFP07 A Unit

Tract Number	Lease ID Number (optional)	Mineral Owner	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit	Tract Participation in Unit	Tax Map Parcel ID	Township	County	Consenting Working Interest Percentage	Applicant Working Interest Percentage	B&B APPALACHIA, LLC Working Interest Percentage	Ascent Resources - Utica, LLC Working Interest Percentage	RHDK Oil & Gas, LLC Working Interest Percentage	Address	City	State	Zip
1	N/A	RHDK INVESTMENTS, LLC	YES	0.66666667	0.00560000	0.00000590	30-0000106.000	WASHINGTON	HARRISON	0.00000590	0.00000000	0.00000000	0.00000000	0.00000000	3596 STATE ROUTE 39 NW	DOVER	OH	44622
1	N/A	THOMAS HODKINSON	YES	0.08333333	0.00700000	0.00000074	30-0000106.000	WASHINGTON	HARRISON	0.00000074	0.00000000	0.00000000	0.00000000	0.00000000	27440 FRIENDLY RIDGE RD	TIPPECANOE	OH	44699
1	N/A	MICHAEL HODKINSON	YES	0.04166667	0.00035000	0.00000037	30-0000106.000	WASHINGTON	HARRISON	0.00000037	0.00000000	0.00000000	0.00000000	0.00000000	700 E HIGH AVE	NEW	OH	44663
1	N/A	JAMES LEE WILLISON, A/K/A JAMES LEE WILLISON, SR. & MELINDA JEAN WILLISON, HUSBAND & WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	YES	0.02777778	0.00023333	0.00000025	30-0000106.000	WASHINGTON	HARRISON	0.00000025	0.00000000	0.00000000	0.00000000	0.00000000	29015 MILARCIK RD	TIPPECANOE	OH	44699
1	N/A	GRACE A. SEIBERT	YES	0.02777778	0.00023333	0.00000025	30-0000106.000	WASHINGTON	HARRISON	0.00000025	0.00000000	0.00000000	0.00000000	0.00000000	3521 IRISH RUN RD SE	DENNISON	OH	44621
1	N/A	JOY ANDRETTA	YES	0.02777778	0.00023333	0.00000025	30-0000106.000	WASHINGTON	HARRISON	0.00000025	0.00000000	0.00000000	0.00000000	0.00000000	3945 AVILLA PL	CINCINNATI	OH	45212
1	N/A	TIM J. WILLISON	YES	0.02777778	0.00023333	0.00000025	30-0000106.000	WASHINGTON	HARRISON	0.00000025	0.00000000	0.00000000	0.00000000	0.00000000	4775 MAPLE GROVE RD SE	UHRIECHSVILLE	OH	44683
1	N/A	KEVIN HODKINSON	YES	0.01388889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	62183 FORESTVIEW DR	QUAKER CITY	OH	43773
1	N/A	JASON HODKINSON	YES	0.01388889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	425 3RD ST	CAMBRIDGE	OH	43725
1	N/A	TAMMY VANFOSSEN	YES	0.00925926	0.00007778	0.00000008	30-0000106.000	WASHINGTON	HARRISON	0.00000008	0.00000000	0.00000000	0.00000000	0.00000000	519 EAST 12TH ST	UHRIECHSVILLE	OH	44683
1	N/A	WENDY OWENS	YES	0.00925926	0.00007778	0.00000008	30-0000106.000	WASHINGTON	HARRISON	0.00000008	0.00000000	0.00000000	0.00000000	0.00000000	45540 12TH ST	UHRIECHSVILLE	OH	44625
1	N/A	LIMPE WILLISON	YES	0.00925926	0.00007778	0.00000008	30-0000106.000	WASHINGTON	HARRISON	0.00000008	0.00000000	0.00000000	0.00000000	0.00000000	10712 STATE ROUTE 258 SE	UHRIECHSVILLE	OH	44693
1	N/A	BRENT SEIBERT	YES	0.00694444	0.00005833	0.00000006	30-0000106.000	WASHINGTON	HARRISON	0.00000006	0.00000000	0.00000000	0.00000000	0.00000000	3726 EASTPORT RD SE	DENNISON	OH	44621
1	N/A	ERIC SEIBERT	YES	0.00694444	0.00005833	0.00000006	30-0000106.000	WASHINGTON	HARRISON	0.00000006	0.00000000	0.00000000	0.00000000	0.00000000	4315 LAKESHORE CIR NW	MASILLION	OH	44646
1	N/A	BROOKE ANDRETTA	YES	0.00694444	0.00005833	0.00000006	30-0000106.000	WASHINGTON	HARRISON	0.00000006	0.00000000	0.00000000	0.00000000	0.00000000	11 RIDGEWAY CT	HOWARD	OH	43028
1	N/A	ANDREW ANDRETTA	YES	0.00694444	0.00005833	0.00000006	30-0000106.000	WASHINGTON	HARRISON	0.00000006	0.00000000	0.00000000	0.00000000	0.00000000	507 E 87TH ST APT 1E	NEW YORK	NY	10288
2	N/A	THOMAS HODKINSON & LINNA HODKINSON, HUSBAND & WIFE, AS JOINT TENANTS AND NOT AS TENANTS IN COMMON	YES	0.33333333	2.77306565	0.0029197	30-0000103.000	WASHINGTON	HARRISON	0.0029197	0.0029197	0.00000000	0.00000000	0.00000000	27440 FRIENDLY RIDGE RD	TIPPECANOE	OH	44699
2	N/A	GRACE A. SEIBERT	YES	0.05555556	0.46217782	0.00048699	30-0000103.000	WASHINGTON	HARRISON	0.00048699	0.0048699	0.00000000	0.00000000	0.00000000	3521 IRISH RUN RD SE	DENNISON	OH	44621
2	N/A	JOY ANDRETTA	YES	0.05555556	0.46217782	0.00048699	30-0000103.000	WASHINGTON	HARRISON	0.00048699	0.0048699	0.00000000	0.00000000	0.00000000	3945 AVILLA PL	CINCINNATI	OH	45212
2	N/A	TIM J. WILLISON	YES	0.05555556	0.46217782	0.00048699	30-0000103.000	WASHINGTON	HARRISON	0.00048699	0.0048699	0.00000000	0.00000000	0.00000000	4775 MAPLE GROVE RD SE	UHRIECHSVILLE	OH	44683
2	N/A	TAMMY VANFOSSEN	YES	0.01888889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	519 EAST 12TH ST	UHRIECHSVILLE	OH	44683
2	N/A	WENDY OWENS	YES	0.01888889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	68931 PENNYROYAL RD	QUAKER CITY	OH	43773
2	N/A	AIMEE WILLISON	YES	0.01888889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	204 TAYLOR AVE	DENNISON	OH	44621
2	N/A	BRENT SEIBERT	YES	0.01888889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	4315 LAKESHORE CIR NW	MASILLION	OH	44646
2	N/A	ERICK ANDRETTA	YES	0.01888889	0.00011667	0.00000012	30-0000106.000	WASHINGTON	HARRISON	0.00000012	0.00000000	0.00000000	0.00000000	0.00000000	11 RIDGEWAY CT	HOWARD	OH	43028
2	N/A	ANDREW ANDRETTA	YES	0.00694444	0.00005833	0.00000006	30-0000106.000	WASHINGTON	HARRISON	0.00000006	0.00000000	0.00000000	0.00000000	0.00000000	507 E 87TH ST APT 1E	NEW YORK	NY	10288
3	N/A	JAMES LEE WILLISON & LINNA HODKINSON, HUSBAND & WIFE, AS JOINT TENANTS	YES	0.33333333	2.77306565	0.0029197	30-0000103.000	WASHINGTON	HARRISON	0.0029197	0.0029197	0.00000000	0.00000000	0.00000000	27440 FRIENDLY RIDGE RD	TIPPECANOE	OH	44699
3	N/A	RHDK INVESTMENTS, LLC	YES	0.33333333	2.77306565	0.0029197	30-0000103.000	WASHINGTON	HARRISON	0.0029197	0.0029197	0.00000000	0.00000000	0.00000000	3596 STATE ROUTE 39 NW	DOVER	OH	44622
3	N/A	MICHAEL A. MALARICK, TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MALARICK, M. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	36.33790000	0.03828905	30-0000164.000	WASHINGTON	HARRISON	0.03828905	0.03828905	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
4	N/A	MICHAEL A. MALARICK, TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MALARICK, M. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	0.01030000	0.000001085	30-0000160.001	WASHINGTON	HARRISON	0.000001085	0.000001085	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
5	N/A	MICHAEL A. MALARICK, TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MALARICK, M. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	NO	1.00000000	0.03060000	0.000003224	30-0000160.003	WASHINGTON	HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
6	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	5.39640000	0.00568616	30-0000160.002	WASHINGTON	HARRISON	0.00568616	0.00568616	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
7	N/A	JAMES LEE WILLISON & MELINDA JEAN WILLISON, HUSBAND AND WIFE FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.00000000	17.07250000	0.01798920	30-0000202.000	WASHINGTON	HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	TIPPECANOE	OH	44699
8	N/A	M. ALLEN MALARICK, A/K/A MICHAEL A. MALARICK	YES	1.00000000	3.72470000	0.00392470	30-0000170.000	WASHINGTON	HARRISON	0.00392470	0.00392470	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	NEW	OH	44663
9	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	5.06500000	0.00533696	30-0000160.000	WASHINGTON	HARRISON	0.00533696	0.00533696	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
10	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	7.13430000	0.00751737	30-0000158.000	WASHINGTON	HARRISON	0.00751737	0.00751737	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
11	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	12.25200000	0.01290987	30-0000163.000	WASHINGTON	HARRISON	0.01290987	0.01290987	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
12	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	18.75290000	0.01975983	30-0000163.001	WASHINGTON	HARRISON	0.01975983	0.01975983	0.00000000	0.00000000	0.00000000	2754 PINE DR NE	PHILADELPHIA	OH	44663
13	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	10.88600000	0.01146483	30-0000225.000	WASHINGTON	HARRISON	0.01146483	0.01146483	0.00000000	0.00000000	0.00000000	29500 FRIENDLY RIDGE RD NE	TIPPECANOE	OH	44699
13	N/A	LAWRENCE DELMAR PHILLIPS	YES	1.00000000	10.88600000	0.01146483	30-0000225.000	WASHINGTON	HARRISON	0.01146483	0.01146483	0.00000000	0.00000000	0.00000000	29500 FRIENDLY RIDGE RD NE	TIPPECANOE	OH	44699
14	N/A	MICHAEL A. MALARICK, SR. LIVING TRUST DATED AUGUST 8, 2007	YES	1.00000000	5.73670000	0.00604473	30-0000158.001	WASHINGTON	HARRISON</td									

31	N/A	FOUR HC UTICA LLC	YES	0.03330000	0.24456186	0.00025769	30-0000906.000	WASHINGTON HARRISON	0.00025769	0.00025769	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1520	DALLAS	TX	75206
31	N/A	TREJAS RESOURCES	YES	0.00500000	0.03672100	0.00003869	30-0000906.000	WASHINGTON HARRISON	0.00003869	0.00003869	0.00000000	0.00000000	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126
31	N/A	FIRST RANGER CAPITAL, LLC	YES	0.00500000	0.03672100	0.00003869	30-0000906.000	WASHINGTON HARRISON	0.00003869	0.00003869	0.00000000	0.00000000	7045 ASPEN WOOD TRAIL	FT. WORTH	TX	76132
32	N/A	FLATIRON ENERGY PARTNERS, LLC	YES	0.14000000	1.35198000	0.000142457	30-0000926.002	WASHINGTON HARRISON	0.00142457	0.00142457	0.00000000	0.00000000	5646 MILTON ST #900	DALLAS	TX	75206
32	N/A	COOPER ISLAND INVESTMENTS, LLC	YES	0.25000000	2.41425000	0.000254388	30-0000926.002	WASHINGTON HARRISON	0.00254388	0.00254388	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1350	DALLAS	TX	75206
32	N/A	HIGHPOINT ENERGY, VI	YES	0.56670000	5.47262190	0.000576647	30-0000926.002	WASHINGTON HARRISON	0.00576647	0.00576647	0.00000000	0.00000000	2236 CAHABA VALLEY RD., STE. 100	BIRMINGHAM	AL	35342
32	N/A	FOUR HC UTICA LLC	YES	0.03330000	0.32157810	0.00003885	30-0000926.002	WASHINGTON HARRISON	0.0003885	0.0003885	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1520	DALLAS	TX	75206
32	N/A	TREJAS RESOURCES	YES	0.00500000	0.04828500	0.00005088	30-0000926.002	WASHINGTON HARRISON	0.00005088	0.00005088	0.00000000	0.00000000	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126
32	N/A	FIRST RANGER CAPITAL, LLC	YES	0.00500000	0.04828500	0.00005088	30-0000926.002	WASHINGTON HARRISON	0.00005088	0.00005088	0.00000000	0.00000000	7045 ASPEN WOOD TRAIL	FT. WORTH	TX	76132
33	N/A	FLATIRON ENERGY PARTNERS, LLC	YES	0.14000000	0.06011600	0.00006334	30-0000926.005	WASHINGTON HARRISON	0.00006334	0.00006334	0.00000000	0.00000000	5646 MILTON ST #900	DALLAS	TX	75206
33	N/A	COOPER ISLAND INVESTMENTS, LLC	YES	0.25000000	0.10735000	0.00011311	30-0000926.005	WASHINGTON HARRISON	0.00011311	0.00011311	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1350	DALLAS	TX	75206
33	N/A	HIGHPOINT ENERGY, VI	YES	0.56670000	0.24334098	0.00025641	30-0000926.005	WASHINGTON HARRISON	0.00025641	0.00025641	0.00000000	0.00000000	2236 CAHABA VALLEY RD., STE. 100	BIRMINGHAM	AL	35342
33	N/A	FOUR HC UTICA LLC	YES	0.03330000	0.01429902	0.00001507	30-0000926.005	WASHINGTON HARRISON	0.00001507	0.00001507	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1520	DALLAS	TX	75206
33	N/A	TREJAS RESOURCES	YES	0.00500000	0.00214700	0.00000226	30-0000926.005	WASHINGTON HARRISON	0.00000226	0.00000226	0.00000000	0.00000000	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126
33	N/A	FLATIRON ENERGY PARTNERS, LLC	YES	0.06500000	0.00214700	0.00000226	30-0000926.005	WASHINGTON HARRISON	0.00000226	0.00000226	0.00000000	0.00000000	7045 ASPEN WOOD TRAIL	FT. WORTH	TX	76132
34	N/A	JOINT TENANTS WITH RIGHT OF SURVIVORSHIP AND NOT AS TENANTS IN COMMON	YES	1.00000000	7.48040000	0.00788206	30-0000926.001	WASHINGTON HARRISON	0.00788206	0.00788206	0.00000000	0.00000000	7850 KINSEY ORCHARD RD	FREEPORT	OH	43973
34	N/A	JOINT TENANTS WITH RIGHT OF SURVIVORSHIP AND NOT AS TENANTS IN COMMON	YES	1.00000000	10.85830000	0.01144133	30-0000939.000	WASHINGTON HARRISON	0.01144133	0.01144133	0.00000000	0.00000000	7850 KINSEY ORCHARD RD	FREEPORT	OH	43973
35	N/A	SHANNON DUDA	YES	1.00000000	4.99900000	0.00526742	30-0000759.000	WASHINGTON HARRISON	0.00526742	0.00526742	0.00000000	0.00000000	7860 KINSEY ORCHARD RD	FREEPORT	OH	43973
37	N/A	FLATIRON ENERGY PARTNERS, LLC	NO	0.14000000	0.56072800	0.00005984	30-0000866.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	5646 MILTON ST #900	DALLAS	TX	75206
37	N/A	COOPER ISLAND INVESTMENTS, LLC	NO	0.25000000	1.00130000	0.00015056	30-0000866.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY, STE.1350	DALLAS	TX	75206
37	N/A	HIGHPOINT ENERGY, VI	NO	0.56670000	2.26974684	0.00239162	30-0000866.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	2236 CAHABA VALLEY RD., STE. 100	BIRMINGHAM	AL	35342
37	N/A	FOUR HC UTICA LLC	NO	0.03330000	0.13337316	0.00014053	30-0000866.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	5910 NORTH CENTRAL EXPRESSWAY, STE. 1520	DALLAS	TX	75206
37	N/A	TREJAS RESOURCES	NO	0.00500000	0.02002600	0.00002110	30-0000866.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126
37	N/A	FIRST RANGER CAPITAL, LLC	YES	0.00500000	0.02002600	0.00002110	30-0000866.000	WASHINGTON HARRISON	0.00002110	0.00002110	0.00000000	0.00000000	7045 ASPEN WOOD TRAIL	FT. WORTH	TX	76132
38	N/A	RONALD ENGSTROM	YES	1.00000000	1.29990000	0.00136970	30-0000432.001	WASHINGTON HARRISON	0.00136970	0.00136970	0.00000000	0.00000000	7860 KINSEY ORCHARD RD	FREEPORT	OH	43973
39	N/A	8 GB, LLC, AN OHIO LIMITED LIABILITY COMPANY	YES	1.00000000	0.69630000	0.00073369	30-0000432.000	WASHINGTON HARRISON	0.00073369	0.00073369	0.00000000	0.00000000	PO BOX 655	NEWCOMERSTOWN	OH	43832
40	N/A	8 GB, LLC, AN OHIO LIMITED LIABILITY COMPANY	YES	1.00000000	2.01420000	0.000212235	30-0000431.000	WASHINGTON HARRISON	0.000212235	0.000212235	0.00000000	0.00000000	PO BOX 655	NEWCOMERSTOWN	OH	43832
41	N/A	SAMUEL W. FERRELL	YES	0.25000000	0.35532500	0.00037440	30-0000433.000	WASHINGTON HARRISON	0.00037440	0.00037440	0.00000000	0.00000000	9444 LOUISVILLE ST	LOUISVILLE	LA	44641
41	N/A	JEFFREY J. FERRELL	YES	0.25000000	0.35532500	0.00037440	30-0000433.000	WASHINGTON HARRISON	0.00037440	0.00037440	0.00000000	0.00000000	7790 KINSEY ORCHARD RD	FREEPORT	OH	43973
41	N/A	JUDY K. SOEHNLEN	YES	0.25000000	0.35532500	0.00037440	30-0000433.000	WASHINGTON HARRISON	0.00037440	0.00037440	0.00000000	0.00000000	971 BATTLESBURG ST SW	EAST SPARTA	OH	44626
41	N/A	MARSHA J. FERRELL	YES	0.25000000	0.35532500	0.00037440	30-0000433.000	WASHINGTON HARRISON	0.00037440	0.00037440	0.00000000	0.00000000	111 N PHILADELPHIA ST	FREEPORT	OH	43973
42	N/A	PATRICK J. PETERSON & CHRISTINE PETERSON, FOR THEIR JOINT LIVES, REMAINDER TO	NO	1.00000000	1.44330000	0.00152080	30-0000841.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	103 ROGERS CT	HOMESTEAD	PA	15120
42	N/A	PATRICK J. PETERSON & CHRISTINE PETERSON, FOR THEIR JOINT LIVES, REMAINDER TO	NO	1.00000000	2.02560000	0.00214564	30-0000841.000	WASHINGTON HARRISON	0.00000000	0.00000000	0.00000000	0.00000000	103 ROGERS CT	HOMESTEAD	PA	15120
43	N/A	HELIOS ROYALTY COMPANY, A LOUISIANA LIMITED LIABILITY COMPANY	YES	0.30000000	9.12486000	0.00961482	30-0000874.000	WASHINGTON HARRISON	0.00961482	0.00961482	0.00000000	0.00000000	1100 LOUISIANA	NEW ORLEANS	LA	70130
44	N/A	WALTER PRODUCTION, INC.	YES	0.30000000	9.12486000	0.00961482	30-0000874.000	WASHINGTON HARRISON	0.00961482	0.00961482	0.00000000	0.00000000	ST. 200	HOUSTON	TX	77002
44	N/A	COOPER ISLAND INVESTMENTS, LLC	YES	0.25000000	7.60405000	0.008001235	30-0000874.000	WASHINGTON HARRISON	0.008001235	0.008001235	0.00000000	0.00000000	5910 N. CENTRAL EXPRESSWAY STE 1350	DALLAS	TX	75206
44	N/A	WIND RIVER RESOURCES, INC.	YES	0.07500000	2.28121500	0.00240370	30-0000874.000	WASHINGTON HARRISON	0.00240370	0.00240370	0.00000000	0.00000000	PO BOX 2944	CASPER	WY	82602
44	N/A	OGI, INC.	YES	0.07500000	2.28121500	0.00240370	30-0000874.000	WASHINGTON HARRISON	0.00240370	0.00240370	0.00000000	0.00000000	841 HERSHC AVE	PAGOSA SPRINGS	CO	81147
45	N/A	ROBERT MONTGOMERY, JR.	YES	0.50000000	0.33845000	0.00035662	30-0000877.000	WASHINGTON HARRISON	0.00035662	0.00035662	0.00000000	0.00000000	7865 KINSEY ORCHARD RD	FREEPORT	OH	43973
45	N/A	ESTATE OF DEBRA L. MONTGOMERY, DECEASED	YES	0.50000000	0.33845000	0.00035662	30-0000877.000	WASHINGTON HARRISON	0.00035662	0.00035662	0.00000000	0.00000000	7865 KINSEY ORCHARD RD	FREEPORT	OH	43973
46	N/A	DONALD J. ROLLIC	YES	1.00000000	4.39580000	0.00463183	30-0000876.000	WASHINGTON HARRISON	0.00463183	0.00463183	0.00000000	0.00000000	7865 KINSEY ORCHARD RD	FREEPORT	OH	43973
47	N/A	BUELL EDWARD HALL, SETTLOR AND TRUSTEE OF THE BUEL EDWARD HALL AND ELEANOR G. HALL REVOCABLE LIVING TRUST DATED JANUARY 6, 2004, AS AMENDED JULY 10, 2014	YES	1.00000000	1.31790000	0.00138866	30-0000907.000	WASHINGTON HARRISON	0.00138866	0.00138866	0.00000000	0.00000000	902 IMAGINE LN	MEDINA	OH	44256
48	N/A	BUELL EDWARD HALL, SETTLOR AND TRUSTEE OF THE BUEL EDWARD HALL AND ELEANOR G. HALL REVOCABLE LIVING TRUST DATED JANUARY 6, 2004, AS AMENDED JULY 10, 2014	YES	1.00000000	0.78110000	0.00082304	30-0000879.000	WASHINGTON HARRISON	0.00082304	0.00082304	0.00000000	0.00000000	902 IMAGINE LN	MEDINA	OH	44256
49	N/A	JACK A. WHITNEY & ZACHARY A. WHITNEY, FATHER AND SON, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR	YES	0.50000000	0.00300000	0.00000316	30-0000926.003	WASHINGTON HARRISON	0.00000316	0.00000316	0.00000000	0.00000000	13419 MAPLE RD	THORNVILLE	OH	43076
49	N/A	J&M WILSON HOLDINGS, LLC	YES	0.50000000	0.00300000	0.00000316	30-0000926.003	WASHINGTON HARRISON	0.00000316	0.00000316	0.00000000	0.00000000	7790 KINSEY ORCHARD RD	FREEPORT	OH	43973
50	N/A	DENNIS H. HAROLD & LORETTA M. HAROLD, CO-TRUSTEES OF THE DENNIS H. HAROLD REVOCABLE TRUST DATED OCTOBER 18, 2016	NO	1.00000000	2.28328000	0.										

Exhibit A-3
All Unleased Mineral Owners in the proposed Xavier HFP07 A Unit

Tract Number	Lease ID Number (optional)	Mineral Owner	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit	Tract Participation in Unit	Tax Map Parcel ID	Tract Surface Use	Township	County	Address	City	State	Zip
5	N/A	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	NO	1.00000000	0.03060000	0.00003224	30-0000160.003	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	3076 PLEASANT VALLEY RD NW	NEW PHILADELPHIA	OH	44663
7	N/A	JAMES LEE WILLISON & MELINDA JEAN WILLISON, HUSBAND AND WIFE FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.00000000	17.07250000	0.01798920	30-0000202.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	29015 MILARCIK RD	TIPPECANOE	OH	44699
17	N/A	CSX TRANSPORATION, INC.	NO	1.00000000	14.91240000	0.01571312	30-0000859.000	VACANT	WASHINGTON	HARRISON	500 WATER ST, 15TH FLOOR	JACKSONVILLE	FL	32202
18	N/A	MARTHA L. CHANEY & JAMES K. CHANEY, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.00000000	0.13080000	0.00013782	30-0000039.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	30100 CHANEY RD	TIPPECANOE	OH	44699
19	N/A	LAWRENCE DELMAR PHILLIPS	NO	1.00000000	0.04490000	0.00004731	30-0000244.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	28950 FRIENDLY RIDGE RD	TIPPECANOE	OH	44699
20	N/A	LAWRENCE DELMAR PHILLIPS	NO	1.00000000	1.61690000	0.00170372	30-0000245.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	28950 FRIENDLY RIDGE RD	TIPPECANOE	OH	44699
25	N/A	GOLDEN EAGLE RESOURCES II, LLC	NO	1.00000000	0.16580000	0.00017470	30-0000048.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	600 JEFFERSON STREET STE 2000	HOUSTON	TX	77002
26	N/A	GOLDEN EAGLE RESOURCES II, LLC	NO	1.00000000	0.56320000	0.00059344	30-0000046.007	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	600 JEFFERSON STREET STE 2000	HOUSTON	TX	77002
29	N/A	FLATIRON ENERGY PARTNERS, LLC	NO	0.14000000	0.63798000	0.00067224	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	PO BOX 601559	DALLAS	TX	75360
29	N/A	COOPER ISLAND INVESTMENTS, LLC	NO	0.25000000	1.13925000	0.00120042	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	5910 N. CENTRAL EXPRESSWAY, STE.1350	DALLAS	TX	75206
29	N/A	HIGHPOINT ENERGY, VI	NO	0.56670000	2.58245190	0.00272112	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	2236 CAHABA VALLEY RD., STE. 100	BIRMINGHAM	AL	35342
29	N/A	FOUR HC UTICA LLC	NO	0.03330000	0.15174810	0.00015990	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	5910 N. CENTRAL EXPRESSWAY, STE.1520	DALLAS	TX	75206
29	N/A	TEJAS RESOURCES, LLS	NO	0.00500000	0.02278500	0.00002401	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126
29	N/A	FIRST RANGER CAPITAL, LLC	NO	0.00500000	0.02278500	0.00002401	30-0000926.004	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	7045 ASPEN WOOD TRAIL	FT. WORTH	TX	76132
37	N/A	FLATIRON ENERGY PARTNERS, LLC	NO	0.14000000	0.56072800	0.00059084	30-0000386.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	PO BOX 601559	DALLAS	TX	75360
37	N/A	COOPER ISLAND INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY	NO	0.25000000	1.00130000	0.00105506	30-0000386.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	5910 NORTH CENTRAL EXPRESSWAY, STE. 1350	DALLAS	TX	75206
37	N/A	HIGHPOINT ENERGY, VI	NO	0.56670000	2.26974684	0.00239162	30-0000386.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	2236 CAHABA VALLEY RD., STE. 10	BIRMINGHAM	AL	35342
37	N/A	FOUR HC UTICA LLC	NO	0.03330000	0.13337316	0.00014053	30-0000386.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	5910 NORTH CENTRAL EXPRESSWAY, STE. 1520	DALLAS	TX	75206
37	N/A	TREJAS RESOURCES	NO	0.00500000	0.02002600	0.00002110	30-0000386.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	8351 DEERWOOD FOREST DR.	FT. WORTH	TX	76126

42	N/A	PATRICK PETERSON & CHRISTINE PETERSON, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.0000000	1.4433000	0.00152080	30-0000841.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	103 ROGERS	HOMESTEAD	PA	15120
43	N/A	PATRICK PETERSON & CHRISTINE PETERSON, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.0000000	20.2560000	0.02134364	30-0000788.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	103 ROGERS	HOMESTEAD	PA	15120
50	N/A	DENNIS H. HAROLD & LORETTA M. HAROLD, CO-TRUSTEES OF THE DENNIS H. HAROLD REVOCABLE TRUST DATED OCTOBER 18, 2016	NO	1.0000000	22.8328000	0.02405880	30-0000730.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	2094 DELAWARE RD	AKRON	OH	44312
51	N/A	PATRICK PETERSON & CHRISTINE PETERSON, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	NO	1.0000000	16.0401000	0.01690137	30-0000210.000	AGRICULTURE/RESIDENTIAL	WASHINGTON	HARRISON	103 ROGERS	HOMESTEAD	PA	15120

Total Unleased Acres: 103.65147400	Total: 0.10921700
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Acres: 949.0416000

Exhibit A-4
All Consenting Working Interest Owners in the proposed Xavier HFP07 A Unit

Tract Number	Consenting Working Interest Owner	Address	City	State	Zip	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit	Tract Participation in Unit	Tax Map Parcel ID	Township	County
1	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.00840000	0.00000885	30-0000106.000	WASHINGTON	HARRISON
2	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	8.31920000	0.00876590	30-0000103.000	WASHINGTON	HARRISON
3	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	36.33790000	0.03828905	30-0000164.000	WASHINGTON	HARRISON
4	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.01030000	0.00001085	30-0000160.001	WASHINGTON	HARRISON
6	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	5.39640000	0.00568616	30-0000160.002	WASHINGTON	HARRISON
8	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	3.72470000	0.00392470	30-0000170.000	WASHINGTON	HARRISON
9	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	5.06500000	0.00533696	30-0000160.000	WASHINGTON	HARRISON
10	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	7.13430000	0.00751737	30-0000158.000	WASHINGTON	HARRISON
11	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	12.25200000	0.01290987	30-0000163.000	WASHINGTON	HARRISON
12	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	18.75290000	0.01975983	30-0000163.001	WASHINGTON	HARRISON
13	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	21.76120000	0.02292966	30-0000225.000	WASHINGTON	HARRISON
14	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	5.73670000	0.00604473	30-0000158.001	WASHINGTON	HARRISON
15	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	18.70840000	0.01971294	30-0000224.000	WASHINGTON	HARRISON
16	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	99.55980000	0.10490562	30-0000171.000	WASHINGTON	HARRISON
17	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	2.61350000	0.00275383	30-0000859.000	WASHINGTON	HARRISON
21	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	34.55130000	0.03640652	30-0000228.000	WASHINGTON	HARRISON
22	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	67.73190000	0.07136874	30-0000023.000	WASHINGTON	HARRISON
23	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	70.49340000	0.07427851	30-0000231.000	WASHINGTON	HARRISON
24	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.08020000	0.00008451	30-0000260.000	WASHINGTON	HARRISON
27	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	20.29760000	0.02138747	30-0000259.000	WASHINGTON	HARRISON
28	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	13.20810000	0.01391730	30-0000230.000	WASHINGTON	HARRISON

30	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.86580000	0.00091229	30-0001004.000	WASHINGTON	HARRISON
31	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	7.34420000	0.00773854	30-0000906.000	WASHINGTON	HARRISON
32	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	9.65700000	0.01017553	30-0000926.002	WASHINGTON	HARRISON
33	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.42940000	0.00045246	30-0000926.005	WASHINGTON	HARRISON
34	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	7.48040000	0.00788206	30-0000926.001	WASHINGTON	HARRISON
35	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	10.85830000	0.01144133	30-0000839.000	WASHINGTON	HARRISON
36	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	4.99900000	0.00526742	30-0000759.000	WASHINGTON	HARRISON
37	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	0.00500000	0.02002600	0.00002110	30-0000386.000	WASHINGTON	HARRISON
38	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	1.29990000	0.00136970	30-0000432.000	WASHINGTON	HARRISON
39	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.69630000	0.00073369	30-0000432.001	WASHINGTON	HARRISON
40	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	2.01420000	0.00212235	30-0000431.000	WASHINGTON	HARRISON
41	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	1.42130000	0.00149762	30-0000433.000	WASHINGTON	HARRISON
44	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	30.41620000	0.03204939	30-0000874.000	WASHINGTON	HARRISON
45	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.67690000	0.00071325	30-0000877.000	WASHINGTON	HARRISON
46	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	4.39580000	0.00463183	30-0000876.000	WASHINGTON	HARRISON
47	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	1.31790000	0.00138866	30-0000907.000	WASHINGTON	HARRISON
48	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.78110000	0.00082304	30-0000879.000	WASHINGTON	HARRISON
49	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.00600000	0.00000632	30-0000926.003	WASHINGTON	HARRISON
52	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.00350000	0.00000369	30-0000914.000	WASHINGTON	HARRISON
53	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	1.46560000	0.00154429	30-0000915.000	WASHINGTON	HARRISON
54	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	11.55290000	0.01217323	30-0000014.000	WASHINGTON	HARRISON
55	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	35.46691875	0.03737130	30-0000303.000	WASHINGTON	HARRISON
55	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	11.82230625	0.01245710	30-0000303.000	WASHINGTON	HARRISON

56	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	34.42809375	0.03627670	30-0000304.000	WASHINGTON	HARRISON
56	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	11.47603125	0.01209223	30-0000304.000	WASHINGTON	HARRISON
58	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	0.37447500	0.00039458	30-0000491.000	WASHINGTON	HARRISON
58	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	0.12482500	0.00013153	30-0000491.000	WASHINGTON	HARRISON
60	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	0.10610000	0.00011180	30-0000084.000	WASHINGTON	HARRISON
61	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	44.56980000	0.04696296	09-0000313.000	FREEPORT	HARRISON
62	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	14.58142500	0.01536437	09-0000222.000	FREEPORT	HARRISON
62	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	4.86047500	0.00512146	09-0000222.000	FREEPORT	HARRISON
63	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	1.74277500	0.00183635	09-0000052.000	FREEPORT	HARRISON
63	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	0.58092500	0.00061212	09-0000052.000	FREEPORT	HARRISON
64	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	11.16907500	0.01176879	09-0000222.002	FREEPORT	HARRISON
64	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	3.72302500	0.00392293	09-0000222.002	FREEPORT	HARRISON
65	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	28.25080000	0.02976772	09-0000086.000	FREEPORT	HARRISON
66	ASCENT RESOURCES- UTICA, LLC ATTEN: LAND DEPT.	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	1.92705000	0.00203052	09-0000222.001	FREEPORT	HARRISON
66	RHDK OIL & GAS, LLC ATTEN: LAND DEPT.	3596 STATE ROUTE 39 NW	DOVER	OHIO	44622	YES	0.25000000	0.64235000	0.00067684	09-0000222.001	FREEPORT	HARRISON
67	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	3.03480000	0.00319775	09-0000152.000	FREEPORT	HARRISON
68	EOG RESOURCES, INC. ATTEN: CHUCK WALTON	14701 BOGERT PKWY	OKLAHOMA CITY	OKLAHOMA	73134	YES	1.00000000	3.93300000	0.00414418	09-0000086.003	FREEPORT	HARRISON

Total Consenting
Acres:
762.25917600

Total:
0.80318837

Total Unit Acres:
949.0416000

Exhibit A-5
All Non-Consenting Working Interest Owners in the proposed Xavier HFP07 A Unit

Tract Number	Non-Consenting Working Interest Owner	Address	City	State	Zip	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit	Tract Participation in Unit	Tax Map Parcel ID	Township	County
55	ASCENT RESOURCES-UTICA, LLC	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	11.82230625	0.01245710	30-0000303.000	WASHINGTON	HARRISON
55	RHDK OIL & GAS, LLC	3596 STATE ROUTE 39 NW	DOVER	OH	44622	YES	0.25000000	3.94076875	0.00415237	30-0000303.000	WASHINGTON	HARRISON
56	ASCENT RESOURCES-UTICA, LLC	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	11.47603125	0.01209223	30-0000304.000	WASHINGTON	HARRISON
56	RHDK OIL & GAS, LLC	3596 STATE ROUTE 39 NW	DOVER	OH	44622	YES	0.25000000	3.82534375	0.00403074	30-0000304.000	WASHINGTON	HARRISON
57	ASCENT RESOURCES-UTICA, LLC	3501 NW 63RD ST	OKLAHOMA CITY	OK	73116	YES	0.75000000	9.30697500	0.00980671	30-0000241.000	WASHINGTON	HARRISON
57	RHDK OIL & GAS, LLC	3596 STATE ROUTE 39 NW	DOVER	OH	44622	YES	0.25000000	3.10232500	0.00326890	30-0000241.000	WASHINGTON	HARRISON
59	B&B APPALACHIA, LLC	206 E 9TH ST SUITE 1300	AUSTIN	TX	78701	YES	1.00000000	39.65720000	0.04178658	30-0000251.000	WASHINGTON	HARRISON
								Total Non-Consenting Acres: 83.13095000	Total: 0.08759463			
Total Unit Acres: 949.0416000												

Exhibit A-6

All parcels subject to pending ownership litigation or potential adverse ownership claims in the proposed Xavier HFP07 A Unit

Tract Number	Ownership Dispute Parties	Address	City	State	Zip	Leased Yes or No	Potential Decimal Interest in Tract	Potential Surface Acres in Unit	Potential Tract Participation in Unit	Tax Map Parcel ID	Township	County
53	RICHARD D. ENGSTROM, JR. & PATRICIA ENGSTROM, HUSBAND & WIFE	78720 FREEPORT TIPPECANOE RD	FREEPORT	OH	43973	YES	1.00000000	1.46560000	0.00154429	30-0000915.000	WASHINGTON	HARRISON
54	RICHARD D. ENGSTROM, JR. AND PATRICIA A. ENGSTROM	78720 FREEPORT TIPPECANOE RD	FREEPORT	OH	43973	YES	1.00000000	11.55290000	0.01217323	30-0000014.000	WASHINGTON	HARRISON
									Total Acres pending ownership litigation:	Total:		
									Total Unit Acres:	949.0416000		

EXHIBIT "B"

Attached to and made a part of that certain Operating Agreement dated _____, 2022 as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Xavier HFP07 A Unit.

Lease No. _____

PAID-UP OIL AND GAS LEASE

This Lease made this _____ day of _____, 20_____, by and between: _____, of _____, hereinafter collectively called "Lessor" and **EOG Resources, Inc.** 14701 Bogert Parkway, Oklahoma City, OK 73134-2646, 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; and 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. See **Exhibit 'A'** for lands described in _____ Township(s),
_____ County, OH.

Township _____; Range _____; Section: _____; Parcel #: _____;

See attached Exhibit 'A' attached hereto and made a part hereof.

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. For the same consideration stated above and irrespective of the term of this Lease, Lessor also grants, sells, conveys and warrants to Lessee, to the extent Lessor has the right to do so, a perpetual subsurface right-of-way, right to use and easement in, through and under all of the leased lands for the purpose of drilling oil and/or gas wells to, and producing through such wells oil, gas or other minerals from, the leased premises, lands other than the leased premises, or lands pooled or unitized with any of the foregoing, together with the right to obtain and use information from said operations and the right of ingress and egress to such wells.

LEASE TERM. This Lease shall remain in force for a primary term of _____ (_____) years from 12:00 A.M. _____, 20_____(effective date) to 11:59 P.M. _____, 20_____(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 for the purpose of development on or off 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 _____ (_____) 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 Primary 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 herein. 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, on the Leasehold or on lands pooled/unitized therewith, 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, whether on or off the Leasehold or lands pooled/unitized therewith, 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 any 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: 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, or any extension of the primary term, hereof.** The term "Delay Rental" if and when used herein shall mean a payment at the rate of five dollars (\$5.00) per net acres per year.

(B) **ROYALTY:** For all oil and gas substances that are produced and sold from the leased premises, Lessor shall receive as its royalty one-eighth (1/8) 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 and all such wells are shut-in 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: In the event of a bona fide dispute or good faith question concerning Lessor's title to the Leasehold or any rights thereto, or 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, without the obligation to pay interest, until the dispute or question is fully and finally resolved. Lessor represents and warrants that there is no existing oil and gas lease which is presently in effect covering the Leasehold. Lessee is entitled to recoup any payments or portion of overpayments that may have made to Lessor.

(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 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. Notwithstanding paragraph (H) above, 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 otherwise combine all or any part of the Leasehold with any other leases, interests, or lands, or any parts thereof, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, from time to time and at any time, including, without limitation, before or after drilling, to create drilling or production units either by contract right or pursuant to governmental authorization, including, without limitation, the right to apply for and approve on behalf of Lessor a plan of unit operations that may be authorized by law or established by any governmental authority having jurisdiction. 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, at any time and from time to time, 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 an amount equal to Delay Rental for as long as the

Leasehold or lands pooled or unitized therewith are being used for such operations, 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.

WARRANTY. Lessor hereby covenants that Lessor is seized of an indefeasible fee simple estate in the Leasehold and that Lessor will forever warrant and defend, through general warranty covenants, the Leasehold against all lawful claims and demands, and 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 any covenants implied into this Lease. 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.

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 any approvals that Lessee may choose to request from Lessor related to drilling or production units that 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 terms, provisions and express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. If Lessee is unable, in its sole discretion, to effectively accomplish the purposes and objectives of this Lease or to exercise its rights hereunder because of such laws, rules, regulations or orders, or if 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, 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, then this Lease shall not terminate, in whole or in part, because of such inability, prevention or delay, and, at Lessee's option, the period of such inability, 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_____

LESSOR_____

ACKNOWLEDGMENT

STATE OF _____)) SS:
COUNTY OF _____)

On this, the _____ day of _____, 20_____, the foregoing instrument was acknowledged by _____.
This is an acknowledgment certificate; no oath or affirmation was administered to the signer with regard to this notarial act.

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

My Commission Expires: _____

Signature/Notary Public: _____

Name/Notary Public (print): _____

EXHIBIT "A"

This Exhibit "A" is attached to and made part of that certain Oil and Gas Lease dated _____, 20_____, by and between ____ of _____ as Lessor and_____, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: _____

and is bounded formerly or currently as follows:

On the North by lands now or formerly of _____
On the East by lands now or formerly of _____
On the South by lands now or formerly of _____
On the West by lands now or formerly of _____

including lands acquired from _____ by virtue of deed dated _____, and recorded in **Book** _____, **Page** _____, and described for the purposes of this agreement as containing a total of _____ Leasehold acres, more or less.

Property Tax Parcel Identification Number: _____

and is bounded formerly or currently as follows:

On the North by lands now or formerly of _____
On the East by lands now or formerly of _____
On the South by lands now or formerly of _____
On the West by lands now or formerly of _____

including lands acquired from _____ by virtue of deed dated _____, and recorded in **Book** _____, **Page** _____, and described for the purposes of this agreement as containing a total of _____ Leasehold acres, more or less.

SIGNED FOR IDENTIFICATION ONLY:

(Seal)



EXHIBIT C

ACCOUNTING PROCEDURE

JOINT OPERATIONS

Attached to and made part of Operating Agreement dated , 2022 as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Xavier HFP07 A Unit

I. GENERAL PROVISIONS

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

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

1. DEFINITIONS

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

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

“Agreement” means the operating agreement, farmout agreement, or other contract between the Parties to which this Accounting Procedure is attached.

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

“Equalized Freight” means the procedure of charging transportation cost to the Joint Account based upon the distance from the nearest Railway Receiving Point to the property.

“Excluded Amount” means a specified excluded trucking amount most recently recommended by COPAS.

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

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

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

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

“Joint Operations” means all operations necessary or proper for the exploration, appraisal, development, production, protection, maintenance, repair, abandonment, and restoration of the Joint Property.

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 helipad, 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.

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.
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4 The Non-Operator leading the audit (hereinafter "lead audit company") shall issue the audit report within ninety (90) days after
5 completion of the audit testing and analysis; however, the ninety (90) day time period shall not extend the twenty-four (24) month
6 requirement for taking specific detailed written exception as required in Section I.4.A (*Adjustments*) above. All claims shall be
7 supported with sufficient documentation.
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10 A timely filed written exception or audit report containing written exceptions (hereinafter "written exceptions") shall, with respect to
11 the claims made therein, preclude the Operator from asserting a statute of limitations defense against such claims, and the Operator
12 hereby waives its right to assert any statute of limitations defense against such claims for so long as any Non-Operator continues to
13 comply with the deadlines for resolving exceptions provided in this Accounting Procedure. If the Non-Operators fail to comply with
14 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
15 the claims brought by the Non-Operators shall lapse, and such claims shall then be subject to the applicable statute of limitations,
16 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
17 I.5.C.
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20 B. The Operator shall provide a written response to all exceptions in an audit report within one hundred eighty (180) days after Operator
21 receives such report. Denied exceptions should be accompanied by a substantive response. If the Operator fails to provide substantive
22 response to an exception within this one hundred eighty (180) day period, the Operator will owe interest on that exception or portion
23 thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section
24 I.3.B (*Advances and Payments by the Parties*).
25
26 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
27 shall reply to the lead audit company's follow-up response within ninety (90) days of receipt; provided, however, each Non-Operator
28 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
29 adequately fulfilling its duties. Unless otherwise provided for in Section I.5.E, if the Operator fails to provide substantive response
30 to an exception within this ninety (90) day period, the Operator will owe interest on that exception or portion thereof, if ultimately
31 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
32 Payments by the Parties*).
33
34 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
35 Operator receives the audit report, the Operator or any Non-Operator participating in the audit has the right to call a resolution
36 meeting, as set forth in this Section I.5.D or it may invoke the dispute resolution procedures included in the Agreement, if applicable.
37 The meeting will require one month's written notice to the Operator and all Non-Operators participating in the audit. The meeting
38 shall be held at the Operator's office or mutually agreed location, and shall be attended by representatives of the Parties with
39 authority to resolve such outstanding issues. Any Party who fails to attend the resolution meeting shall be bound by any resolution
40 reached at the meeting. The lead audit company will make good faith efforts to coordinate the response and positions of the
41 Non-Operator participants throughout the resolution process; however, each Non-Operator shall have the right to represent itself.
42 Attendees will make good faith efforts to resolve outstanding issues, and each Party will be required to present substantive information
43 supporting its position. A resolution meeting may be held as often as agreed to by the Parties. Issues unresolved at one meeting may
44 be discussed at subsequent meetings until each such issue is resolved.
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47 If the Agreement contains no dispute resolution procedures and the audit issues cannot be resolved by negotiation, the dispute shall
48 be submitted to mediation. In such event, promptly following one Party's written request for mediation, the Parties to the dispute
49 shall choose a mutually acceptable mediator and share the costs of mediation services equally. The Parties shall each have present
50 at the mediation at least one individual who has the authority to settle the dispute. The Parties shall make reasonable efforts to
51 ensure that the mediation commences within sixty (60) days of the date of the mediation request. Notwithstanding the above, any
52 Party may file a lawsuit or complaint (1) if the Parties are unable after reasonable efforts, to commence mediation within sixty (60)
53 days of the date of the mediation request, (2) for statute of limitations reasons, or (3) to seek a preliminary injunction or other
54 provisional judicial relief, if in its sole judgment an injunction or other provisional relief is necessary to avoid irreparable damage or
55 to preserve the status quo. Despite such action, the Parties shall continue to try to resolve the dispute by mediation.
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58 E. *(Optional Provision—Forfeiture Penalties)*

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

60 6. APPROVAL BY PARTIES
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62 A. GENERAL MATTERS
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64 Where an approval or other agreement of the Parties or Non-Operators is expressly required under other Sections of this Accounting
65 Procedure and if the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, the
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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 This Section I.6.A applies to specific situations of limited duration where a Party proposes to change the accounting for charges from
4 that prescribed in this Accounting Procedure. This provision does not apply to amendments to this Accounting Procedure, which are
5 covered by Section I.6.B.

6 **B. AMENDMENTS**

7 If the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, this Accounting
8 Procedure can be amended by an affirmative vote of **two (2)** or more Parties, one of which is the Operator,
9 having a combined working interest of at least **fifty-one percent (51%)**, which approval shall be binding on all Parties,
10 provided, however, approval of at least one (1) Non-Operator shall be required.

11 **C. AFFILIATES**

12 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
13 other, then such Affiliates shall be combined and treated as a single Party having the combined working interest or Participating
14 Interest of such Affiliates.

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

18 **II. DIRECT CHARGES**

19 The Operator shall charge the Joint Account with the following items:

20 **1. RENTALS AND ROYALTIES**

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

22 **2. LABOR**

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

25 (1) Operator's field employees directly employed On-site in the conduct of Joint Operations,
26
(2) Operator's employees directly employed on Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint
27 Property if such costs are not charged under Section II.6 (*Equipment and Facilities Furnished by Operator*) or are not a
28 function covered under Section III (*Overhead*),
29
(3) Operator's employees providing First Level Supervision,
30
(4) Operator's employees providing On-site Technical Services for the Joint Property if such charges are excluded from the
31 overhead rates in Section III (*Overhead*),
32
(5) Operator's employees providing Off-site Technical Services for the Joint Property if such charges are excluded from the
33 overhead rates in Section III (*Overhead*).

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

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

39 B. Operator's cost of holiday, vacation, sickness, and disability benefits, and other customary allowances paid to employees whose
40 salaries and wages are chargeable to the Joint Account under Section II.2.A, excluding severance payments or other termination
41 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
42 amount of salaries and wages chargeable to the Joint Account under Section II.2.A. If percentage assessment is used, the rate shall
43 be based on the Operator's cost experience.

44 C. Expenditures or contributions made pursuant to assessments imposed by governmental authority that are applicable to costs
45 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 E. Reasonable relocation costs incurred in transferring to the Joint Property personnel whose salaries and wages are chargeable to the
4 Joint Account under Section II.2.A. Notwithstanding the foregoing, relocation costs that result from reorganization or merger of a
5 Party, or that are for the primary benefit of the Operator, shall not be chargeable to the Joint Account. Extraordinary relocation
6 costs, such as those incurred as a result of transfers from remote locations, such as Alaska or overseas, shall not be charged to the
7 Joint Account unless approved by the Parties pursuant to Section I.6.A (*General Matters*).

8 F. Training costs as specified in COPAS MFI-35 ("Charging of Training Costs to the Joint Account") for personnel whose salaries and
9 wages are chargeable under Section II.2.A. This training charge shall include the wages, salaries, training course cost, and Personal
10 Expenses incurred during the training session. The training cost shall be charged or allocated to the property or properties directly
11 benefiting from the training. The cost of the training course shall not exceed prevailing commercial rates, where such rates are
12 available.

13 G. Operator's current cost of established plans for employee benefits, as described in COPAS MFI-27 ("Employee Benefits Chargeable
14 to Joint Operations and Subject to Percentage Limitation"), applicable to the Operator's labor costs chargeable to the Joint Account
15 under Sections II.2.A and B based on the Operator's actual cost not to exceed the employee benefits limitation percentage most
16 recently recommended by COPAS.

17 H. Award payments to employees, in accordance with COPAS MFI-49 ("Awards to Employees and Contractors") for personnel whose
18 salaries and wages are chargeable under Section II.2.A.

23 **3. MATERIAL**

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.

30 **4. TRANSPORTATION**

32 A. Transportation of the Operator's, Operator's Affiliate's, or contractor's personnel necessary for Joint Operations.

34 B. Transportation of Material between the Joint Property and another property, or from the Operator's warehouse or other storage point
35 to the Joint Property, shall be charged to the receiving property using one of the methods listed below. Transportation of Material
36 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
37 methods listed below:

39 (1) If the actual trucking charge is less than or equal to the Excluded Amount the Operator may charge actual trucking cost or a
40 theoretical charge from the Railway Receiving Point to the Joint Property. The basis for the theoretical charge is the per
41 hundred weight charge plus fuel surcharges from the Railway Receiving Point to the Joint Property. The Operator shall
42 consistently apply the selected alternative.

44 (2) If the actual trucking charge is greater than the Excluded Amount, the Operator shall charge Equalized Freight. Accessorial
45 charges such as loading and unloading costs, split pick-up costs, detention, call out charges, and permit fees shall be charged
46 directly to the Joint Property and shall not be included when calculating the Equalized Freight.

48 **5. SERVICES**

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

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

57 **6. EQUIPMENT AND FACILITIES FURNISHED BY OPERATOR**

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

60 A. The Operator shall charge the Joint Account for use of Operator-owned equipment and facilities, including but not limited to
61 production facilities, Shore Base Facilities, Offshore Facilities, and Field Offices, at rates commensurate with the costs of ownership
62 and operation. The cost of Field Offices shall be chargeable to the extent the Field Offices provide direct service to personnel who
63 are chargeable pursuant to Section II.2.A (*Labor*). Such rates may include labor, maintenance, repairs, other operating expense,
64 insurance, taxes, depreciation using straight line depreciation method, and interest on gross investment less accumulated depreciation
65 not to exceed thirteen percent (13%) per annum; provided, however, depreciation shall not be charged when the

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

10 **7. AFFILIATES**

11 A. Charges for an Affiliate's goods and/or services used in operations requiring an AFE or other authorization from the Non-Operators
12 may be made without the approval of the Parties provided (i) the Affiliate is identified and the Affiliate goods and services are
13 specifically detailed in the approved AFE or other authorization, and (ii) the total costs for such Affiliate's goods and services billed
14 to such individual project do not exceed \$100,000.00. If the total costs for an Affiliate's goods and services charged to such
15 individual project are not specifically detailed in the approved AFE or authorization or exceed such amount, charges for such
16 Affiliate shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).
17

18 B. For an Affiliate's goods and/or services used in operations not requiring an AFE or other authorization from the Non-Operators,
19 charges for such Affiliate's goods and services shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*), if the
20 charges exceed \$100,000.00 in a given calendar year.
21

22 C. The cost of the Affiliate's goods or services shall not exceed average commercial rates prevailing in the area of the Joint Property,
23 unless the Operator obtains the Non-Operators' approval of such rates. The Operator shall adequately document and support
24 commercial rates and shall periodically review and update the rate and the supporting documentation; provided, however,
25 documentation of commercial rates shall not be required if the Operator obtains Non-Operator approval of its Affiliate's rates or
26 charges prior to billing Non-Operators for such Affiliate's goods and services. Notwithstanding the foregoing, direct charges for
27 Affiliate-owned communication facilities or systems shall be made pursuant to Section II.12 (*Communications*).
28

29 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
30 result of such omission shall be the amount established as the Operator's expenditure limitation in the Agreement. If the Agreement
31 does not contain an Operator's expenditure limitation, the amount deemed adopted by the Parties as a result of such omission shall be
32 zero dollars (\$ 0.00).
33

34 **8. DAMAGES AND LOSSES TO JOINT PROPERTY**

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

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

42 **9. LEGAL EXPENSE**

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

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

52 **10. TAXES AND PERMITS**

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

57 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
58 notwithstanding any contrary provisions, the charges to the Parties will be made in accordance with the tax value generated by each Party's
59 working interest.
60

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**

12 Net premiums paid for insurance required to be carried for Joint Operations for the protection of the Parties. If Joint Operations are
13 conducted at locations where the Operator acts as self-insurer in regard to its worker's compensation and employer's liability insurance
14 obligation, the Operator shall charge the Joint Account manual rates for the risk assumed in its self-insurance program as regulated by the
15 jurisdiction governing the Joint Property. In the case of offshore operations in federal waters, the manual rates of the adjacent state shall be
16 used for personnel performing work On-site, and such rates shall be adjusted for offshore operations by the U.S. Longshoreman and
17 Harbor Workers (USL&H) or Jones Act surcharge, as appropriate.
18

19 **12. COMMUNICATIONS**

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

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

39 **14. ABANDONMENT AND RECLAMATION**

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

42 **15. OTHER EXPENDITURES**

43 Any other expenditure not covered or dealt with in the foregoing provisions of this Section II (*Direct Charges*), or in Section III
44 (*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
45 Joint Operations. Charges made under this Section II.15 shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).
46

51 **III. OVERHEAD**

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

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

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

- 1 • human resources
- 2 • management
- 3 • supervision not directly charged under Section II.2 (*Labor*)
- 4 • legal services not directly chargeable under Section II.9 (*Legal Expense*)
- 5 • taxation, other than those costs identified as directly chargeable under Section II.10 (*Taxes and Permits*)
 - 6 • 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.

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

12 **1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS**

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

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

20 **A. TECHNICAL SERVICES**

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

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

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

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

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

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

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

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

50 **B. OVERHEAD—FIXED RATE BASIS**

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

54 Drilling Well Rate per month \$20,000.00 (prorated for less than a full month)

56 Producing Well Rate per month \$2,000.00

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

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

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

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

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

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

10 (c) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well,
11 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
12 or not the well has produced.

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

15 (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
16 charge.

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

30 **C. OVERHEAD—PERCENTAGE BASIS**

31 (1) Operator shall charge the Joint Account at the following rates:

32 (a) Development Rate percent () % of the cost of development of the Joint Property, exclusive of costs
33 provided under Section II.9 (*Legal Expense*) and all Material salvage credits.

34 (b) Operating Rate percent () % of the cost of operating the Joint Property, exclusive of costs
35 provided under Sections II.1 (*Rentals and Royalties*) and II.9 (*Legal Expense*); all Material salvage credits; the value
36 of substances purchased for enhanced recovery; all property and ad valorem taxes, and any other taxes and assessments that
37 are levied, assessed, and paid upon the mineral interest in and to the Joint Property.

38 (2) Application of Overhead—Percentage Basis shall be as follows:

39 (a) The Development Rate shall be applied to all costs in connection with:
40
41 [i] drilling, redrilling, sidetracking, or deepening of a well
42 [ii] a well undergoing plugback or workover operations for a period of five (5) or more consecutive work-days
43 [iii] preliminary expenditures necessary in preparation for drilling
44 [iv] expenditures incurred in abandoning when the well is not completed as a producer
45 [v] construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a
46 fixed asset, other than Major Construction or Catastrophe as defined in Section III.2 (*Overhead—Major Construction*
47 and *Catastrophe*).
48
49 (b) The Operating Rate shall be applied to all other costs in connection with Joint Operations, except those subject to Section III.2
50 (*Overhead—Major Construction and Catastrophe*).

51 **2. OVERHEAD—MAJOR CONSTRUCTION AND CATASTROPHE**

52 To compensate the Operator for overhead costs incurred in connection with a Major Construction project or Catastrophe, the Operator
53 shall either negotiate a rate prior to the beginning of the project, or shall charge the Joint Account for overhead based on the following
54 rates for any Major Construction project in excess of the Operator's expenditure limit under the Agreement, or for any Catastrophe
55 regardless of the amount. If the Agreement to which this Accounting Procedure is attached does not contain an expenditure limit, Major
56 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:
9

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.
38

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.
62

1 2. TRANSFERS

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

8 A. PRICING

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

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

28 B. FREIGHT

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

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

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

45 C. TAXES

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

1 D. CONDITION

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

14 (2) Condition "B" – Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced
15 by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by seventy-five percent
16 (75%).

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

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

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

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

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

29 (4) Condition "D" – Material that (i) is no longer suitable for its original purpose but useable for some other purpose, (ii) is
30 obsolete, or (iii) does not meet original specifications but still has value and can be used in other applications as a substitute for
31 items with different specifications, is considered Condition "D" Material. Casing, tubing, or drill pipe used as line pipe shall be
32 priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing, or drill pipe utilized as line
33 pipe shall be priced at used line pipe prices. Casing, tubing, or drill pipe used as higher pressure service lines than standard line
34 pipe, e.g., power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods
35 shall be priced on a non-upset basis. For other items, the price used should result in the Joint Account being charged or credited
36 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
37 Matters*).

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

39 E. OTHER PRICING PROVISIONS

40 (1) Preparation Costs

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

48 (2) Loading and Unloading Costs

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

1 **3. DISPOSITION OF SURPLUS**

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

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

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

10 • The Operator may, through a sale to an unrelated third party or entity, dispose of surplus Material having a gross sale value that
11 is less than or equal to the Operator's expenditure limit as set forth in the Agreement to which this Accounting Procedure is
12 attached without the prior approval of the Parties owning such Material.

13 • If the gross sale value exceeds the Agreement expenditure limit, the disposal must be agreed to by the Parties owning such
14 Material.

15 • Operator may purchase surplus Condition "A" or "B" Material without approval of the Parties owning such Material, based on
16 the pricing methods set forth in Section IV.2 (*Transfers*).

17 • Operator may purchase Condition "C" Material without prior approval of the Parties owning such Material if the value of the
18 Materials, based on the pricing methods set forth in Section IV.2 (*Transfers*), is less than or equal to the Operator's expenditure
19 limitation set forth in the Agreement. The Operator shall provide documentation supporting the classification of the Material as
20 Condition C.

21 • Operator may dispose of Condition "D" or "E" Material under procedures normally utilized by Operator without prior approval
22 of the Parties owning such Material.

23 **4. SPECIAL PRICING PROVISIONS**

24 **A. PREMIUM PRICING**

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

30 **B. SHOP-MADE ITEMS**

31 Items fabricated by the Operator's employees, or by contract laborers under the direction of the Operator, shall be priced using the
32 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
33 scrap or junk account, the Material shall be priced at either twenty-five percent (25%) of the current price as determined in Section
34 IV.2.A (*Pricing*) or scrap value, whichever is higher. In no event shall the amount charged exceed the value of the item
35 commensurate with its use.

36 **C. MILL REJECTS**

37 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
38 Section IV.2 (*Transfers*). Line pipe converted to casing or tubing with casing or tubing couplings attached shall be priced as K-55/J-
39 55 casing or tubing at the nearest size and weight.

40 **V. INVENTORIES OF CONTROLLABLE MATERIAL**

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

42 Adjustments to the Joint Account by the Operator resulting from a physical inventory of Controllable Material shall be made within twelve (12)
43 months following the taking of the inventory or receipt of Non-Operator inventory report. Charges and credits for overages or shortages will be
44 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
45 physical inventory unless the inventorying Parties can provide sufficient evidence another Material condition applies.

1. DIRECTED INVENTORIES

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

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:

- 12 A. A per diem rate for each inventory person, representative of actual salaries, wages, and payroll burdens and benefits of the personnel
13 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
14 be applied to a reasonable number of days for pre-inventory work and report preparation.
- 15 B. Actual transportation costs and Personal Expenses for the inventory team.
- 16 C. Reasonable charges for report preparation and distribution to the Non-Operators.

21 2. NON-DIRECTED INVENTORIES**22 A. OPERATOR INVENTORIES**

23 Physical inventories that are not requested by the Non-Operators may be performed by the Operator, at the Operator's discretion. The
24 expenses of conducting such Operator-initiated inventories shall not be charged to the Joint Account.

25 B. NON-OPERATOR INVENTORIES

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

30 C. SPECIAL INVENTORIES

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

EXHIBIT "D"

Attached to and made a part of that certain Operating Agreement dated _____, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Xavier HFP07 A 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 per Occurrence
C. Auto Liability	\$1,000,000 Combined Single Limit
D. Excess or Umbrella Liability	\$20,000,000 Combined Single Limit
E. Cost of Well Control and Care, Custody and Control	\$5,000,000 Each Occurrence and \$250,000 CCC
F. Pollution Liability	\$20,000,000 Combined Single 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. Pollution Liability coverage and limits may be included in the General Liability /Excess /Umbrella limits and /or part of an Energy Package policy limit.

4. 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.

5. 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.

6. In the event of loss not covered by the insurance provided for herein or the loss is within the Operator's self-insured retention, such loss or loss amount 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.

7. 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"

Attachment 2 – Exhibit E

EXHIBIT E

Attached to and made a part of that certain Operating Agreement dated _____, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Xavier HFP07 A Unit.

GAS STORAGE AND BALANCING AGREEMENT

In the event any of the parties hereto is not at any time taking or marketing its full share of gas produced from the well or wells, the terms of this agreement shall automatically become effective.

During the period or periods when any party hereto is not taking or marketing its full share of gas produced from the well or wells, the other parties having an interest in such well or wells shall be entitled to produce each month one hundred percent (100%) of the allowable gas production assigned to such well or wells by the appropriate regulatory body having jurisdiction or, in the event no gas allowable is assigned, one hundred percent (100%) of the gas that may be produced up to the MER, and such parties shall be entitled to take or deliver to their purchaser their pro rata share of all such gas production. For the purposes of this agreement the term MER shall mean the total daily maximum efficient rate of hydrocarbon withdrawal from each separately produced producing interval which if exceeded for a sustained period of time, would lead to underground waste in the form of reduced ultimate recovery from each producing interval. A party's pro rata share shall be based on the ratio of such party's interest in the well or wells to the total interests of all parties then taking gas from the well or wells. All parties having an interest in the well or wells shall share in and own any liquid hydrocarbons recovered from the gas produced from such well or wells by lease equipment in accordance with their respective interests in such well or wells and subject to the Operating Agreement to which this agreement is attached, but the parties taking or marketing the gas shall own all of the gas taken or delivered to their respective purchasers and shall own and shall have the right to all liquids removed from the gas by off lease processing.

On a cumulative basis, each party not taking or marketing its full share of the gas produced from the well or wells (underproduced party) shall be credited with gas in storage equal to its full share of the gas produced from such well or wells, less its share of gas used in its lease operations, vented and unavoidably lost, and less that portion such party took or delivered to its purchaser. Each party taking gas shall furnish, or cause to be furnished, to the Operator a monthly statement of gas taken. The Operator will maintain a current account of the gas balance between the parties for each well or wells and will furnish all parties having an interest in such well or wells and their purchasers monthly statements showing the total quantity of gas produced, the amount used in lease operations, vented and unavoidably lost, the total quantity of liquid hydrocarbons recovered therefrom, and the monthly and cumulative over and under account of each party.

At all times while gas is produced from the well or wells, each party hereto will make or cause to be made settlement with the respective royalty owners to whom it is accountable, just as if such party were taking or delivering to a purchaser its full share, and its share only, of such gas production. Each party hereto agrees to hold all other parties harmless from any and all claims for royalty payments asserted by royalty owners to whom such party is accountable. The term "royalty owner" shall include owners of royalties, overriding royalties, and other payments out of or in lieu of production for which each party is responsible.

This agreement shall constitute a separate agreement as to each producing interval in a well or wells. Where production from two or more producing intervals is commingled in the wellbore so that the gas from each such interval cannot be separately metered, the commingled producing intervals shall then be considered to be a single interval for the purposes of this agreement.

Upon written notice at least one month and five (5) days prior to the beginning of a month from any underproduced party to the Operator and to each party that has taken or delivered to its purchaser more than its full share of gas (overproduced party), such underproduced party may,

commencing on the first day of the month after such notice is given, begin taking or delivering to its purchaser, its full share of gas produced from the well or wells less such party's share of gas used in lease operations, vented and unavoidably lost (net share of gas produced). In addition to such share, the underproduced party, until it has recovered its gas in storage and balanced its gas account, shall be entitled to take or deliver to its purchaser the following: (1) During the months of January, February, March, November and December, twenty-five percent (25%) of each overproduced party's net share of gas produced from the well or wells, and (2) During the remaining months, fifty percent (50%) of each overproduced party's net share of gas produced from the well or wells. However, in no event shall such make-up volume for any month exceed fifty percent (50%) of the underproduced party's net share of gas produced from the well or wells. If more than one underproduced party are balancing their gas accounts, each underproduced party shall be entitled to take or deliver to its purchaser that share of the additional gas as determined herein in proportion to its interest in such well or wells to all of the underproduced parties' interests in such well or wells then balancing their gas accounts. Any such additional gas taken or delivered to an underproduced party's purchaser shall be credited against such underproduced party's gas in storage in the order of accrual.

Each party taking or delivering gas to its purchaser shall pay any and all production taxes due on such gas.

Nothing herein shall be construed to deny any party the right, from time to time, to produce and take or deliver to its purchaser the full amount of its allowable gas production to meet the deliverability tests required by its purchaser.

When gas production from the well or wells permanently ceases, there shall be a cash settlement between/among the parties hereto for the volume of gas, if any, remaining in imbalance. It shall be the obligation of the Operator to determine the final accounting of underproduction and overproduction. In making such cash settlement, each overproduced party shall remit to the Operator a sum of money attributable to the amount actually or constructively received by such overproduced party from sale or utilization of overproduction which remains accrued to such party, less applicable taxes, and other costs actually paid by the overproduced party in connection with the sale of such gas. The Operator shall distribute the total of such amounts so collected among the underproduced parties in the proportion of such latter parties' underproduction. It is recognized that there may have been changes in the price received by overproduced parties for overproduction sold or otherwise utilized. It is therefore agreed that any underproduction credited from time to time against any overproduced party shall be applied against such party's overproduction in the order in which such overproduction occurred. The "amount actually or constructively received" shall then be that overproduction remaining following application of the above rule and valued at the price in effect at the time such overproduction occurred. If a portion of a party's gas is taken for its own use and a portion thereof is sold, the gas value for accounting between/among the parties will be based on the price received simultaneously by such party for gas sold from the well or wells. During periods in which a party is taking gas for its own use and making no sales, gas so taken will be valued at the maximum price which such party could have received for such gas if actually delivered under such party's contract, or, if none, the weighted average price received simultaneously by all other parties for gas sold from the well or wells. In either such instance the value so determined for gas so used will be deemed to have been constructively received by such using party. In the event refunds are later required by any governmental authority, each party shall be accountable for such refunds on the basis of its share of gas produced and finally balanced hereunder. If gas is processed for the recovery of liquefiable hydrocarbons, the gas value will be based on the amount which would have been received for the sale of such gas (adjusted for actual Btu content) without processing. Anything herein to the contrary notwithstanding, the underproduced party shall not be entitled to receive from the overproduced party a payment greater than the amount the underproduced party would have been entitled to receive if the sale had been made under the contract of the underproduced party, if any. Each party agrees to maintain complete records of gas sold and price received so Operator's computations can be made. Operator shall rely on statements furnished and have no liability with respect to correctness of proceeds received and distributed.

Nothing herein shall change or affect, each party's obligations to pay its proportionate share of all costs and liabilities incurred in any well or wells pursuant to the Operating Agreement to which this agreement is attached.

This agreement shall become effective in accordance with its terms and shall remain in force and effect as long as the Operating Agreement to which it is attached remains in effect, and shall inure to the benefit of and be binding upon the parties hereto, their successors, legal representatives and assigns.

Each party hereby indemnifies the other parties hereto against all liability for and agrees to defend the parties hereto against all claims which may be asserted by third parties who now or hereafter stand in contractual relationship with such indemnifying party whenever such claims are based upon said contractual relationship and arise out of the operation of this Agreement or activities of any party under its provisions, and further agrees to save the other parties hereto harmless from all judgments or damages sustained and costs incurred in connection herewith.

The Operator under the Operating Agreement is authorized to carry out the provisions of this agreement, but shall not be liable for its failure to do so as long as it acts in good faith and as would a reasonably prudent Operator in the same or similar circumstances.

Notwithstanding any provision to the contrary in this or any other agreement, any underproduced party shall have the right for a period of two (2) years after the date that gas accounts are settled, to audit an overproduced party's records as to volumes and prices received for gas produced from the applicable area, and any overproduced party shall have the right for a period a two (2) years after the gas accounts are settled, to audit any underproduced party's records as to volumes.

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

In re the Matter of the Application)
of EOG Resources, Inc. for)
Unit Operation)
)
)
Xavier HFP07 A Unit)

**PREPARED TESTIMONY OF CHASE THOMPSON
ON BEHALF OF EOG RESOURCES, INC.
(LAND SPECIALIST)**

PREPARED DIRECT TESTIMONY OF CHASE THOMPSON

INTRODUCTION

Q1: Please state your name, place of employment and business address.

A1: My name is Chase Thompson, I work for EOG Resources, Inc. (“EOG”). My business address is 14701 Bogert Parkway, Oklahoma City, OK 73134.

Q2: What is your position with EOG?

A2: My title is Land Specialist

Q3: Please describe your job responsibilities as a Land Specialist with EOG.

A3: As a Land Specialist, I help facilitate the development of EOG’s Utica Shale asset and manage all aspects of land work including but not limited to lease acquisitions, title review, organic leasing, trade agreements, development planning, etc.

Q4: What is your educational background?

A4: I hold a Bachelor degree in Energy Management from The University of Oklahoma.

Q5: Would you please briefly describe your professional experience?

A5: I’ve worked for EOG since July of 2022 and I’ve been focused on its Ohio interests. Prior to EOG I worked for Gulfport Energy Corporation from 2016 to July 2022 where I was engaged in all types of land work focusing on the Utica Shale. Prior to my time at Gulfport, I worked for Ascent Resources from 2014 to 2016 and prior to that I worked at Chesapeake Energy Corporation from 2010 to 2014 where I was engaged in all types of land work focusing on the Ohio Shale.

Q6: Are you a member of any professional associations?

A6: Yes. I am a member of the American Association of Professional Landmen (“AAPL”) and have been an active member since 2010. I’m also a member of the Oklahoma City Association of Professional Landmen (“OCAPL”).

Q7: Are you familiar with the Application for Unit Operations with respect to the Xavier HFP07 A Unit?

A7: Yes, I am.

Q8: Can you please describe the reason for your testimony today?

A8: I am testifying in support of the Application of EOG for Unit Operations filed with respect to the Xavier HFP07 A Unit as specifically described the Unit Plan and Operating Agreement. I will testify to my involvement in forming the Xavier HFP07 A Unit and the

efforts associated with identifying and leasing open mineral interests and committing working interest owners.

Q9: Would you describe briefly the Xavier HFP07 A Unit?

A9: The Xavier HFP07 A Unit consists of 68 tracts, totaling 949.0416 acres, and is located across Freeport and Washington Townships, in Harrison County, Ohio. EOG plans to drill three horizontal unconventional wells in that Unit, the 2A, 4A, and 6A, to produce oil and gas from the Utica/Point Pleasant pool.

Q10: What is EOG's interest in the Xavier HFP07 A Unit?

A10: EOG will be the Operator of the Unit, and it also owns 66.313155% of the working interest in the unit.

EOG'S EFFORTS TO LEASE UNIT TRACTS

Q11: What percentage of the total acreage of the Xavier HFP07 A Unit is represented by the oil and gas rights held by EOG and its working interest partners?

A11: EOG and its working interest partners, Ascent Resources – Utica, LLC and RHDK Oil & Gas, LLC control more than 80% of the Unit's acreage – specifically 80.318837%.

Q12: Why was EOG not able to acquire the oil and gas rights to all of the acreage in the proposed Unit?

A12: EOG has contacted and tried to negotiate leases with all unleased mineral owners within the proposed unit but for various reasons, not all mineral owners have been responsive or cooperative. The attempts made are included in the application and shown on Attachment 3, Exhibit A. EOG and/or its land agents are still actively trying to lease all remaining unleased parcels and to consent all currently non-consenting working interests.

Q13: Have you prepared an affidavit detailing EOG's efforts to obtain a lease from the unleased mineral owners and the consent of the non-consenting working interest owners in the proposed Unit?

A13: Yes, the Application includes Attachment 3, Exhibit A, which captures the effort made in attempting to contact and lease all unleased mineral owners and non-consenting working interest owners as of the date of this filing.

Q14: If the unleased owners in the Unit want to lease with EOG, would EOG consider leasing them?

A14: Yes, EOG would be willing to lease any unleased mineral owners on commercially reasonable terms.

Q15: The table attached to the leasing efforts affidavit that is located at Attachment 3, Exhibit A of the Application refers to certain tracts as burdened by a “non-conforming lease.” Can you please describe those non-conforming leases?

A15: Yes. For each of those identified tracts the lease contains some kind of restriction, limitation or ambiguity within the pooling or unitization clause of the lease. The exact language varies from lease to lease, but we have identified all of those leases and attempted to obtain amendments that would resolve any possible disagreement with the lessor.

Q16: If the lessors of those non-conforming leases still wanted to amend their leases, would EOG still consider amending those leases?

A16: Yes, EOG would be willing to amend any of the leases we have labeled as non-conforming on commercially reasonable terms.

Q17: Could you described the location of the consenting, unleased, and non-consenting tracts within the Xavier HFP07 A Unit?

A17: Yes, Attachment 3, Exhibit D is a color coded plat map showing the status of each tract within the Xavier HFP07 A Unit. The tracts shaded in yellow indicate the wholly consenting and leased acreage where EOG and its consenting working interest partners have acquired, through leases, the right to drill and produce all of the oil and gas from the Unitized Formation underlying those tracts. The tracts shaded in red indicate unleased acreage, which is not committed to the unit. The green shaded tracts are tracts that are leased but none of the working interest in those tracts is consenting and thus the tract has not been committed to the Unit. The tracts marked with red and yellow cross hatching are partially unleased, but also partially leased and consenting, so we have identified them as such on the map. Similarly, tracts 55 and 56 are identified on the map with green and yellow cross hatching because they are leased but partially consenting and partially nonconsenting.

Q18: There are several tracts identified as non-consenting on the color-coded and aerial plat maps in Attachment 3, Exhibits D and E, respectively. Can you explain why those tracts are labeled as non-consenting?

A18: Yes, B&B APPALACHIA, LLC has an interest in tract 59, and RHDK Oil & Gas, LLC and Ascent Resources – Utica, LLC each have an interest in tracts 55, 56 and 57 (RHDK Oil & Gas, LLC, Ascent Resources – Utica, LLC, and B&B APPALACHIA, LLC are collectively referred to herein as the “Uncommitted Working Interest Owners”). Thus far EOG has not been able to get the Uncommitted Working Interest Owners to agree to commit those tracts to the Unit. As noted earlier, RHDK Oil & Gas, LLC and Ascent Resources – Utica, LLC have committed other tracts to the Unit, and they have even committed a portion of tracts 55, 56 and 57. EOG is continuing to work with all Uncommitted Working Interest Owners to get the remaining tracts, or the remaining interest therein, committed to the Unit.

Q19: Can you please identify and describe the unleased interests in the Xavier HFP07 A Unit?

A19: Yes, the unleased and partially unleased tracts are shown on the color coded plat map found at Attachment 3, Exhibit D, and listed on Attachment 2, Exhibit A-3 of the Application. Specifically, the unleased and partially unleased tracts are Tracts 5, 7, 17, 18, 19, 20, 25, 26, 29, 37, 42, 43, 50 and 51. Together, they account for a total of 10.9217%, or 103.6515 of the net mineral acres in the Unit.

Q20: Do you also have an aerial map of the Xavier HFP07 A Unit?

A20: Yes, Attachment 3, Exhibit E to this Application is an aerial plat of the Xavier HFP07 A Unit which shows the surface of the land overlying the Unit, which is predominantly rural residential and agricultural uses.

UNIT PLAN PROVISIONS

Q21: Would you describe generally the development plan for the Xavier HFP07 A Unit?

A21: If an order authorizing unit operations is granted, EOG plans to construct a new padsite, which will be located at the Southeast end of the Unit. The anticipated configuration of the proposed well laterals and the current location of the padsite are depicted on the plat maps found at Attachment 3, Exhibits D and E. The laterals will be parallel and will extend approximately 15,600 feet, running in a generally northwest/southeast configuration. Each lateral will be spaced approximately 800 feet from the adjacent lateral, and the last lateral on each side of the Unit will be spaced approximately 500 feet from the east and west boundaries of the Unit, respectively. EOG will also leave a buffer of about 150 feet at each

end of the Unit, between the boundary of the Unit and the first and last take points of each well. EOG's analysis and engineering indicate that this spacing will fully and evenly develop and drain the entire Unit.

Q22: Does EOG have a specific timeline for which it plans to drill the wells in the Xavier HFP07 A Unit?

A22: Yes, EOG anticipates drilling all three wells as soon as possible upon receipt of an order authorizing unit operations, and a permit to drill.

Q23: EOG's Application calls for the development of the Xavier HFP07 A Unit with three horizontal wells. Can you please briefly explain why EOG has chosen that development plan.

A23: Yes. Developing the Xavier HFP07 A Unit with three horizontal wells, as planned, protects the correlative rights of the Unit participants while also providing for substantial practical and economic benefits. Drilling, completing and producing multiple horizontal wells from a single pad minimizes EOG's surface footprint and impact on the surrounding area by allowing EOG to build a single access road and pad, and to confine its operations to that one discreet surface location, while still effectively draining a relatively large area of more than 900 acres. By contrast, if developing the same area of the Utica/Point Pleasant pool was even economically feasible with vertical wells (and I understand that it isn't), it would require dozens of vertical wells and associated surface locations scattered all throughout the Unit Area. Thus, EOG's development plan minimizes the use of the surface and any associated social, aesthetic, or environmental impact. Furthermore, EOG's development plan will provide great economic and operational efficiencies that will allow for production of oil and gas where it would not otherwise be economic using vertical wells.

Q24: Is it appropriate to say that this manner of development has substantial benefits not only to the producer, but also the unit participants?

A24: Yes, the planned development for the Xavier HFP07 A Unit offers significant benefits not only for the operator, but also to Unit participants and royalty owners.

Q25: Does EOG have any other development activity or plans in the area near the proposed Xavier HFP07 A Unit?

A25: As for future plans for the area, all I can say is that EOG does not currently have any other pending permits or applications for unitization in the immediate area of the Xavier HFP07 A Unit.

Q26: Lets discuss the Unit Plan proposed by EOG which is included as Attachment 1. Are you familiar with that document?

A26: Yes. The Unit Plan consists of several documents. It establishes the non-operating relationship between the parties, and is followed by an operating agreement and other related exhibits that establish how the Unit is going to be explored, developed and produced.

Q27: What is the purpose of the Unit Plan?

A27: The Unit Plan acts to effectively combine certain oil and gas rights and interests in the Xavier HFP07 A Unit in a uniform manner so that they can be developed as though each of the tracts were covered by a single lease.

Q28: Are all of the oil and gas rights associated with the tracts identified in the proposed Unit combined?

A28: No, just the rights related to the Unitized Formation, as that term is defined in the Unit Plan.

Q29: How will production from the Xavier HFP07 A Unit be allocated?

A29: On a surface-acreage basis. Under Article 4 of the Unit Plan, every tract is assigned a tract participation percentage based on each tract's proportionate surface acreage in the Xavier HFP07 A Unit. Article 5 of the Unit Plan then allocates production to mineral owners based on each individual's proportionate ownership of that tract participation.

Q30: Can you give the panel an example of this calculation?

A30: Yes. If you look at Exhibit A-2 to the Unit Operating Agreement "Tract Participation in Unit" shows each owner's respective proportionate share of the tract participation in the Unit. That number is calculated by multiplying the owner's decimal interest in a particular tract by the surface acres the tract contributes to the Unit and dividing that product by the total number of surface acres in the Unit. On the same exhibit, if you look at the row for Tract 21, you will see that Lawrence Phillips owns 100% of that tract of land in which 34.5513 acres of said tract are located within the 949.0416 acre Xavier HFP07 A Unit, which equates to a Tract Participation in Unit of 0.03640652, or 3.640652% of the entire

Unit. $(([\text{Tract Acreage in Unit}]*[\text{Owner's Interest in the Tract}])/[\text{Total Unit Acreage}] = 0.03640652).$]

Q31: What does that mean in terms of production allocated to that particular tract?

A31: It means that the Unitized Formation underlying Tract 1, which is owned of record by the Lawrence Phillips, would have allocated to him roughly 3.640652% of all the production from the Unitized formation underlying the entire Xavier HFP07 A Unit, which would then be distributed based on the terms of the lease or other relevant documents that govern payment of production proceeds from the tract.

Q32: Does it work the same way for an unleased mineral interest, that is, for the tract of a person who did not lease the property in the Unit?

A32: Yes, for example Tract 43 on Exhibit A-2 is an unleased tract with 20.256 acres of said Tract located within the Xavier HFP07 A Unit. The Unitized Formation underlying the Tract is owned of record 100% by Patrick & Christine Peterson. If the Surface Acres in Unit of Tract 43 (20.256 acres) is divided by the Total Unit Acreage (949.0416 acres), the result is a Tract Participation in Unit of 0.02134364 or 2.134364%. Consequently, the Petersons would receive a payment that would be calculated using that Tract Participation in Unit and in accordance with the terms of the Order for unit operations granted by the Chief if no voluntary agreement (i.e., a lease) is reached with them.

Q33: In your experience, is this the customary manner in the industry to allocate production in a horizontal unconventional unit like the Xavier HFP07 A Unit?

A33: Yes, this method is both fair and customary in the industry for allocating production from horizontal wells in the Utica/Point Pleasant pool, such as the Xavier HFP07 A Unit.

Q34: How are Unit expenses allocated?

A34: Expenses are allocated in the same manner as production in the Unit, on a surface-acreage basis. Article 3 of the Unit Plan provides that expenses, unless otherwise allocated in the Unit Operating Agreement, will be allocated to each tract of land within the Unit in the proportion that the surface acres of each tract included in the Unit bears to the surface acres of the entire unit.

Q35: Who pays the Unit expenses?

A35: The working interest owners.

Q36: Do the royalty owners pay any part of the Unit expenses?

A36: No. Royalty owners do not pay any part of the Unit expenses unless the terms and conditions of the royalty owner's oil and gas lease so dictate.

Q37: Earlier in your testimony, you referred to the Unit Operating Agreement. Can you please discuss the form you intend to use for the Xavier HFP07 A Unit?

A37: Yes. We will use a modified version of the 1989 AAPL Form 610 – Model Form Operating Agreement.

Q38: Are you familiar with the 1989 AAPL Form 610 and other similar agreements that are customarily used in the oil and gas industry?

A38: Yes. The Form 610 and the exhibits therewith are commonly used in the industry and frequently modified to fit the particular needs of the parties and circumstances of each unit.

Q39: Turning to the Unit Operating Agreement in particular, does it address how Unit expenses are determined and paid?

A39: Yes. Article III of the Unit Operating Agreement provides that all costs and liabilities incurred in operations shall be borne and paid proportionately by the working interest owners, according to their Unit Participation percentages. Those percentages can be found in Exhibit A to the Unit Operating Agreement. Moreover, the Unit Operating Agreement has attached to it an accounting procedure identified as Exhibit C that offers great detail regarding how Unit expenses are determined and paid.

Q40: And the accounting procedure exhibit you just referenced is commonly referred to as the COPAS?

A40: Yes. That acronym stands for the Council of Petroleum Accountants Societies and it is a commonly used form in the industry.

Q41: Based upon your education and professional experience, are the terms of Exhibit C to the Unit Operating Agreement reasonable in connection with Xavier HFP07 A Unit?

A41: Yes. The document provides details regarding how unit expenses are determined and paid.

Q42: Will there be in-kind contributions made by owners in the Unit area for Unit operations, such as contributions of equipment?

A42: No, EOG does not anticipate any in-kind contributions.

Q43: Do you expect there to be times when a working interest owner in the Unit chooses not to – or cannot – pay their allocated share of the Unit expenses?

A43: Yes, and that type of situation is not uncommon in the industry. The Unit Operating Agreement gives working interest owners the flexibility to decline participating in a well that they either cannot afford or believe will be unprofitable. The remaining parties can then proceed at their own risk and expense.

Q44: Generally, how is the working interest accounted for when an owner chooses not to participate in an operation?

A44: A working interest owner who cannot participate, or chooses not to participate, in any well is considered a non-consenting party. If the remaining working interest owners decide to proceed with the operation, those consenting parties bear the full cost and expense of the operations. A non-consenting party is deemed to have relinquished its interest in that operation until the well revenues pay out the costs that would have been attributed to that party, plus a prescribed risk penalty or non-consent penalty. The Unit Operating Agreement provides that a non-participating interest owner shall be deemed to have relinquished its working interest to the other parties in the Unit, with a back-in provision and risk factor of 500%.

Q45: But if the non-consenting working interest owner still has a royalty interest in the Unit, would that royalty interest remain in place and be paid?

A45: Yes, that royalty interest would still be paid even if the working interest is being used to pay off a risk factor.

Q46: Is the 500% risk factor that is included in the Unit Operating Agreement common in the industry for horizontal unconventional units like the Xavier HFP07 A Unit?

A46: Yes. Because of the significant costs associated with drilling horizontally through the Utica/Point Pleasant pool (often in excess of \$10,000,000 to plan, drill, and complete) and because the Utica/Point Pleasant pool is an unconventional play, it is common for companies to incorporate into their joint operating agreements a risk factor that is proportionate to the substantial financial commitment, and these percentages are frequently even higher than those contained in the Unit Operating Agreement.

Q47: Can you please discuss Exhibit B of the Unit Operating Agreement?

A47: Exhibit B is a standard EOG oil and gas lease form that is attached to the Unit Operating Agreement to govern any unleased interests owned by the parties. Article III.A of the Unit Operating Agreement provides that if any party owns or acquires an oil and gas interest in

the Contract Area, then that interest shall be treated for all purposes of the Unit Operating Agreement as if it were covered by the form of lease attached as Exhibit B.

Q48: Does this oil and gas lease contain standard provisions that EOG uses in connection with its operations in Ohio?

A48: Yes.

Q49: Moving on to Exhibit D of the Unit Operating Agreement, would you describe what it is?

A49: Exhibit D is the insurance exhibit to the Unit Operating Agreement, which is another standard Exhibit. It sets forth coverage amounts and limitations, and the insurance terms for operations conducted under the Unit Operating Agreement. For example, it requires insurance coverage for Worker's Compensation, General Liability, Auto Liability, and other customary coverages.

Q50: Would you next describe to the Division Exhibit E of the Unit Operating Agreement?

A50: Exhibit E of the Unit Operating Agreement is the Gas Balancing Agreement, which further details the rights and obligations of the parties with respect to marketing and selling any production from the Unit Area. It would normally not come into play with an unleased landowner, but only with a working interest owner who desired to market their share of production separately from the Operator.

Q51: In your professional opinion, given your education and experience, are the terms of the Unit Plan, and the terms of the exhibits just discussed, just and reasonable?

A51: Yes. The Unit Plan and its exhibits thereto will promote a reasonable and efficient development of the Unitized Formations underlying the proposed Xavier HFP07 A Unit under terms and conditions that are fair and customary in the oil and gas industry for this kind of development. In addition, as a land professional, I am supportive of any efforts to reduce waste by minimizing the number of wells and surface locations utilized for drilling operations. I understand that land is a valuable commodity and that horizontal drilling is an excellent way to accommodate the sometimes competing rights and interests of both the mineral owner and the surface owner.

Q52: Does this conclude your testimony?

A52: Yes.

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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation, :
Xavier HFP07 A Unit :

AFFIDAVIT OF LEASING EFFORTS

I, Chase Thompson, being first duly sworn and cautioned, affirm and state as follows:

1. I am competent to testify on the matters contained in this Affidavit.
2. I am employed by EOG Resources, Inc. (“EOG”), and my day-to-day responsibilities include, among other things, overseeing and managing the coordination of units subject to unitization in the State of Ohio for the Applicant, EOG.
3. I have authority to sign this Affidavit on behalf of EOG.
4. Pursuant to Ohio Revised Code §1509.28, EOG is filing an application with the Chief of the Division of Oil and Gas Resources Management (“DOGRM”) requesting an Order authorizing EOG to operate the Unitized Formation and applicable land area, identified as the Xavier HFP07 A Unit (“Application”). The Xavier HFP07 A Unit is located in Harrison County, Ohio, and as a unit of an entire pool or part thereof, consists of 68 separate tracts of land covering approximate 949.0416 acres.
5. EOG, either directly or through its land brokers, has made diligent and good faith efforts to obtain oil and gas leases and/or to acquire oil and gas interests on commercially reasonable and mutually acceptable terms that would permit EOG to voluntarily include the unleased and partially unleased interests in Tract Nos. 5, 7, 17, 18, 19, 20, 25, 26, 29, 37, 42, 43, 50 and 51 (the “Unleased Interests”) in the Xavier HFP07 A Unit. Those efforts are detailed and documented in the attached Exhibit A-1 of this Attachment 3.
6. EOG, either directly or through its land brokers, has made diligent and good faith efforts to obtain commercially reasonable and mutually acceptable agreements that would permit EOG to voluntarily include the working interests held by B&B Appalachia, LLC, RHDK Oil & Gas, LLC, and Ascent Resources – Utica, LLC in uncommitted Tract Nos. 55, 56, 57 and 59 (the “Uncommitted Parcels”) in the Xavier HFP07 A Unit. The efforts related to the Uncommitted Parcels are detailed and documented in the attached Exhibit A-1 of this Attachment 3.
7. EOG will continue to make diligent and good faith efforts to obtain oil and gas leases or other appropriate agreements on commercially reasonable, mutually acceptable terms from the owners of the Unleased Interests and the owners of the Uncommitted Parcels within the Xavier HFP07 A Unit while EOG’s Application is pending.

FURTHER AFFIANT SAYETH NAUGHT.

EOG Resources, Inc.

By: 
Chase Thompson
Land Specialist
EOG Resources, Inc.

STATE OF Oklahoma : : SS
COUNTY OF Oklahoma :

Sworn to and subscribed before me by Chase Thompson, Land Specialist of EOG Resources, Inc., this 22nd day of November, 2022.




Danielle Blevins
Notary Public

My Commission Expires: 01/22/24

Xavier HFP07 A Leasing Efforts Affidavit

Attachment 3 - Exhibit A-1

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
5	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST , UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST, DTD AUGUST 8, 2007 (UNLEASED)	30-0000160.003	AGRICULTURAL	3076 PLEASEANT VALLEY ROAD NE	NEW PHILADELPHIA	OH	44663
Comments							
Date							
10/4/2022	Located phone #'s via idCORE internet search. Left message.						
10/5/2022	Left voicemail						
10/18/2022	Left voicemail with "Alan" Milarcik						
10/19/2022	Field agent stopped by house, left note on front door.						
10/27/2022	Called and was disconnected as leaving message.						
10/31/2022	Field agent stopped by the house, and was told by Alan's father-in-law that he is out of the country until 11/8/2022 and will probably not be reachable until then.						
11/7/2022	Spoke with Alan Milarcik. He let me know that any interest owned by his father's trust and also any showing owned by him separately would be moving into his management. Alan mentioned that he would be going back out of the country and would not be returning until the end of the week at the earliest.						
11/8/2022	Spoke with Jim Milleson via text, he let me know that he would be representing all Mr. Milarcik's interest. Emailed Lease packet to Mr. Milarcik for review.						
11/9/2022	Spoke with Jim Milleson at length. Told him that I would email him a lease packet for review.						
11/10/2022	Sent follow-up text to Jim asking for an update.						
11/14/2022	Spoke with Jim Milleson via text, let him know that I would send his terms forward for review.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
7	JAMES LEE WILLISON AND WIFE, MELINDA JEAN WILLISON, JOINT TENANTS (UNLEASED)	30-0000202.000	AGRICULTURAL	29015 MALARICK ROAD	TIPPECANOE	OH	44699
Comments							
Date							
10/12/2022	Left voicemail on both numbers.						
10/13/2022	Emailed offer letter to leasing agent and he is going to go by their house today to hopefully talk to them and drop off the letter.						
10/19/2022	Emailed lease package to leasing agent and asked him to pay the Willison's another visit, since they will not answer or return my phone calls. Leasing agent is planning to go by their house on Friday, 10/21.						
10/21/2022	Leasing Agent met with the Willison's this morning. Mr. Willison requested that I email the lease package to his wife, so they can submit it to their attorney for review. I emailed it to her.						
10/24/2022	Sent follow-up email and Mrs. Willison responded that she had received the email containing the lease package.						
10/31/2022	Sent follow-up email.						
11/3/2022	They will not respond. Sending leasing agent by their house while he's in the area today.						
11/8/2022	Field agent stopped by their house again. They told him that the attorney is still reviewing the documents and wouldn't give him the attorney's name, only that he/she is located in Cadiz, OH.						
11/14/2022	Left voice message.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
17	CSX TRANSPORTATION, INC. (UNLEASED)	30-0000859.000	COMMERCIAL	500 WATER STREET	JACKSONVILLE	FL	32202
Comments							
Date							
10/18/2022	Located phone # via internet search. None of the extensions work. Cannot get anybody on the phone.						
10/19/2022	Mailed Amendment letter via certified mail to their address (Certified Tracking # 70212720000096144223)						
10/31/2022	Responded via email, asking for a map with coordinates of the exact location, due to the fact that they don't use parcel id's in their system. They have their own lease form which they will provide once their internal research is complete, which will take about 30 days. They will not agree to anything less than \$5,500/nma & 25% royalty.						
11/1/2022	Emailed offer letter with 3 options. Jessica Braig replied, rejecting our offer.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
18	MARTHA L. CHANEY AND JAMES K. CHANEY, JOINT TENANTS (UNLEASED)	30-0000039.000	AGRICULTURAL	30100 CHANEY ROAD	TIPPECANOE	OH	44699
Comments							
Date							
10/4/2022	Located phone #'s via idCORE internet search. Left message.						
10/5/2022	Left voice message.						
10/6/2022	Field agent will go by their residence today.						
10/6/2022	Field agent left the paperwork with their daughter. Confirmed their phone numbers.						
10/7/2022	Left voice message on confirmed phone number.						
10/11/2022	Left voice message on confirmed phone number.						
10/13/2022	Left voice message on confirmed phone number.						
10/17/2022	Spoke with Martha and her daughter, asked me to call James K. as he handles the business.						
10/17/2022	Left message for her son James K. Chaney.						
10/28/2022	Left voice message.						
11/1/2022	Left voice message.						
11/3/2022	Have been unsuccessful in contacting them. Emailed lease package to field agent, so he can make a house call today, while he's in the area. Field agent dropped off lease package and spoke with James' wife, Lona Chaney. She said that James is in negotiations with Gulfport.						
11/8/2022	Left voice message for Martha & James.						
11/14/2022	Left voice message for Martha & James.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
19 20	LAWRENCE DELMAR PHILLIPS (UNLEASED)	30-0000244.000 30-0000245.000	AGRICULTURAL/RESIDENTIAL AGRICULTURAL/RESIDENTIAL	28950 FRIENDLY RIDGE ROAD	TIPPECANOE	OH	44699
Comments							
Date							
10/10/2022	Spoke with attorney Jenna Hokes, she confirmed the extension was not paid in 2018. Discussed leasing efforts for open interest.						
10/24/2022	Emailed over lease packets to attorney for review.						
11/1/2022	Spoke with the attorney's office she met with Mr. Phillips yesterday and will be continuing to review paperwork today and will reach back out to me later today.						
11/5/2022	Received email from Jenna Hokes. She mentioned several things that they wanted to get added to our lease as well as let me know that Mr. Phillips was stopping by to discuss things further.						
11/7/2022	Emailed an addendum addressing the items the attorney mentioned in her previous email. Asked her to review and get back to me.						
11/11/2022	Spoke with Jenna Hokes, she told me that everything looked good to her, but that she had a meeting scheduled with Mr. Phillips on 11/14/22 and she would follow up with me after that.						
11/16/2022	Send follow-up email to Jenna Hokes.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
25 26	GOLDEN EAGLE RESOURCES, II, LLC (UNLEASED)	30-0000048.000 30-0000046.007	RESIDENTIAL RESIDENTIAL	600 JEFFERSON ST., STE 2000	HOUSTON	TX	77002
Comments							
Date							
11/7/2022	Emailed the offer letter to Michael Faust, the Authorized Representative for Golden Eagle. They rejected our offer and said that they would participate and asked for our JOA for review.						
11/8/2022	Emailed Michael Faust an Operating Agreement for review and asked him to please advise how they would like to move forward with this interest.						
11/8/2022	Received email from Michael Faust relaying they would be circulating internally and would reach out with any questions they have.						
Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29 37	FLATIRON ENERGY PARTNERS, LLC (UNLEASED)	30-0000926.004 30-0000386.000	COMMERCIAL RESIDENTIAL	P.O. BOX 601559	DALLAS	TX	73560
Comments							
Date							
11/7/2022	Had text correspondence with Austin Eudaly and emailed offer letter to Austin Eudaly & Brett Austin, Managing Members, at Austin's request.						
11/14/2022	Sent follow-up email to Austin and Brett.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29	COOPER ISLAND INVESTMENTS, LLC (UNLEASED)	30-0000926.004	COMMERCIAL	5910 NORTH CENTRAL EXPRESSWAY SUITE 1350	DALLAS	TX	75206
37		30-0000386.000	RESIDENTIAL				
Date	Comments						
11/3/2022	Left voicemail at number confirmed as Preston Phillips who appears to be VP at Cooper Island Investments.						
11/8/2022	Left voicemail for Preston Phillips, VP, on his cell and at his office. Emailed lease proposal to him.						
11/14/2022	Sent follow-up email to Preston.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29	HIGHPOINT ENERGY, VI (UNLEASED)	30-0000926.004	COMMERCIAL	2236 CAHABA VALLEY RD., STE. 100	BIRMINGHAM	AL	35342
37		30-0000386.000	RESIDENTIAL				
Date	Comments						
11/8/2022	Spoke to Mrs. Brooks and she confirmed her husband's email address. Emailed offer letter to him.						
11/11/2022	Received a counter offer from Susanne Carrier, Exec Admin with Highpoint. Submitted counter via email for directive.						
11/14/2022	Sent follow-up email stating that we are going to stick to the terms offered and letting her know that we are interested in their addional open interests in Harrison County.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29	FOUR HC UTICA, LLC (UNLEASED)	30-0000926.004	COMMERCIAL	5910 NORTH CENTRAL EXPRESSWAY SUITE 1350	DALLAS	TX	75206
37		30-0000386.000	RESIDENTIAL				
Date	Comments						
11/8/2022	Left voicemail for Preston Phillips, VP, on his cell and at his office. Emailed lease proposal to him.						
11/14/2022	Sent follow-up email to Preston.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29	TEJAS RESOURCES, LLC (UNLEASED)	30-0000926.004	COMMERCIAL	6905 VISTA RIDGE DR. EAST	FORT WORTH	TX	76132
37		30-0000386.000	RESIDENTIAL				
Date	Comments						
11/8/2022	Spoke with Adrienne Paschal, Member. She asked me to email the offer letter to her. She said that they probably would not be interested in leasing, but that she would forward the offer to her						
11/14/2022	Sent follow-up email.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
29	FIRST RANGER CAPITAL, LLC (UNLEASED)	30-0000926.004	COMMERCIAL	7045 ASPEN WOOD TRAIL	FORT WORTH	TX	76132
Date	Comments						
11/8/2022	Left voice message and emailed offer letter to Gary Jack, Managing Partner.						
11/14/2022	Sent follow-up email.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
42	PATRICK PETERSON AND WIFE, CHRISTINE PETERSON, JOINT TENANTS (UNLEASED)	30-0000841.000	AGRICULTURAL				
43		30-0000788.000	AGRICULTURAL				
51		30-0000021.000	AGRICULTURAL	78885 KINSEY ORCHARD ROAD	FREEPORT	OH	43973
Date	Comments						
9/13/2022	Located phone #'s via idICORE person search. Left voice message on what is believed to be Christine's cell number.						
9/14/2022	Left voice message on what is believed to be Christine's cell number.						
9/15/2022	Spoke with Patrick, went over the leasing terms. Provided his e-mail for me to send over the leasing documents for review.						
9/23/2022	Received text message that he is not interested in our offer right now. Replied asking him to reach out to discuss.						
9/26/2022	Left voice message asking him to call back. Also sent another text message.						
9/26/2022	E-mailed updated terms for their review.						
9/30/2022	Lengthy phone conversation with Mr. Peterson. They will review the updated offer and get back with me.						
10/6/2022	Text conversation with Mr. Peterson. They are not interested in signing a lease right now.						
10/18/2022	Sent text message asking if anything has changed.						
10/28/2022	Left voice message.						
10/31/2022	Had a good conversation with Mr. Peterson, discussed terms and let him know that the 3 options were the best I could offer. He asked me to email him the lease proposal.						
11/1/2022	Emailed lease proposal to Mr. Peterson.						
11/3/2022	Left voice message to follow-up.						
11/8/2022	Left voice message to follow-up.						
11/9/2022	Sent follow-up email. Spoke with Mr. Peterson and discussed his concerns with the lease form. He said that he wants the 1/5 royalty and asked for more bonus. I told him that we were at our max offer. Emailed lease form to him in Word format so he can forward it to his attorney for review and mark-ups.						
11/11/2022	Mr. Peterson has agreed to terms and submitted the lease to his attorney for review.						
11/16/2022	Mr. Peterson said that he will email us the marked-up lease on Friday (11/18).						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
50	DENNIS H. HAROLD AND LORETTA M. HAROLD, CO- TRUSTEES OF THE DENNIS H. HAROLD REVOCABLE TRUST DATED OCTOBER 18, 2016 (UNLEASED)	30-0000730.000	AGRICULTURAL	2094 DELAWARE ROAD AKRON	AKRON	OH	44312
Date	Comments						
9/9/2022	Located phone #'s via idICORE person search. Left voice messages on multiple numbers.						
9/12/2022	Left voice messages on multiple numbers.						
9/13/2022	Left voice messages on multiple numbers.						
9/14/2022	Left voice messages on multiple numbers.						
9/16/2022	Field agent met with Mr. Harold at his residence, is willing to consider our offer and provided his contact info.						
9/19/2022	No answer on phone number provided by Mr. Harold, unable to leave voice message.						
9/20/2022	Long positive conversation with Mr. Harold, answered a lot of questions. Went over everything, he needs to think about it.						
9/23/2022	No answer on confirmed phone number. Cannot leave voice message.						
9/26/2022	No answer on confirmed phone number. Cannot leave voice message.						
9/27/2022	Positive phone conversation with Mr. Harold. Asked me to follow up with him in a few days.						
10/3/2022	Positive phone conversation with Mr. Harold. Advised me he will be working with attorney Hillyer. They will get back with me in a few days.						
10/6/2022	Mr. Harold let me know he is meeting with Hillyer in person tomorrow.						
10/7/2022	Mr. Harold has agreed to terms. Will prepare lease packet and send to Hillyer for signature.						
10/17/2022	E-mailed his attorney Hillyer lease packet with updated terms.						
10/18/2022	Spoke with Mr. Harold, he will call Hillyer and set up a time to sign.						
10/21/2022	Left message for their attorney Brad Hillyer.						
10/27/2022	Spoke with Mr. Harold, went over everything again. He is still saying he wants more money. Is going to talk to Hillyer and get back with me.						
11/1/2022	Left message with attorney office. Asking if Mr. Harold was agreeable to sign at \$1900 and 3/16ths.						
11/2/2022	Spoke with Brad Hillyer, he said he is still working with Mr. Harold and that Dennis does feel he should get a higher royalty. Attorney asked that I not contact Mr. Harold until I hear back at the end of the week.						
11/8/2022	Emailed Hillyer asking for an update on Mr. Harold.						
11/10/2022	Received an email from Hillyer letting me know that Mr. Harold would not sign at our offered terms.						
11/14/2022	Emailed Hillyer to let him know that we would not be able to						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
41	SAMUEL W. FERRELL (NON-CONFORMING LEASE)	30-0000433.000	AGRICULTURAL	116 E MAIN STREET	FREEPORT	OH	43973
Date	Comments						
10/18/2022	Called and left voicemail with Samuel.						
10/19/2022	Spoke with Samuel, I informed him of our intent to amend the existing lease holding this tract and relayed the tract information. He said he would handle talking with his family, identify this tract, and they may have a bit of open acreage that they may be interested in leasing with us as well.						
11/1/2022	Called and spoke with Samuel, he pulled together family information for me and asked that all paperwork be sent to him and he would distribute it to everyone after he reviewed it.						
11/14/2022	Mailed out Amendment packet for review between the family. Sent Samuel text letting him know lease amendments were in the mail.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
41	JEFFREY J. FERRELL (NON-CONFORMING LEASE)	30-0000433.000	AGRICULTURAL	77990 KINSEY ORCHARD ROAD	FREEPORT	OH	43973
Date			Comments				
10/18/2022	Spoke with Samuel Ferrell and he said he would be the point of contact						
10/19/2022	Spoke with Samuel, I informed him of our intent to amend the existing lease holding this tract and relayed the tract information. He said he would handle talking with his family, identify this tract, and they may have a bit of open acreage that they may be interested in leasing with us as well.						
11/1/2022	Called and spoke with Samuel, he pulled together family information for me and asked that all paperwork be sent to him and he would distribute it to everyone after he reviewed it.						
11/14/2022	Mailed out Amendment packet for review between the family. Sent Samuel text letting him know lease amendments were in the mail.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
41	JUDY K. SOEHNLEN (NON-CONFORMING LEASE)	30-0000433.000	AGRICULTURAL	971 BATTLESBURG STREET SW	EAST SPARTA	OH	44646
Date			Comments				
10/18/2022	Called and left message with number identified for mineral owner.						
10/19/2022	Spoke with Samuel, I informed him of our intent to amend the existing lease holding this tract and relayed the tract information. He said he would handle talking with his family, identify this tract, and they may have a bit of open acreage that they may be interested in leasing with us as well.						
11/1/2022	Called and spoke with Samuel, he pulled together family information for me and asked that all paperwork be sent to him and he would distribute it to everyone after he reviewed it.						
11/14/2022	Mailed out Amendment packet for review between the family. Sent Samuel text letting him know lease amendments were in the mail.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
41	MARSHA J. FERRELL (NON-CONFORMING LEASE)	30-0000433.000	AGRICULTURAL	78019 KINSEY ORCHARD ROAD	FREEPORT	OH	43973
Date			Comments				
10/18/2022	Called and left message with number identified for mineral owner.						
10/19/2022	Spoke with Samuel, I informed him of our intent to amend the existing lease holding this tract and relayed the tract information. He said he would handle talking with his family, identify this tract, and they may have a bit of open acreage that they may be interested in leasing with us as well.						
11/1/2022	Called and spoke with Samuel, he pulled together family information for me and asked that all paperwork be sent to him and he would distribute it to everyone after he reviewed it.						
11/14/2022	Mailed out Amendment packet for review between the family. Sent Samuel text letting him know lease amendments were in the mail.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
44	COOPER ISLAND INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY (NON-CONFORMING LEASE)	30-0000874.000	AGRICULTURAL	5910 NORTH CENTRAL EXPRESSWAY SUITE 1350	DALLAS	TX	75206
Date			Comments				
11/3/2022	Left voicemail at number confirmed as Preston Phillips who appears to be VP at Cooper Island Investments.						
11/8/2022	Left voicemail for Preston Phillips, VP, on his cell and at his office. Emailed lease proposal to him.						
11/14/2022	Sent follow-up email to Preston.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
44	HELIS ROYALTY COMPANY, LLC, A LOUISIANA LIMITED LIABILITY COMPANY (NON-CONFORMING LEASE)	30-0000874.000	AGRICULTURAL	228 ST CHARLES AVENUE SUITE 912	NEW ORLEANS	LA	70130
Date			Comments				
10/3/2022	Called David Kerstein but voice mailbox was full.						
11/3/2022	Responded to an email from Lisa from Walter Productions, Inc, she asked for more information and let me know that these companies purchased this interest as a joint venture and negotiated it all together. I asked if there was a central contact that would be handling the negotiations for the group.						
11/4/2022	Heard from Ryan Searle, he told me that he would be reaching out on 11/8 to discuss this further.						
11/8/2022	Emailed with Ryan, and he had several questions about the operator and compensation that I addressed via email.						
11/9/2022	Emailed Ryan asking for a quick call to discuss						
11/10/2022	Spoke at length with Ryan, he let me know that they would only amend if their list of conditions were met.						
11/14/2022	Emailed amendment packet over to Ryan for his review and discussion within the group.						
11/15/2022	Ryan let me know that he was reviewing our amendment and passing it around the group.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
44	WALTER PRODUCTION, INC. (NON-CONFORMING LEASE)	30-0000874.000	AGRICULTURAL	1100 LOUISIANA SUITE 200	HOUSTON	OH	77002
Date			Comments				
10/3/2022	Called and was directed to Janet Dunn in their land department. Left her a voicemail.						
10/18/2022	Called and was directed to leave a voicemail with Lisa Martinez.						
11/1/2022	Called and left another message with the receptionist and she was taking it to their head of land.						
11/3/2022	Responded to an email from Lisa from Walter Productions, Inc, she asked for more information and let me know that these companies purchased this interest as a joint venture and negotiated it all together. I asked if there was a central contact that would be handling the negotiations for the group.						
11/4/2022	Heard from Ryan Searle, he told me that he would be reaching out on 11/8 to discuss this further.						
11/8/2022	Emailed with Ryan, and he had several questions about the operator and compensation that I addressed via email.						
11/9/2022	Emailed Ryan asking for a quick call to discuss						
11/10/2022	Spoke at length with Ryan, he let me know that they would only amend if their list of conditions were met.						
11/14/2022	Emailed amendment packet over to Ryan for his review and discussion within the group.						
11/15/2022	Ryan let me know that he was reviewing our amendment and passing it around the group.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
44	OGI, INC. (NON-CONFORMING LEASE)	30-0000874.000	AGRICULTURAL	841 HERSCHE AVENUE	PAGOSA SPRINGS	CO	81147
Date			Comments				
10/3/2022	Called and attempted to leave messages at all numbers located for OGI						
11/3/2022	Responded to an email from Lisa from Walter Productions, Inc, she asked for more information and let me know that these companies purchased this interest as a joint venture and negotiated it all together. She connected me with Ryan Searle.						
11/4/2022	Heard from Ryan Searle(OGI, VP), he told me that he would be reaching out on 11/8 to discuss this further.						
11/8/2022	Emailed with Ryan, and he had several questions about the operator and compensation that I addressed via email.						
11/9/2022	Emailed Ryan asking for a quick call to discuss						
11/10/2022	Spoke at length with Ryan, he let me know that they would only amend if their list of conditions were met.						
11/14/2022	Emailed amendment packet over to Ryan for his review and discussion within the group.						
11/15/2022	Ryan let me know that he was reviewing our amendment and passing it around the group.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
55		30-0000303.000	COMMERCIAL				
56		30-0000304.000	COMMERCIAL				
57	RHDK OIL & GAS, LLC (WORKING INTEREST)	30-0000241.000	AGRICULTURAL	3596 STATE ROUTE 9 NW	DOVER	OH	44622
Date	Comments						
10/3/2022	Sent email to RHDK that contained a purchase offer, an offer to negotiate a mutually agreeable operating agreement for participation or discuss trade concepts. Also, asked to acquire a working interest owner approval form.						
10/3/2022	Received email from RHDK that it is interested in participation.						
11/7/2022	Currently negotiating a mutually agreeable Operating agreement.						
11/14/2022	Continuing to negotiate operating agreement.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
55		30-0000303.000	COMMERCIAL				
56		30-0000304.000	COMMERCIAL				
57	ASCENT RESOURCES - UTICA, LLC (WORKING INTEREST)	30-0000241.000	AGRICULTURAL	3501 N.W. 63RD	OKLAHOMA CITY	OK	73116
Date	Comments						
10/3/2022	Sent email to Ascent that contained a purchase offer, an offer to negotiate a mutually agreeable operating agreement for participation or discuss trade concepts. Also, asked to acquire a working interest owner approval form.						
11/4/2022	Sent email to Ascent that contained a revised purchase offer.						
11/11/2022	Received email from Ascent Resources that they will be participating with their entire interest.						

Tract #	Owner	Parcel ID #	Land Use	Address	City	State	Zip Code
59	B & B APPALACHIA, LLC (WORKING INTEREST)	30-0000251.000	AGRICULTURAL	206 EAST 9TH STREET, SUITE 1300	AUSITN	TX	78701
Date	Comments						
10/5/2022	Sent email to B&B that contained a purchase offer and asked to acquire a working interest owner approval form.						
10/6/2022	Received email from B&B declining the offer.						
11/7/2022	On going conversation regarding this interest.						
11/14/2022	Continuing to negotiate with this interest.						

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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation :
:
Xavier HFP07 A Unit :

DUE DILIGENCE AFFIDAVIT

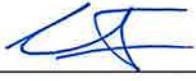
I, Chase Thompson, being first duly sworn and cautioned, affirm and state as follows:

1. I am competent to testify on the matters contained in this Affidavit.
2. I am employed by EOG Resources, Inc. (“EOG”), and my day-to-day responsibilities include, among other things, overseeing and managing the coordination of units subject to unitization in the State of Ohio for the Applicant, EOG.
3. I have the authority to sign this Affidavit on behalf of EOG.
4. Pursuant to Ohio Revised Code §1509.28, EOG has filed an application with the Chief of the Division of Oil and Gas Resources Management (“DOGRM”) requesting an Order authorizing EOG to operate the Unitized Formation and applicable land area, identified as the Xavier HFP07 A Unit (“Application”). The Xavier HFP07 A Unit is located in Harrison County, Ohio, and as a unit of an entire pool or part thereof, consists of 68 separate tracts of land covering approximately 949.0416 acres.
5. As a function of my job duties, I, or persons under my direction or supervision, have personal knowledge of the matters set forth in this Affidavit. Further, I or persons under my direction or supervision have reviewed all documents which reflect EOG’s efforts to identify and locate mineral interest owners within the proposed Xavier HFP07 A Unit.
6. I attest that EOG exercised reasonable due diligence to identify all mineral interest owners within the proposed unit and ascertained their current addresses prior to filing its Application with DOGRM. These efforts included performing title work; reviewing Court records, marriage records, birth records, and death records; search county auditor tax records; searching records maintained by the United States Postal Service; and utilizing and searching electronic resources and data bases. I further attest that where it was not reasonably possible or practicable to identify all mineral interest owners’ identities or addresses, EOG will provide notice by publication of a hearing scheduled pursuant to R.C. §1509.28.
7. I further attest that, to the best of my knowledge and belief, the names and addresses of mineral interest owners that are provided to DOGRM in EOG’s Application were accurate at the time EOG filed its Application with DOGRM.
8. I understand that the DOGRM is relying on the statements and representations contained in this Affidavit to verify that EOG has acted using ordinary standards of due diligence to identify and locate mineral interest owners for tracts contained within the proposed unit. Further EOG understands DOGRM expects EOG 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 a right in law or equity by DOGRM or EOG.

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

FURTHER AFFIANT SAYETH NAUGHT.

EOG Resources, Inc.

By: 

Chase Thompson
Land Specialist
EOG Resources, Inc.

STATE OF Oklahoma :
: SS
COUNTY OF Oklahoma :

Sworn to and subscribed before me by Chase Thompson, Land Specialist of EOG Resources, Inc., this 17th day of November, 2022.



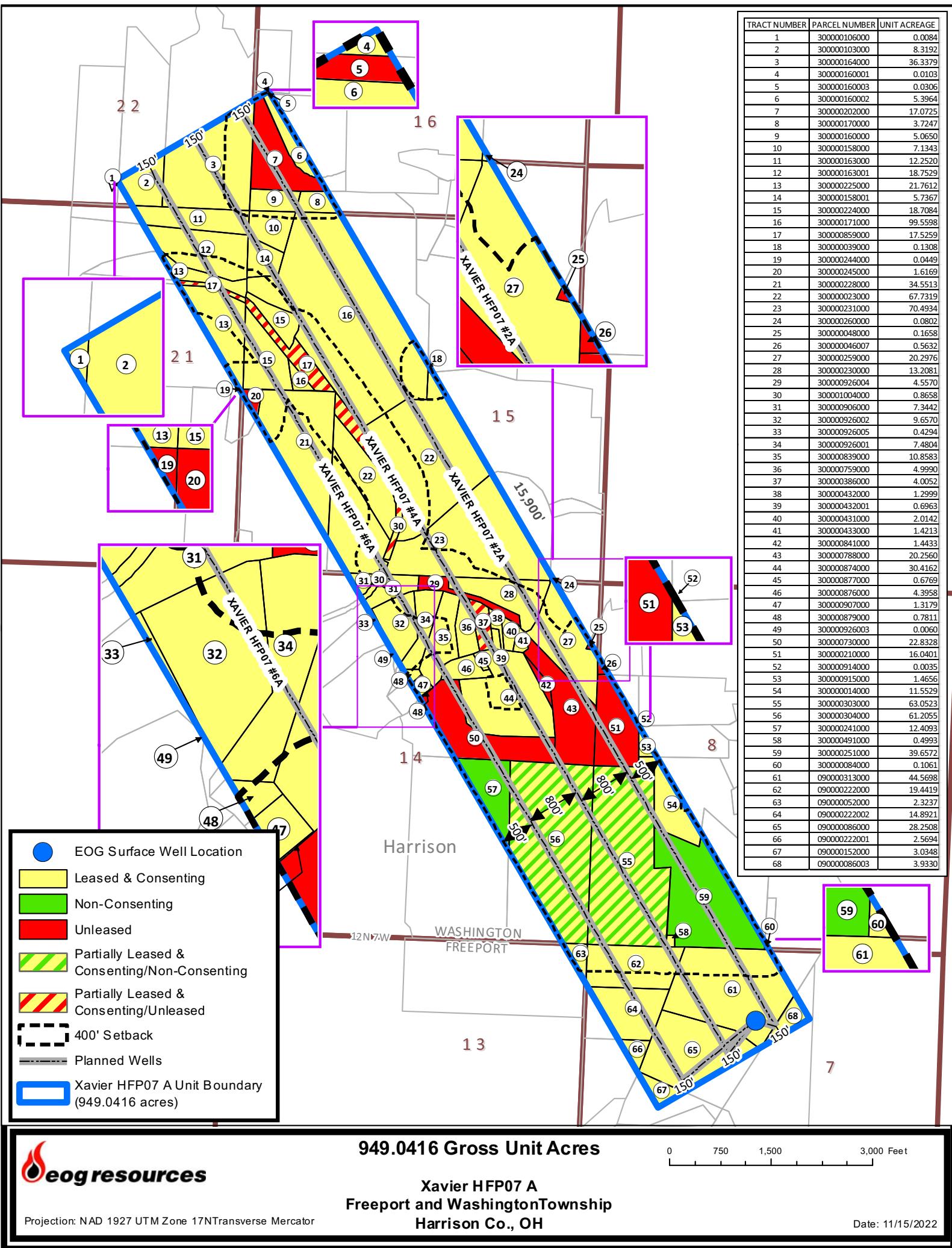

Danielle B

Notary Public

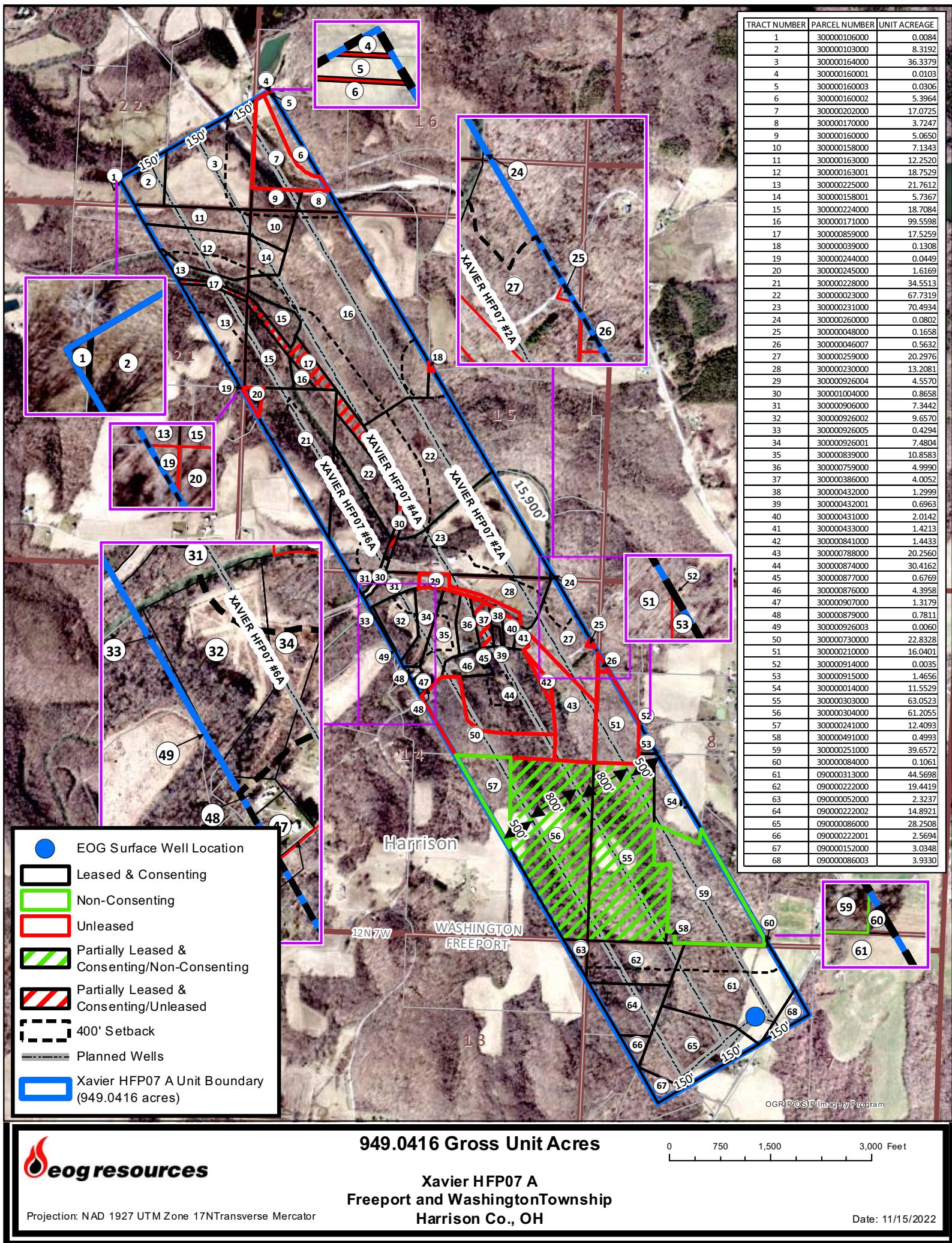
My Commission Expires: 01/22/24

Xavier HFP07 A Due Diligence Affidavit

Attachment 3 - Exhibit D



Attachment 3 - Exhibit E



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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation, :
:
Xavier HFP07 A Unit :

OWNERSHIP AFFIDAVIT

I, Chase Thompson, being first duly sworn and cautioned, affirm and state as follows:

1. Affiant is competent to testify on the matters contained in this Affidavit.
2. I am employed at EOG Resources, Inc. (“EOG”), and my responsibilities include, among other things, overseeing and managing the coordination of units subject to unitization in the State of Ohio for the Applicant, EOG.
3. I have the authority to sign this Affidavit on behalf of EOG.
4. Pursuant to Ohio Revised Code §1509.28, EOG is filing an application with the Chief of the Division of Oil and Gas Resources Management (“DOGRM”) requesting an Order authorizing EOG to operate the Unitized Formation and applicable land area, identified as the Xavier HFP07 A Unit, according to the Unit Plan submitted herewith (“Application”) (as those terms are used and defined therein). The Xavier HFP07 A Unit is located in Harrison County, Ohio, and as a unit of an entire pool or part thereof, consists of 68 separate tracts of land covering approximate 949.0416 acres.
5. It is my understanding that Ohio Revised Code §1509.01(K) defines an “Owner,” in relevant part, as “the person who has the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil or gas produced therefrom either for the person or for others...”
6. As of the Application date, EOG and the committed Working Interest Owners supporting EOG’s Application (as those terms are used and defined in the Application) are the “Owners,” as that term is defined in Ohio Revised Code §1509.01(K), of at least 65% of the land overlying the Utica/Point Pleasant Pool at the location of the proposed Xavier HFP07 A Unit that is the subject of the request for unitization set forth in EOG’s Application.

FURTHER AFFIANT SAYETH NAUGHT.

EOG Resources, Inc.

By: CT
Chase Thompson
Land Specialist
EOG Resources, Inc.

STATE OF Oklahoma :
: SS
COUNTY OF Oklahoma :

Sworn to and subscribed before me by Chase Thompson, Land Specialist of EOG Resources, Inc., this 17th day of November, 2022.



Danielle B
Notary Public

My Commission Expires: 01/22/24

Xavier HFP07 A Ownership Affidavit

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

In re the Matter of the Application)
of EOG Resources, Inc. for)
Unit Operation)
)
)
Xavier HFP07 A Unit)

**PREPARED TESTIMONY OF JENNA HESSERT
ON BEHALF OF EOG RESOURCES, INC.
(SENIOR GEOLOGIST)**

PREPARED DIRECT TESTIMONY OF JENNA HESSERT

INTRODUCTION

Q1: Please state your name, place of employment and business address.

A1: My name is Jenna Hessert, I am employed by EOG Resources, Inc. (“EOG”) and my business address is 14701 Bogert Parkway Oklahoma City, OK 73134.

Q2: What is your position with EOG?

A2: Senior Geologist.

Q3: Please describe your job responsibilities as a Senior Geologist with EOG.

A3: I am one of the geologists responsible for the geological information necessary to produce well permits and drilling plans for the development and drilling of the Utica/Point Pleasant assets owned or operated by EOG. To accomplish this, my daily activities include: geologic mapping, well-log analysis, geologic risk assessment using seismic data, acreage evaluations, well prognosis generation and horizontal well planning. I coordinate with our geosteerer to keep our wells within the intended geologic target.

Q4: What is your educational background?

A4: I graduated from Yale University in 2014 with a Bachelor of Science in Geology and Geophysics. I received my Masters in Geoscience from Texas Tech University in 2016.

Q5: Would you please briefly describe your professional experience?

A5: I have worked for EOG Resources since 2016. I started in the Midland Division, working the Permian Basin, drilling over 100 wells, and overseeing multiple exploration projects. I have worked the Appalachian basin for the past year as one of the geologists on our Utica/Point Pleasant assets.

Q6: Are you a member of any professional associations?

A6: Yes, I am a member of the American Association of Petroleum Geologists.

Q7: Are you familiar with the Application for Unit Operations with respect to the Xavier HFP07 A Unit?

A7: Yes.

Q8: Can you please describe the reason for your testimony today?

A8: I am testifying that the Unitized Formation (specifically the Utica/Point Pleasant pool at the location of the proposed Xavier HFP07 A Unit) as described in the Xavier HFP07 A Application for Unitization, is part of a pool and thus appropriate for unitization. Further,

I will testify in support of the Unit Plan's allocation of unit production and expenses to separately owned tracts on a surface-acreage bases, based on the Unitized Formation's nearly uniform thickness and substantially similar geological characteristics throughout.

UNITIZED FORMATION IS PART OF A POOL.

Q9: Can you please define the term “pool” as it relates to unitization?

A9: A pool is understood to be an accumulation of hydrocarbons trapped within the pores of a rock.

Q10: Are you familiar with the Ohio Revised Code §1509.01(E) definition of the term “pool”?

A10: Yes, the statutory definition is: “an underground reservoir containing a common accumulation of oil or gas, or both, but does not include a gas storage reservoir. Each zone of a geological structure that is completely separated from any other zone in the same structure may contain a separate pool.” This definition is consistent with the common geological usage.

Q11: Does this definition of “pool” apply to the Xavier HFP07 A unit?

A11: Yes. Geologic mapping shows the entire Xavier HFP07 A Unit to be underlain by the Utica/Point Pleasant pool, which is of the same approximate thickness throughout the Xavier HFP07 A Unit area. The hydrocarbon accumulation extends in all directions from this proposed unit and the rock properties such as thermal maturity, porosity, and water saturation are similar throughout the entire unit and constitute a common source of supply. This means that the reservoir characteristics with similar rock properties extends laterally under the entire unit, suggesting that production would be similar from all wells drilled in and around the unit. Therefore, the Unitized Formation qualifies as part of a pool with the entire pool extending far beyond the currently defined boundaries of the Xavier HFP07 A Unit.

Q12: When you refer to the Utica/Point Pleasant pool, to what are you referring?

A12: The Utica/Point Pleasant pool is the term used to describe the subsurface geologic shale layer from the top of the Utica Shale formation to the top of the Trenton Limestone formation.

Q13: Is your opinion based on your education and professional experience?

A13: Yes, my opinion is based on my education and professional experience.

Q14: How do geologists investigate the geologic characteristics of a shale play in the Utica/Point Pleasant pool?

A14: Geologists study well logs, sample cuttings, core, and other measurable rock properties to gain information such as porosity, permeability, water saturation, mineral content, and thermal maturity of organic material. Correlation of this information over a large area reveals a regional picture or trend of the Utica/Point Pleasant pool.

Q15: Generally speaking, what sources of data would you review and analyze in order to assess the geologic characteristics of a potential shale play?

A15: Available core reports, mud log, and electric log data, along with applicable publications and studies conducted for the play area.

Q16: What data sources did you use in determining the geologic features underlying the Xavier HFP07 A Unit?

A16: Mapping derived from EOG's geological databases provides the structural position and thickness of the Utica/Point Pleasant pool in and around the unit. Electric log data from wells drilled to the underlying Trenton Limestone penetrations in the area were used to construct Attachment 4, Exhibit A in the Unit Application. Attachment 4, Exhibit B shows a well approximately 2.7 miles to the west, and another well 4.7 miles to the north of the pad for the proposed Xavier HFP07 A unit. The cross-section found in Attachment 4, Exhibit A has been flattened to a datum at the top of the Trenton Limestone to show the uniform thickness of the Utica/Point Pleasant pool across the unit and surrounding area.

Q17: What do these exhibits tell us about the Xavier HFP07 A Unit?

A17: Attachment 4, Exhibit B is a location map showing the Xavier HFP07 A Unit with respect to the logs used in the cross section found on Attachment 4, Exhibit A. The cross-section suggests a similar thickness and rock properties of the Utica/Point Pleasant pool between the two electric logs and the similar predicted thickness and rock properties within the Xavier HFP07 A Unit.

Q18: Which formations are included in the proposed Xavier HFP07 A Unit?

A18: The Unitized Formation described in the Application is the Utica/Point Pleasant pool in the Xavier HFP07 A Unit at depths located from 50' above the top of the Utica Shale to 50' below the top of the Trenton Limestone formation.

ALLOCATION METHODOLOGY

Q19: Production and expenses are allocated to the separate tracts in the Xavier HFP07 A Unit under the Unit Plan on a surface-acreage basis. Do you have an opinion on whether that allocation method is appropriate, given your education and professional experience?

A19: I do. In my opinion, that allocation methodology is appropriate.

Q20: Why?

A20: Because the Utica/Point Pleasant pool is expected to be similar in thickness and productive quality throughout the entirety of the Xavier HFP07 A Unit.

Q21: The Exhibits you testified about earlier, do these exhibits support your opinion?

A21: Yes. As I explained, the Exhibits demonstrate that the Unitized Formation is similar in thickness and character across the proposed Xavier HFP07 A Unit. Therefore, I expect similar production and similar gas or oil in place from this pool under the entire unit.

Q22: In your experience, is this a common method for allocating production and expenses?

A22: Yes, this is a commonly accepted practice in the industry, especially in shale plays.

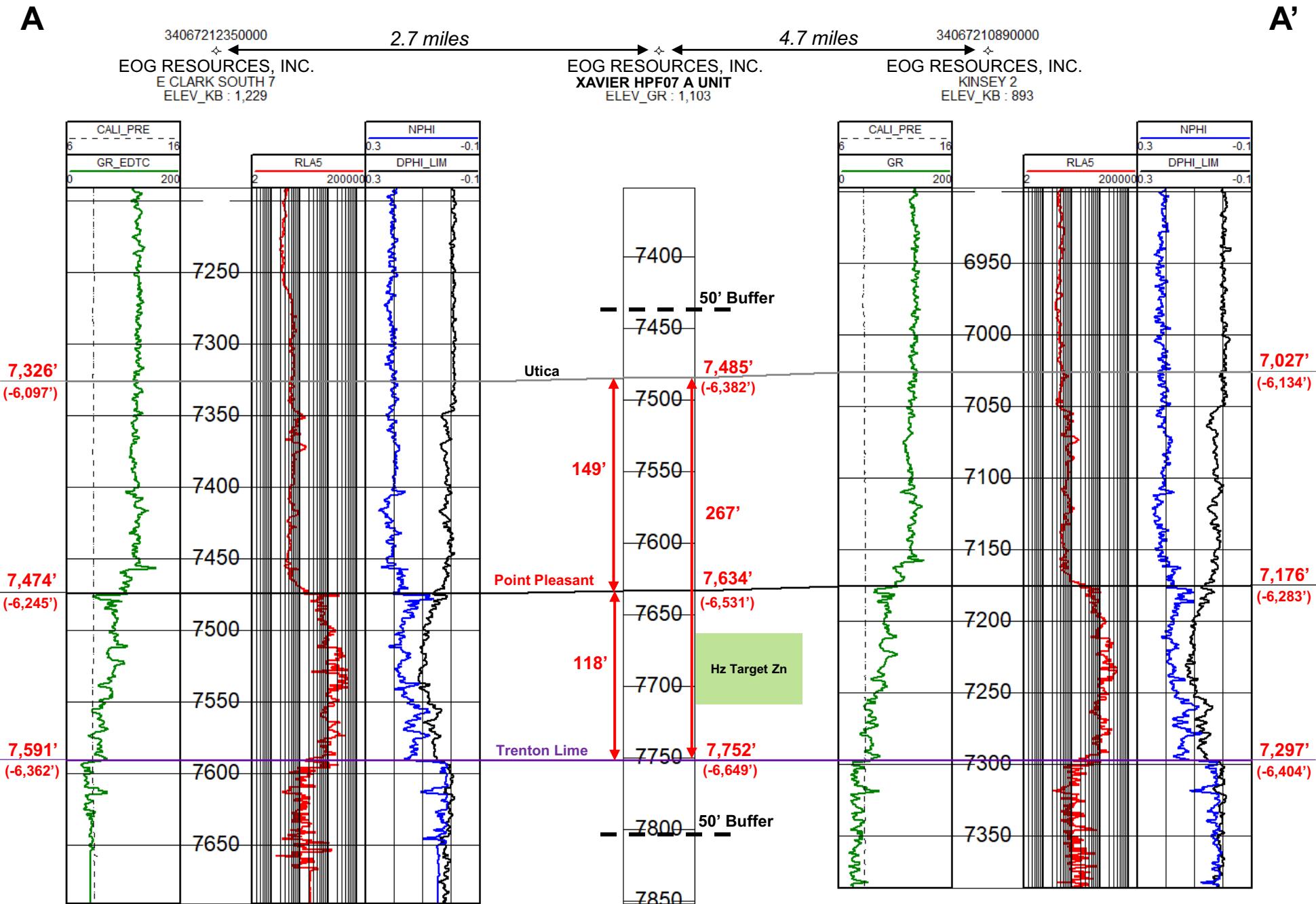
Q23: In your experience, is this method used in other unconventional plays?

A23: Yes.

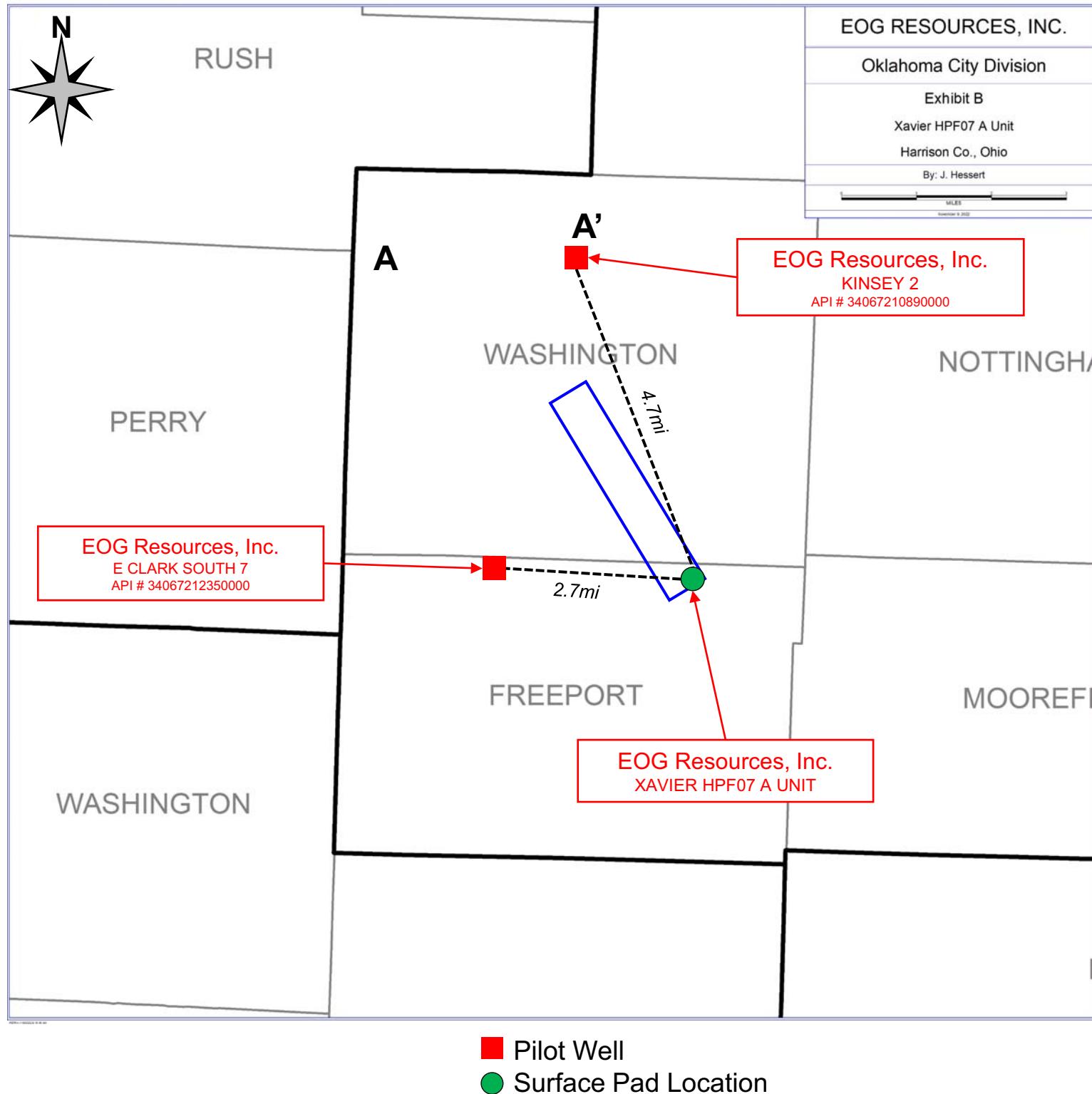
Q24: Does this conclude your testimony?

A24: Yes.

Attachment 4 - Exhibit A



Attachment 4 - Exhibit B



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

In re the Matter of the Application)
of EOG Resources, Inc. for)
Unit Operation)
)
)
Xavier HFP07 A Unit)

**PREPARED TESTIMONY OF PRICE HERNANDEZ
ON BEHALF OF EOG RESOURCES, INC.
(RESERVOIR ENGINEER)**

Christopher J. Baronzzi (0078109)
Robert J. Karl (0042292)
Ryan T. Steele (0088304)
PORTER WRIGHT MORRIS & ARTHUR LLP
41 S. High Street, Suites 2800-3200
Columbus, Ohio 43215
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rkarl@porterwright.com
rsteele@porterwright.com

*Attorneys for Applicant
EOG Resources, Inc.*

PREPARED DIRECT TESTIMONY OF PRICE HERNANDEZ

INTRODUCTION

Q1: Please state your name, place of employment and business address.

A1: My name is Price Hernandez, I am employed by EOG Resources, Inc. (“EOG”) and my business address is 14701 Bogert Pkwy, Oklahoma City, Oklahoma.

Q2: What is your position with EOG?

A2: I am currently employed as a reservoir engineer with EOG Resources

Q3: Please describe your job responsibilities as Reservoir Engineer with EOG.

A3: As a reservoir engineer my primary job responsibilities are to forecast future production for producing wells and undeveloped wells. I use these forecasts to estimate the reserves, recoveries, and economics for various development scenarios. Using this information, myself and additional team members recommend how EOG should develop its assets to maximize value

Q4: What is your educational background?

A4: I graduated from Texas A&M University in 2017 with a Bachelor of Science in Mechanical Engineering.

Q5: Would you please briefly describe your profession experience?

A5: I started my professional career with EOG Resources in 2017 working in the San Antonio Division. In San Antonio I spent time in Drilling, Completions, Production, Facilities, and Reservoir to best understand all the facets of engineering associated with the upstream component of the oil and gas industry. In 2021 I was transferred to the Oklahoma City Division where I have been focused on the development of our Utica/Point Pleasant assets.

Q6: Are you a member of any professional associations?

A6: Yes. I am a member of the Society of Petroleum Engineers (SPE)

Q7: Are you familiar with the Application for unit operations with respect to the Xavier HFP07 A Unit?

A7: Yes.

Q8: Can you please describe the reason for your testimony today?

A8: I am testifying in support of the Application of EOG for unit operations filed with respect to the Xavier HFP07 A Unit as specifically described the Unit Operating Agreement. My testimony addresses the following: (i) that unit operations for the Xavier HFP07 A Unit are

reasonably necessary to increase substantially the ultimate recovery of oil and gas; and (ii) that the value of the estimated additional recovery due to unit operations exceeds its estimated additional costs.

UNIT OPERATIONS ARE REASONABLE NECESSARY TO INCREASE SUBSTANTIALLY THE ULTIMATE RECOVERY OF OIL AND GAS.

Q9: Would you describe briefly how EOG anticipates developing the Xavier HFP07 A Unit?

A9: EOG plans to drill three lateral wells, known as the 2A, 4A and 6A, to develop the Xavier HFP07 A Unit. The development plan is demonstrated in Attachment 3, Exhibit D. After accounting for the standard setbacks, including the 150 foot spacing between the unit boundary and the first and last take points of each well, the wells will each be approximately 15,600 feet in length.

Q10: Do you have an opinion on whether unit operations in the Xavier HFP07 A Unit are reasonably necessary to increase substantially the ultimate recovery of oil and gas from the portion of each property in the unit, and if so, what is your opinion?

A10: Yes. It is my opinion that unit operations are reasonably necessary to increase substantially the ultimate recovery of oil and gas from the portion of each property within the unit. I estimate that production from the Xavier HFP07 A Unit could be as much as 6.303 million barrels of oil equivalent (“BOE”) if unit operations are allowed. However, due to the location of open acreage tracts, non-consenting tracts and set-back requirements that prevent development within 400 feet of unleased or nonconsenting parcels, without an order for unit operations, the 2A, 4A and 6A wells would only be approximately 871 feet, 1,371 feet, and 1,873 feet in length, respectively, and would only produce a combined total of approximately 555,000 BOE. Consequently, an order allowing for unit operations will increase the ultimate recovery of oil and gas from the properties in the unit by approximately 5.748 million BOE as compared to what would be recovered without an order for unit operations. All of these estimates are based on decline-curve analysis of analogous offset production.

Q11: Are the estimates that you made based on good engineering practices and accepted methods in the industry?

A11: Yes.

Q12: Can you calculate the production from these wells ahead of time with mathematical certainty?

A12: Projecting production from any unconventional formation, like the Utica/Point Pleasant formation, is difficult, but we can estimate production with a reasonable degree of accuracy.

Q13: Is horizontal drilling technology, including hydraulic fracturing of the formation, required to economically develop unconventional resources such as the Utica/Point Pleasant formation that will be the target of the Xavier HFP07 A wells?

A13: Yes.

Q14: Is horizontal drilling common in the oil and gas industry?

A14: Yes.

Q15: Is it fair to say that horizontal wells are commonly used to develop shale formations like the Utillized Formation today?

A15: Yes.

VALUE OF ESTIMATED ADDITIONAL RECOVERY EXCEEDS ITS ESTIMATED ADDITIONAL COSTS

Q16: Let's turn to the financial side of the project. Generally, in your professional experience, how would the economics of a development project such as the development of the Xavier HFP07 A Unit be evaluated?

A16: Generally, an economic evaluation is performed by predicting oil, natural gas, and natural gas liquids production and applying the appropriate commodity price deck to calculate revenue. Capital costs, operating expenses, royalty burden, and taxes would then be applied to perform an economic evaluation.

Q17: Did you do that here?

A17: Yes.

Q18: Would you walk us through your economic evaluation, beginning with your estimate of the anticipated revenue stream from the Xavier HFP07 A Unit's development?

A18: The production stream I used, previously discussed, was first netted for a royalty burden. I then applied an annual price for oil and natural gas using the NYMEX strip price, subtracting any anticipated basis differential, and correcting for expected heat value content in the natural gas. This natural gas price is based on NYMEX price deck, subtracting out any additional fees for transportation and marketing.

Q19: What about anticipated capital and operating expenses?

A19: Capital costs are associated with the construction, drilling, completion, and facilities. Asset development engineers provided detailed cost estimates for the proposed wells included in the Xavier HFP07 A Unit. Monthly operating expenses were estimated from our experience and our contractual fees with associated service providers. The cost per well is explained on Attachment 5, Exhibit A.

Q20: Based on this information and your professional judgment, does the value of the estimated recovery from the operations proposed for the Xavier HFP07 A Unit exceed its estimated costs?

A20: Yes. The net present value (NPV(10)), which accounts for capital expenditures and operating costs, with unit operations would be \$52.32 million. Also, assuming an order allowing for unit operations is granted, the undiscounted revenue from production would be \$178.63 million.

Q21: Did you assess the development of the area covering the Xavier HFP07 A Unit if unit operations do not occur?

A21: Yes. As explained in my answer to Question 10 above, and as shown in Attachment 3, Exhibit D, because of the location of open acreage tracts and non-consenting working interests, all three wells would be shortened by a combined total length of 42,685 feet, and would produce a combined total of only approximately 555,000 BOE, leaving 5.748 million BOE of the estimated production from unit operations undeveloped and stranded.

Q22: Do you have an opinion as to whether the value of the estimated additional recovery from the proposed Xavier HFP07 A Unit under an order allowing for unit operations exceeds the estimated additional cost of unit operations?

A22: Yes. The value of the estimated additional recovery with the proposed unit operations will exceed the estimated additional cost of the proposed unit operations. Specifically, the Xavier HFP07 A Unit development costs pursuant to the proposed unit operations are approximately \$36 million. But, as a result of that expenditure, in combination the wells will generate approximately \$178.63 million in undiscounted revenue, with an associated NPV(10) of \$52.32 million. On the other hand, without an order allowing for unit operations, the combined estimated development costs of all three wells would be \$13.47 million, but the wells will generate only approximately \$16.05 million in undiscounted

revenue, with an associated NPV(10) of *negative* \$3.75 million. Therefore, the value of the estimated additional recovery under the proposed unit operations is \$162.58 million, which greatly exceeds the estimated additional cost of \$22.53 million.

Q23: Are your opinions based on your education and professional experience?

A23: Yes.

Q24: Does this conclude your testimony?

A24: Yes.

Attachment 5 - Exhibit A

Xavier HFP07 A Unit

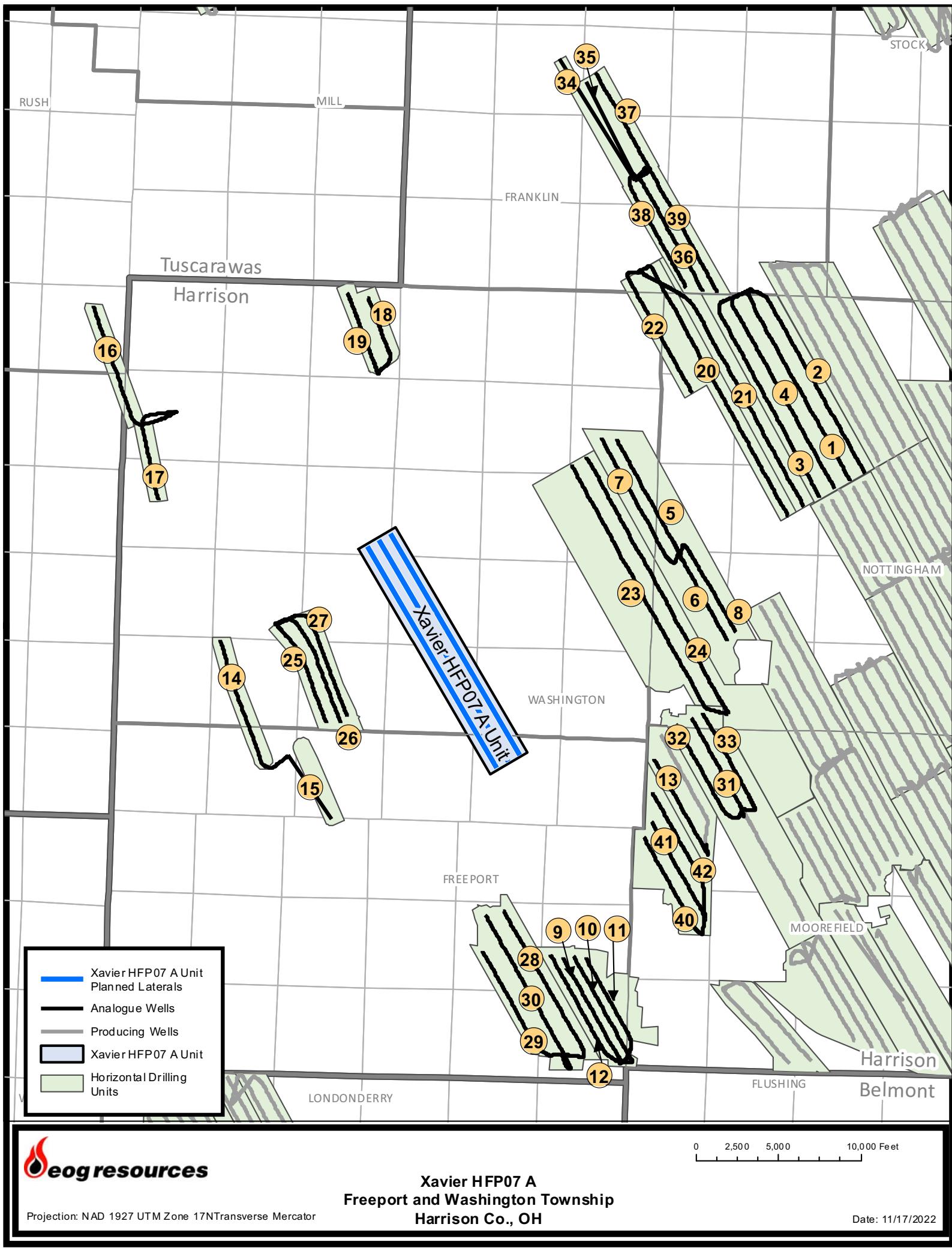
Well Name	Lateral Length (ft)	Gross EUR (MBOE)	Unitized Scenario				NPV10 (\$MM)
			Undiscounted Revenue (\$MM)	Undiscounted Operating Expense (\$MM)	Capital Costs (\$MM)	Undiscounted Cash Flow (\$MM)	
Xavier HFP07 #2A	15,600	2,164	62.16	12.02	12.00	29.10	18.20
Xavier HFP07 #4A	15,600	1,975	54.31	11.02	12.00	23.83	15.92
Xavier HFP07 #6A	15,600	2,164	62.16	12.02	12.00	29.10	18.20
Total	46,800	6,303	178.63	35.06	36.00	82.03	52.32

Well Name	Lateral Length (ft)	Gross EUR (MBOE)	Non-Unitized Scenario				NPV10 (\$MM)
			Undiscounted Revenue (\$MM)	Undiscounted Operating Expense (\$MM)	Capital Costs (\$MM)	Undiscounted Cash Flow (\$MM)	
Xavier HFP07 #2A	871	121	3.77	1.30	4.10	-1.31	-1.58
Xavier HFP07 #4A	1,371	174	4.92	1.51	4.48	-0.89	-1.30
Xavier HFP07 #6A	1,873	260	7.37	2.44	4.89	-0.05	-0.87
Total	4,115	555	16.05	5.25	13.47	-2.25	-3.75

Well Name	Lateral Length (ft)	Gross EUR (MBOE)	Unitized/Non-Unitized Comparison				NPV10 (\$MM)
			Undiscounted Revenue (\$MM)	Undiscounted Operating Expense (\$MM)	Capital Costs (\$MM)	Undiscounted Cash Flow (\$MM)	
Xavier HFP07 #2A	14,729	2,043	58.39	10.72	7.90	30.41	19.78
Xavier HFP07 #4A	14,229	1,801	49.39	9.51	7.52	24.72	17.22
Xavier HFP07 #6A	13,727	1,904	54.79	9.58	7.11	29.15	19.07
Total	42,685	5,748	162.58	29.81	22.53	84.28	56.07

Operating Stream	Operating Cost	November 2022 Strip Price		
		Year	Oil Price (\$/bbl)	Gas Price (\$/mcf)
Variable Oil (\$/bbl)	0.40	2023	84.22	5.48
Variable Gas (\$/mcf)	2.37	2024	76.47	4.71
Variable Water (\$/bbl)	3.50	2025	71.56	4.58
Fixed Op Costs (\$/month)	7000	2026	67.66	4.53
		2027	64.52	4.52
		LIFE	65.00	3.00

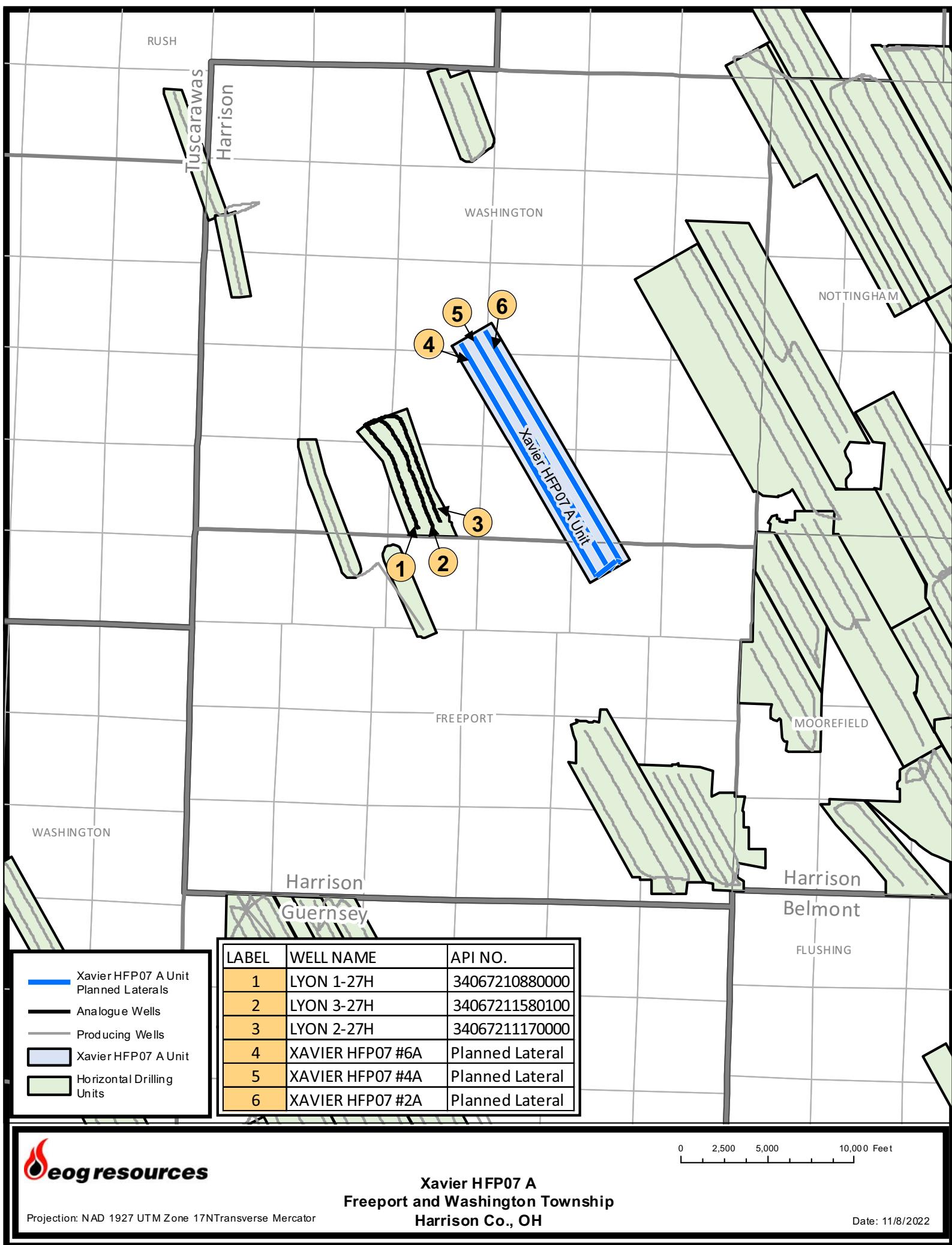
Attachment 5 - Exhibit B



Analogue Wells Used in Reserve Calculation Analysis
Xavier HFP07 A Unit

WELL NAME	LABEL NUMBER	API NUMBER	LATERAL LENGTH (FT)	PRODUCTION START DATE	MIDPOINT OF LATERAL TO CENTER OF UNIT
AKERS 25-12-6 10H	1	34067215910000	12,267	11/01/2019	4.81 miles
AKERS 25-12-6 210H	2	34067215940000	11,667	11/01/2019	5.02 miles
AKERS 25-12-6 6H	3	34067215920000	12,717	11/01/2019	4.48 miles
AKERS 25-12-6 8H	4	34067215930000	12,567	11/01/2019	4.61 miles
BOY SCOUT 1-33H	5	34067210650100	6,642	09/01/2012	2.85 miles
BOY SCOUT 5-33H	6	34067210970000	5,170	01/01/2013	2.79 miles
BOY SCOUT UNIT 2-33H	7	34067210960000	8,112	07/01/2013	2.66 miles
BOY SCOUT UNIT 4-33H	8	34067211060000	5,472	07/01/2013	2.93 miles
CLAY 1-4H	9	34067210780000	6,640	01/01/2012	4.60 miles
CLAY 2-4H	10	34067211390000	6,473	07/01/2013	4.60 miles
CLAY 3-4H	11	34067211410000	5,088	07/01/2013	4.60 miles
CLAY 4-4H	12	34067211590000	6,803	07/01/2013	4.60 miles
DAVIDSON 1-36H	13	34067212780000	6,247	02/01/2015	3.16 miles
E CLARK SOUTH 5-25HD	14	34067212370000	7,363	07/01/2015	2.65 miles
E CLARK SOUTH 7-25HD	15	34067212350100	4,514	07/01/2015	2.40 miles
GOODING 1-35HD	16	34067213850000	7,310	01/01/2016	5.08 miles
GOODING 6-35HD	17	34067214140100	4,372	01/01/2016	4.19 miles
KINSEY 1-24 HD	18	34067210900000	3,512	06/01/2013	3.56 miles
KINSEY 2-24HD	19	34067210890100	4,514	06/01/2013	3.56 miles
KRAMER 1-13-7 10H	20	34067215860000	16,808	10/01/2019	4.07 miles
KRAMER 1-13-7 206H	21	34067215850000	14,200	10/01/2019	4.28 miles
KRAMER 1-13-7 6H	22	34067215840000	7,749	10/01/2019	4.19 miles
LUYSTER 210066 1C	23	34067215750000	16,229	06/01/2020	2.20 miles
LUYSTER 210066 2D	24	34067215760000	16,032	06/01/2020	2.20 miles
LYON 1-27H	25	34067210880000	6,158	04/01/2013	1.75 miles
LYON 3-27H	26	34067211580100	6,322	07/01/2013	1.75 miles
LYON 2-27H	27	34067211170000	5,920	04/01/2013	1.75 miles
MILLIKEN 1-4H	28	34067211850000	9,445	10/01/2013	4.30 miles
MILLIKEN 2-4H	29	34067211860000	6,605	04/01/2014	4.30 miles
MILLIKEN 3-4H	30	34067211870000	9,993	04/01/2014	4.30 miles
RYSER 2-25H	31	34067211150000	6,052	10/01/2013	3.34 miles
RYSER 3-25H	32	34067211250000	5,616	10/01/2013	3.16 miles
RYSER 4-25H	33	34067211400000	5,840	10/01/2013	3.52 miles
TRIPLETT N FRK HR 1H	34	34067213720000	8,124	04/01/2017	6.01 miles
TRIPLETT N FRK HR 3H	35	34067213710000	6,271	04/01/2017	6.06 miles
TRIPLETT S FRK HR 4H	36	34067213750000	7,621	04/01/2017	5.23 miles
TRIPLETT N FRK HR 5H	37	34067213740000	6,010	04/01/2017	6.15 miles
TRIPLETT S FRK HR 2H	38	34067213730100	6,917	04/01/2017	5.11 miles
TRIPLETT S FRK HR 6H	39	34067213760000	8,018	04/01/2017	5.33 miles
VOZAR 210212 1A	40	34067213830000	6,180	03/01/2015	3.64 miles
VOZAR 210212 2B	41	34067213820000	6,070	03/01/2015	3.64 miles
VOZAR 210212 3C	42	34067213840000	6,090	03/01/2015	3.64 miles

Attachment 5 - Exhibit C



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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation :
Xavier HFP07 A Unit :
:

WORKING INTEREST OWNER APPROVAL
EOG RESOURCES, INC.

WHEREAS, EOG Resources, Inc. ("Applicant") has prepared and filed an Application of EOG Resources, Inc. for Unit Operations as of the date set forth above asking the Chief of the Division of Oil and Gas Resources Management to issue an order authorizing Applicant to operate the Xavier HFP07 A Unit, located in Harrison County, Ohio, consisting of sixty-eight (68) separate tracts of land covering 949.0416 acres, according to the Unit Plan attached to the Application; and

WHEREAS, Applicant is the owner of a Working Interest in one or more of the Tracts identified in said Unit Plan, specifically, the Tracts identified on Exhibit 6-A.

NOW, THEREFORE, Applicant, as owner of the Tracts identified on Exhibit 6-A, hereby commits its acreage to the Xavier HFP07 A Unit, and approves and supports the Application, including without limitation the Unit Plan attached thereto.

IN WITNESS WHEREOF, the undersigned representative of Applicant has executed this instrument on behalf of Applicant on the date set forth below.

WORKING INTEREST OWNER: EOG RESOURCES, INC.

TRACTS: SEE ATTACHED EXHIBIT 6-A.

TRACT ACREAGE: 629.3394

RELATED WORKING INTEREST PERCENTAGE: 66.313155%.

EOG Resources, Inc.

By: 

Name: Chese Thompson

Title: Land Specialist

Date: November 17, 2022.

Attachment 6 - Exhibit A

Tract Number	Mineral Owner	Net Mineral Acres	Tax Map Parcel ID
1	RHDK INVESTMENTS, LLC	0.00560000	30-0000106.000
1	THOMAS HODKINSON	0.00070000	30-0000106.000
1	MICHAEL HODKINSON	0.00035000	30-0000106.000
1	JAMES LEE WILLISON, A/K/A JAMES LEE WILLISON, SR. & MELINDA JEAN WILLISON, HUSBAND & WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	0.00023333	30-0000106.000
1	GRACE A. SEIBERT	0.00023333	30-0000106.000
1	JOY ANDREATTA	0.00023333	30-0000106.000
1	TIM J. WILLISON	0.00023333	30-0000106.000
1	KEVIN HODKINSON	0.00011667	30-0000106.000
1	DAWN HICKLE	0.00011667	30-0000106.000
1	JASON HODKINSON	0.00011667	30-0000106.000
1	TAMMY VANFOSSEN	0.00007778	30-0000106.000
1	WENDY OWENS	0.00007778	30-0000106.000
1	AIMEE WILLISON	0.00007778	30-0000106.000
1	BRENT SEIBERT	0.00005833	30-0000106.000
1	ERIC SEIBERT	0.00005833	30-0000106.000
1	BROOKE ANDREATTA	0.00005833	30-0000106.000
1	ANDREW ANDREATTA	0.00005833	30-0000106.000
2	THOMAS HODKINSON & LINNA HODKINSON, HUSBAND & WIFE, AS JOINT TENANTS AND NOT AS TENANTS IN COMMON	2.77306656	30-0000103.000
2	GRACE A. SEIBERT	0.46217782	30-0000103.000
2	JOY ANDREATTA	0.46217782	30-0000103.000
2	TIM J. WILLISON	0.46217782	30-0000103.000
2	TAMMY VANFOSSEN	0.15405927	30-0000103.000
2	WENDY OWENS	0.15405927	30-0000103.000
2	AIMEE WILLISON	0.15405927	30-0000103.000
2	BRENT SEIBERT	0.11554445	30-0000103.000
2	ERIC SEIBERT	0.11554445	30-0000103.000
2	BROOKE ANDREATTA	0.11554445	30-0000103.000
2	ANDREW ANDREATTA	0.11554445	30-0000103.000
2	JAMES LEE WILLISON A/K/A JAMES LEE WILLISON, SR. & MELINDA JEAN WILLISON, HUSBAND AND WIFE FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	0.46217781	30-0000103.000
2	RHDK INVESTMENTS, LLC	2.77306656	30-0000103.000
3	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	36.33790000	30-0000164.000
4	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	0.01030000	30-0000160.001
6	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	5.39640000	30-0000160.002
8	M. ALLEN MILARCIK, A/K/A MICHAEL A. MILARCIK	3.72470000	30-0000170.000
9	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	5.06500000	30-0000160.000

10	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	7.13430000	30-0000158.000
11	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	12.25200000	30-0000163.000
12	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	18.75290000	30-0000163.001
13	JAMES ROGER PHILLIPS & DAWN M. PHILLIPS, HUSBAND & WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	10.88060000	30-0000225.000
13	LAWRENCE DELMAR PHILLIPS	10.88060000	30-0000225.000
14	MICHAEL A. MILARCIK, SR., TRUSTEE, OR HIS SUCCESSORS IN TRUST, UNDER THE MICHAEL A. MILARCIK, SR. LIVING TRUST DATED AUGUST 8, 2007	5.73670000	30-0000158.001
15	JAMES ROGER PHILLIPS & DAWN M. PHILLIPS, HUSBAND & WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	9.35420000	30-0000224.000
15	LAWRENCE DELMAR PHILLIPS	9.35420000	30-0000224.000
16	M. ALLEN MALARICK, A/K/A MICHAEL A. MALARICK	99.55980000	30-0000171.000
17	CSX TRANSPORTATION, INC.	2.61350000	30-0000859.000
21	LAWRENCE DELMAR PHILLIPS	34.55130000	30-0000228.000
22	RANDY E. CLUM & KORAL ANN CLUM, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR	67.73190000	30-0000023.000
23	J. RODGER PHILLIPS & DAWNA M PHILLIPS, HUSBAND AND WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	70.49340000	30-0000231.000
24	DAVID A. MILLER AND MAIRE N. MILLER, HUSBAND AND WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	0.08020000	30-0000260.000
27	DAVID A. MILLER AND MAIRE N. MILLER, HUSBAND AND WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	20.29760000	30-0000259.000
28	J. RODGER PHILLIPS & DAWNA M PHILLIPS, HUSBAND AND WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	13.20810000	30-0000230.000
30	FLATIRON ENERGY PARTNERS, LLC	0.12121200	30-0001004.000
30	COOPER ISLAND INVESTMENTS, LLC	0.21645000	30-0001004.000
30	HIGHPOINT ENERGY, VI	0.49064886	30-0001004.000
30	FOUR HC UTICA LLC	0.02883114	30-0001004.000
30	TEJAS RESOURCES, LLC	0.00432900	30-0001004.000
30	FIRST RANGER CAPITAL, LLC	0.00432900	30-0001004.000
31	FLATIRON ENERGY PARTNERS, LLC	1.02818800	30-0000906.000
31	COOPER ISLAND INVESTMENTS, LLC	1.83605000	30-0000906.000
31	HIGHPOINT ENERGY, VI	4.16195814	30-0000906.000
31	FOUR HC UTICA LLC	0.24456186	30-0000906.000
31	TREJAS RESOURCES	0.03672100	30-0000906.000
31	FIRST RANGER CAPITAL, LLC	0.03672100	30-0000906.000
32	FLATIRON ENERGY PARTNERS, LLC	1.35198000	30-0000926.002
32	COOPER ISLAND INVESTMENTS, LLC	2.41425000	30-0000926.002
32	HIGHPOINT ENERGY, VI	5.47262190	30-0000926.002
32	FOUR HC UTICA LLC	0.32157810	30-0000926.002
32	TREJAS RESOURCES	0.04828500	30-0000926.002
32	FIRST RANGER CAPITAL, LLC	0.04828500	30-0000926.002

33	FLATIRON ENERGY PARTNERS, LLC	0.06011600	30-0000926.005
33	COOPER ISLAND INVESTMENTS, LLC	0.10735000	30-0000926.005
33	HIGHPOINT ENERGY, VI	0.24334098	30-0000926.005
33	FOUR HC UTICA LLC	0.01429902	30-0000926.005
33	TREJAS RESOURCES	0.00214700	30-0000926.005
33	FIRST RANGER CAPITAL, LLC	0.00214700	30-0000926.005
34	ROBERT B. MCKINNEY, JR., AND MARTHA JEAN MCKINNEY, HUSBAND AND WIFE, A JOINT TENANTS WITH RIGHT OF SURVIVORSHIP AND NOT AS TENANTS IN COMMON	7.48040000	30-0000926.001
35	ROBERT B. MCKINNEY, JR., AND MARTHA JEAN MCKINNEY, HUSBAND AND WIFE, A JOINT TENANTS WITH RIGHT OF SURVIVORSHIP AND NOT AS TENANTS IN COMMON	10.85830000	30-0000839.000
36	SHANNON DUDA	4.99900000	30-0000759.000
37	FIRST RANGER CAPITAL, LLC	0.02002600	30-0000386.000
38	RONALD ENGSTROM	1.29990000	30-0000432.001
39	8 GB, LLC, AN OHIO LIMITED LIABILITY COMPANY	0.69630000	30-0000432.000
40	8 GB, LLC, AN OHIO LIMITED LIABILITY COMPANY	2.01420000	30-0000431.000
41	SAMUEL W. FERRELL	0.35532500	30-0000433.000
41	JEFFREY J. FERRELL	0.35532500	30-0000433.000
41	JUDY K. SOEHNLEN	0.35532500	30-0000433.000
41	MARSHA J. FERRELL	0.35532500	30-0000433.000
44	HELIS ROYALTY COMPANY, A LOUISIANA LIMITED LIABILITY COMPANY	9.12486000	30-0000874.000
44	WALTER PRODUCTION, INC.	9.12486000	30-0000874.000
44	COOPER ISLAND INVESTMENTS, LLC	7.60405000	30-0000874.000
44	WIND RIVER RESOURCES, INC.	2.28121500	30-0000874.000
44	OGI, INC.	2.28121500	30-0000874.000
45	ROBERT MONTGOMERY, JR.	0.33845000	30-0000877.000
45	ESTATE OF DEBRA L. MONTGOMERY, DECEASED	0.33845000	30-0000877.000
46	DONALD J. ROLLIC	4.39580000	30-0000876.000
47	BUELL EDWARD HALL, SETTLOR AND TRUSTEE OF THE BUEL EDWARD HALL AND ELEANOR G. HALL REVOCABLE LIVING TRUST DATED JANUARY 6, 2004, AS AMENDED JULY 10, 2014	1.31790000	30-0000907.000
48	BUELL EDWARD HALL, SETTLOR AND TRUSTEE OF THE BUEL EDWARD HALL AND ELEANOR G. HALL REVOCABLE LIVING TRUST DATED JANUARY 6, 2004, AS AMENDED JULY 10, 2014	0.78110000	30-0000879.000
49	JACK A. WHITNEY & ZACHARY A. WHITNEY, FATHER AND SON, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR	0.00300000	30-0000926.003
49	J&M WILSON HOLDINGS, LLC	0.00300000	30-0000926.003
52	RICHARD D. ENGSTROM, JR. AND PATRICIA A. ENGSTROM, HUSBAND AND WIFE FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	0.00350000	30-0000914.000
53	RICHARD D. ENGSTROM, JR. & PATRICIA ENGSTROM, HUSBAND & WIFE	1.46560000	30-0000915.000
54	RICHARD D. ENGSTROM, JR. AND PATRICIA A. ENGSTROM	11.55290000	30-0000014.000
60	DANIEL D. YODER & KATIE ANN YODER, CO-TRUSTEES OF THE DANIEL D. & KATIE ANN YODER FAMILY TRUST	0.10610000	30-0000084.000
61	NELSON M. MILLER & MARY D. MILLER, HUSBAND & WIFE, FOR THEIR JOINT LIVES, REMAINDER TO THE SURVIVOR OF THEM	44.56980000	09-0000313.000

65	DAVID C. FISHER, UNMARRIED	28.25080000	09-0000086.000
67	JEFFREY S. KIRKPATRICK	3.03480000	09-0000152.000
68	DAVID C. FISHER, UNMARRIED	1.96650000	09-0000086.003
68	JENNIFER D. BARDALL, F/K/A JENNIFER FISHER	1.96650000	09-0000086.003
TOTAL NET LEASED ACRES: 629.3394			

Attachment 7 (RHDK)

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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation :
Xavier HFP07 A Unit :
:

WORKING INTEREST OWNER APPROVAL
RHDK OIL & GAS, LLC

WHEREAS, EOG Resources, Inc. ("Applicant") has prepared and filed an Application of EOG Resources, Inc. for Unit Operations as of the date set forth above asking the Chief of the Division of Oil and Gas Resources Management to issue an order authorizing Applicant to operate the Xavier HFP07 A Unit, located in Harrison County, Ohio, consisting of sixty-eight (68) separate tracts of land covering 949.0416 acres, according to the Unit Plan attached to the Application; and

WHEREAS, RHDK Oil & Gas, LLC ("RHDK") is the owner of a Working Interest in one or more of the Tracts identified in said Unit Plan, specifically, the Tracts identified on Exhibit-A.

NOW, THEREFORE, RHDK, as owner of the Tracts identified on Exhibit-A, hereby voluntarily commits its interest in those Tracts to the Xavier HFP07 A Unit, and approves and supports the Application, including without limitation the Unit Plan attached thereto, and acknowledges receipt of full and true copies thereof, with all associated attachments and exhibits. However, such approval of the Application and commitment of its acreage shall not be deemed as a formal election by RHDK to participate in any operations in the Xavier HFP07 A Unit. This Approval shall terminate upon the earlier of the following: (a) in the event an Application has not been filed with ODNR within 6 months of the date hereof, (b) withdrawal of the Application after filing with ODNR; or (c) the Order issued in response to the Application is revoked or denied by ODNR.

IN WITNESS WHEREOF, the undersigned representative of Applicant has executed this instrument on behalf of Applicant on the date set forth below.

WORKING INTEREST OWNER: RHDK OIL & GAS, LLC.

TRACTS: SEE ATTACHED EXHIBIT-A.

TRACT ACREAGE: 33.2299375.

RELATED WORKING INTEREST PERCENTAGE: 3.501421%.

*SA 6
11/15/22*

RHDK Oil and Gas, LLC

By: *Keith B. Kinable*

Name: *Keith B. Kinable*

Title: *Managing Partner*

Date: *11/15/22*, 2022.

Exhibit-A

Tract Number	Mineral Owner	Net Mineral Acres	Tax Map Parcel ID
55	RHDK INVESTMENTS, LLC	63.05230000	30-0000303.000
56	RHDK INVESTMENTS, LLC	61.20550000	30-0000304.000
58	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	0.49930000	30-0000491.000
58	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	0.49930000	30-0000491.000
62	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	19.44190000	09-0000222.000
62	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	19.44190000	09-0000222.000
63	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	2.32370000	09-0000052.000
64	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	14.89210000	09-0000222.002
64	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	14.89210000	09-0000222.002
66	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	2.56940000	09-0000222.001
66	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	2.56940000	09-0000222.001
TOTAL NET LEASED ACRES:			33.22993750

Attachment 7 (ARU)

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

In re: The Matter of the Application of :
EOG Resources, Inc. for Unit Operation :
: :
Xavier HFP07 A Unit :

WORKING INTEREST OWNER APPROVAL
ASCENT RESOURCES - UTICA, LLC

WHEREAS, EOG Resources, Inc. ("Applicant") has prepared and filed an Application of EOG Resources, Inc. for Unit Operations as of the date set forth above asking the Chief of the Division of Oil and Gas Resources Management to issue an order authorizing Applicant to operate the Xavier HFP07 A Unit, located in Harrison County, Ohio, consisting of sixty-eight (68) separate tracts of land covering 949.0416 acres, according to the Unit Plan attached to the Application; and

WHEREAS, Ascent Resources - Utica, LLC ("Ascent") is the owner of a Working Interest in one or more of the Tracts identified in said Unit Plan, specifically, the Tracts identified on Exhibit-A.

NOW, THEREFORE, Ascent, as owner of the Tracts identified on Exhibit-A, hereby voluntarily commits its interest in those Tracts to the Xavier HFP07 A Unit, and approves and supports the Application, including without limitation the Unit Plan attached thereto, and acknowledges receipt of full and true copies thereof, with all associated attachments and exhibits. However, such approval of the Application and commitment of its acreage shall not be deemed as a formal election by Ascent to participate in any operations in the Xavier HFP07 A Unit. This Approval shall terminate upon the earlier of the following: (a) in the event the Application has not been filed with ODNR within 6 months of the date hereof; or (b) withdrawal of the Application after filing with ODNR; or (c) the Order issued in response to the Application is revoked or denied by ODNR.

IN WITNESS WHEREOF, the undersigned representative of Applicant has executed this instrument on behalf of Applicant on the date set forth below.

WORKING INTEREST OWNER: Ascent Resources - Utica, LLC.

TRACTS: SEE ATTACHED EXHIBIT-A.

TRACT ACREAGE: 99.68981250.

RELATED WORKING INTEREST PERCENTAGE: 10.504262%.

Ascent Resources - Utica, LLC

By: *John Smith*

Name: *Kade Smith*

Title: *Director - Land Operations*

Date: *NOVEMBER 11*, 2022.

Exhibit-A

Tract Number	Mineral Owner	Net Mineral Acres	Tax Map Parcel ID
55	RHDK INVESTMENTS, LLC	63.05230000	30-0000303.000
56	RHDK INVESTMENTS, LLC	61.20550000	30-0000304.000
58	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	0.49930000	30-0000491.000
58	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	0.49930000	30-0000491.000
62	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	19.44190000	09-0000222.000
62	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	19.44190000	09-0000222.000
63	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	2.32370000	09-0000052.000
64	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	14.89210000	09-0000222.002
64	ASCENT UTICA MINERALS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY	14.89210000	09-0000222.002
66	RHDK INVESTMENTS, LLC, AN OHIO LIMITED LIABILITY COMPANY	2.56940000	09-0000222.001
TOTAL NET LEASED ACRES:			99.68981250