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

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In re:	:	
The Matter of the Application of EAP Ohio, LLC for Unit Operation	:	Application Date: July 2, 2025
Engle HN FRA NW Unit	:	

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UNITIZATION APPLICATION HEARING

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Before Hearing Host Barbara Richardson
All Parties Appearing Remotely
August 27, 2025, 2:30 p.m.

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Spectrum Reporting LLC
400 South Fifth Street, Ste. 201
Columbus, Ohio 43215
614-444-1000 or 800-635-9071
www.spectrumreporting.com

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A P P E A R A N C E S

ON BEHALF OF OHIO DEPARTMENT OF NATURAL RESOURCES:

Ohio Department of Natural Resources
2045 Morse Road, Building F-3
Columbus, OH 43229
By Jennifer Barrett, Esq.
(Via videoconference)

ON BEHALF OF EAP OHIO, LLC:

Bricker Graydon, LLP
1100 Superior Avenue, Suite 1600
Cleveland, OH 44114-1840
By Andrew Benedejcic, Esq.
(Via videoconference)

ALSO PRESENT:

Cory Cosby (Via videoconference)
Melissa Bell (Via videoconference)
Abe Zayed (Via videoconference)
Michael McConnell (Via videoconference)
William Rainsberger (Via videoconference)
Megan Zemke (Via videoconference)

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P R O C E E D I N G S

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MS. RICHARDSON: Good afternoon. Before we begin, I would like to go over some instructions for this video and telephone conference.

If you have joined online, please mute your microphone. If you called in via phone, please use the "mute" feature of your phone. Once the hearing begins, everyone will be muted except for those presenting. If you have called in, you can unmute yourself by pressing "star 6."

Witnesses for the Applicant and anyone wishing to make comments, please wait to be individually called upon by your attorney or by the Division before speaking. Please mute your microphones anytime you are not speaking and when you have finished presenting to avoid any feedback.

I am now asking anyone who would like to make comments, please state your name slowly and clearly for the Division and identify whether you are an unleased mineral owner, working

interest owner, or an owner with property in the Engle HN FRA NW unit. I would also like this information from anyone who represents any of these persons. We will make note of your name and call upon you when it is time for comments.

If you have joined us via WebEx, please unmute yourself now and tell us your name if you wish to make comments.

Hearing none.

If you joined us via phone, please unmute yourself by pressing "star 6" and tell us your name if you wish to make comments.

Hearing none.

Thank you. With that, we will begin the hearing.

Ms. Barrett.

MS. BARRETT: Thank you and good afternoon. Today is Wednesday, August 27th, 2025. And we are here on the matter of the application of EAP Ohio, LLC, for unit operation of the Engle HN FRA NW unit. This hearing before the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, is convened pursuant to Ohio Revised Code Section 1509.28.

My name is Jennifer Barrett, and I am an administrative officer for the Division. Also with me today is Program Administrator Barbara Richardson. We are conducting the hearing today and serve as the Chief's designees on this matter.

On July 2nd, 2025, EAP filed with the Division an application for unit operations for a unit designated as the Engle HN FRA NW unit. EAP filed subsequent revisions to the application. The unit is proposed to be located in Tuscarawas and Harrison Counties, Ohio. In its application, EAP claims to have the mineral rights through voluntary agreements to approximately 675.057 acres of the desired approximate 792.539-acre unit.

The purpose of today's hearing is to determine whether EAP's Engle HN FRA NW unit application meets all of the requirements of Revised Code Section 1509.28. Under that section, the Chief of the Division must issue an order if he determines that the Applicant has shown that, one, the unit is reasonably necessary to increase substantially the ultimate recovery of oil and gas; and two, the estimated additional recovery

from the unit exceeds the additional cost.

Neither the Chief nor any of us here today have made any decisions on EAP's application. After today's hearing, we will review all of the information provided to us in order to make a determination. We have a court reporter present as well, and we will have a copy of the transcript of this hearing for review.

The Chief's decision will be issued through a Chief's Order, which will be posted on the Division's website. Pursuant to Revised Code Section 1509.36, any order may be appealed within 30 days after the date upon which the person to whom the order was issued received the order and for all other persons adversely affected by the order within 30 days after the date of the order complained of.

The hearing will proceed as follows: EAP will present its witnesses and exhibits and will answer questions posed by the Division staff. Then any unleased mineral owners, working interest owners, and those persons with property included in the proposed Engle HN FRA NW unit will have the opportunity to present questions and concerns to

the Division staff. And then the Division staff may take a break to determine if there are any additional questions for the Applicant.

To proceed in an orderly fashion, we ask that any interested party who speaks here today pose any questions to the Division and we will then ask any questions to EAP. Additionally, anyone speaking today will be asked to provide their information to the court reporter. If you are uncomfortable speaking during the hearing, we will also accept written comments.

We will now ask the Applicant to make its introductions and begin its presentation.

MR. BENEDEJCIC: Good afternoon. My name is Andrew Benedejcic. I am an attorney with Bricker Graydon, LLP, here on behalf of the Applicant, EAP Ohio, LLC.

EAP is here with a request for the Division to grant an order approving unit operations for the Engle HN FRA Northwest unit, or for short, the Engle Northwest unit. The unit is proposed to be located in Mill Township, Tuscarawas County, and Franklin Township, Harrison County, Ohio.

As we will hear from EAP's witnesses, EAP, as well as EAP's parent company, EOG Resources Inc., along with the consenting working interest owners, are the "owners," as that term is defined in ORC Section 1509.28, of more than 85 percent of the acreage in the proposed Engle Northwest unit. This exceeds the 65 percent threshold set by ORC Section 1509.28. As you can see from Exhibit D to the application, which is now shown on the screen, the proposed Engle Northwest unit consists of 69 tracts totaling approximately 792.539 acres.

EAP proposes to drill two horizontal wells from a pad site located to the south of the unit drilling in the northwesterly direction. The lateral portion of those wells will each extend horizontally through the unit for approximately 21,409 feet for the 1H lateral and 20,942 feet for the 3H lateral. EAP seeks an order for unit operations with the Division due to unleased tracts as well as non-consenting tracts in the unit.

In support of its application, EAP will call Tim Struble, a landman; Randy Daniels, a

geologist; and Wes Casto, a reservoir engineer, who will each testify that the application meets the requirements for granting an order for unit operations under ORC 1509.28.

With that, I would like to call EAP's first witness, Tim Struble.

MS. RICHARDSON: Please swear in the witness.

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TIM STRUBLE

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BENEDEJCIC:

Q. Good afternoon, Mr. Struble. Would you please state your name and place of employment.

A. Yes. My name is Tim Struble. I work for EOG Resources, Inc., referred to as just EOG, which is the parent company of EAP Ohio, LLC, the Applicant.

Q. And what is your position at EOG?

A. I am a land specialist.

Q. And could you please describe for the panel your educational background?

A. Yes. I have an undergraduate degree in psychology from the University of Kansas.

Q. Could you please describe your professional experience in the oil and gas industry?

A. I began my oil and gas career in 2007. I have worked for a couple of different brokerages and exploration companies. Most recently I worked for Encino Energy for about five and a half years. And then in August of 2025, I was hired by EOG.

Q. And are you a member of any professional associations?

A. Yes. I'm a member of the American Association of Professional Landmen.

Q. Do you hold any certifications with the AAPL? And if so, are there any educational requirements to maintain that certification?

A. Yes. To maintain my registered professional landman designation, I'm required to obtain 25 continuing education credits for every five-year period.

Q. Thank you. Please describe your work and responsibilities as a land specialist with EOG.

A. As a land specialist, I help facilitate the development of EOG's Utica Shale assets. I manage all aspects of land work, including but not limited to lease acquisition, title review, leasehold trade agreements, and development planning.

Q. And did you assist with preparing the application for unitization of the Engle Northwest unit?

A. Yes, I did.

Q. Thank you. I would like to turn your attention to the color-coded map on the slide before us that appears in Exhibit D of the application. Is this a depiction of the proposed Engle Northwest unit?

A. Yes, it is.

Q. And what is the size of the Engle Northwest unit?

A. Approximately 792.539 acres.

Q. Where is the unit located?

A. It is located within Mill Township, Tuscaroras County and Franklin Township, Harris County, Ohio.

Q. Thank you. And will you please

describe what information is depicted in this map?
A. Yes. The map shows all 69 parcels that are included within the Engle Northwest unit. And each is identified by a tax parcel number as well as a tract number. It also categorizes each parcel by its status within the unit.

Yellow parcels are leased or consenting. Green parcels are non-consenting. Crosshatched yellow and red are partially leased and consenting and partially unleased. Crosshatched yellow and green are partially leased and consenting and partially non-consenting. And then, if it is a solid red parcel, they are unleased; we don't have any within this unit. The black dotted lines illustrate a 400-foot setback required by Ohio law.

And then lastly, the map shows the planned surface location and the two planned wells that EAP plans to drill and produce from the Utica-Point Pleasant pool.

Q. You mentioned there will be two wells in this unit; how many wells will be drilled from this pad site in total?
A. In total, there will be five wells

planned at this time when we come to drill. In total, there are ten wells planned from this pad.

Q. Thank you. And does EAP have a right to drill and operate wells from the pad?

A. Yes.

Q. Turning to the northwest unit, what is the expected length of each of the laterals if an order for unit operations is granted?

A. If granted, the 1H will be 21,409 feet and the 3H will be 20,942 feet.

Q. And when providing the lateral lengths, does the lateral placement comply with Ohio's statutory setbacks?

A. Yes.

Q. What is the expected development timeline?

A. We will drill and complete these wells in compliance to the timeframe specified within a Chief's Order, if an order is issued.

Q. And what percent of the unit is committed to unit operations?

A. Between EAP and the consenting working interest owners, approximately 85.176536 percent of the unit is committed to unit operations.

Q. And who are the consenting working interest owners in this unit?
A. Those are Burj Energy, LLC; Ironhead Resources III, LLC; Wallace Family Partnership, LP; Collins Utica, LLC; CGAS Appalachia, LLC; and EOG Resources Incorporated.
Q. And are there any non-consenting owners in the Engle Northwest unit?
A. Yes. And I have listed those on Exhibit A to the application.
Q. And what percentage of the unit is non-consenting?
A. That currently is about 14.053786 percent.
Q. What is the status of EAP's efforts to commit those non-consenting working interest owners?
A. Over the course of several months, we have offered the non-consenting owners opportunities to sell, trade, or otherwise commit their acreage to the unit. For those parties listed in the application, as outlined in Exhibit G, we have ongoing efforts to commit the non-consenting leasehold owners.

Q. And what percentage of the unit is comprised of unleased interests?
A. Approximately 0.769678 percent.
Q. And do you know how many acres in the unit those unleased interests account for?
A. Approximately 6.1 net mineral acres.
Q. Can you generally describe EAP's efforts to lease the owners of those unleased tracts?
A. Yeah. We make efforts to lease all of the unleased interests. And those efforts are listed in our leasing affidavit as Exhibit G. Generally speaking, we make phone calls, send emails, and mailings, and have in-person meetings to try to reach mutually agreeable lease terms.
Q. And since the filing of your application, has EAP continued its efforts to lease those unleased mineral owners and commit the non-consenting working interest owners?
A. Yes. In fact, we have come to terms with an additional 1.5 percent of the interest, which was initially listed as unleased or non-consenting in the application. And that increase was shown in our latest supplement.

Q. Thank you. I want to talk for a moment about the unit plan included in the application. Are you familiar with it?
A. Yes. The purpose of the plan is twofold: It helps define the respective rights of the parties within the unit. And it combines all of the oil and gas rights as if they were to be operated under one lease.
Q. How will royalties and expenses be allocated pursuant to the unit plan?
A. On a surface acreage basis.
Q. And why is that?
A. Some of these reasons will be discussed later in my colleague, Mr. Daniels's, testimony, in which he will touch on the uniformity of the formation. But also, it is the only way that I have seen allocation in my experience in the state of Ohio.
Q. So from your experience, this allocation methodology is common in Ohio for the Utica-Point Pleasant play?
A. Yes, it is.
Q. And who pays unit expenses?
A. Participating working interest owners.

Q. Do royalty owners pay unit expenses under the terms of the unit plan?
A. No. They do not.
Q. And did you include a joint operating agreement, otherwise known as a JOA, in the application?
A. Yes.
Q. Does the JOA contain a mechanism for proposing operations to non-operating working interest owners?
A. Yes.
Q. Could you please explain?
A. Yeah. Article 6 of the JOA provides that proposals will be sent by the operator to the non-operating working interest owners; that the proposals will contain the proposed location of the initial well; and two, an AFE setting forth the estimated costs to drill and complete the well.
Q. And are there non-consent penalties contained in the JOA, to the extent that a party elects to not participate in unit operations?
A. Yes.
Q. Given your history and experience in

the oil and gas industry as well as your experience in the Utica-Point Pleasant play, do you believe the non-consent penalty set forth in the JOA to be just and reasonable?

A. Yes.

Q. Thank you.

MR. BENEDEJCIC: I have no further questions for Mr. Struble.

MS. RICHARDSON: Thank you.

What is the current average outstanding offer to the unleased mineral owners in the proposed unit, the average bonus, and the average royalty?

THE WITNESS: Yes. The average outstanding offer is $3,000 an acre with an 18 percent royalty rate.

MS. RICHARDSON: And that is net and gross?

THE WITNESS: Currently it is net, but that is a negotiated term.

MS. RICHARDSON: Thank you. And you mentioned about the surface acreage basis, and that those offers are included with surface use, correct?

THE WITNESS: That is a negotiated term under our offer.

MS. RICHARDSON: Thank you. When will those offers expire?

THE WITNESS: Our offers won't expire. They will continue to be out there so long as both parties are gainfully engaged in negotiations.

MS. RICHARDSON: Thank you. What is the average offer that was accepted by the leased mineral owners in the proposed unit?

THE WITNESS: The average accepted was $2936.25 per acre, and that is a 16.32 percent royalty. And that is kind of a mix between gross and net.

MS. RICHARDSON: Okay. Thank you. Can you explain the difference between the current offer and the average accepted offers?

THE WITNESS: The difference is, you know, over the course of years of working out here, the negotiations for different people are kind of what drive those. Somebody may be more interested in a gross lease versus bonus. And so we take all factors into consideration while negotiating.

MS. RICHARDSON: Thank you. And in your professional opinion, do you believe your lease attempts have been reasonable? And if so, why?

THE WITNESS: I do. Because like I mentioned, we have been out here for several years trying to negotiate oil and gas leases within this unit. Considering that there are only six acres in the unit currently unleased, I would consider those efforts reasonable.

MS. RICHARDSON: And I think you mentioned earlier that -- will you continue your attempts to commit non-consenting working interest owners after today's hearing?

THE WITNESS: Yes, we will. As well as after an order is granted, so long as those negotiations are meaningful and willing to continue.

MS. RICHARDSON: Thank you. Do the leases in the unit authorize drilling into and producing from the proposed formations?

THE WITNESS: They do.

MS. RICHARDSON: Okay. And to establish bonus and royalty amounts in leases, how

are they generally determined?

THE WITNESS: You know, initially we get with our reservoir group and geology group and try to determine what the formation will produce within a given area. And then we will also just use our historical leasing averages within given areas to know where to begin and where the tops of our offers can be.

MS. RICHARDSON: Okay. Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: No, I do not. Thank you.

MS. RICHARDSON: Thank you.

Please call your next witness.

MR. BENEDEJCIC: Thank you. I would like to now call our second witness, Randy Daniels.

MS. RICHARDSON: Please swear in the witness.

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RANDY DANIELS

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BENEDEJCIC:

Q. Good afternoon, Mr. Daniels. Would you please state your name and place of employment.

A. Good afternoon. My name is Randy Daniels, and I am employed by EOG Resources.

Q. What is your position at EOG?

A. My title here at EOG is geoscience operations advisor.

Q. And would you please describe for the panel your educational background that led to your position as a geoscience operations advisor, including any degrees you hold?

A. Yes. I hold two degrees. I have a bachelor's in geology as well as a master's in geology, both from the University of Houston.

Q. Thank you. And would you please describe your professional experience and work history?

A. Yes. I have over 14 years of petroleum industry experience as a geologist. I spent my first eight years at Marathon Oil Company. At Marathon, I worked multiple basins across the U.S., from the Anadarko, the Delaware, Eagle Ford, Permian, and the Williston Basin.

I left Marathon and joined Encino

Energy, the parent company of EAP Ohio, LLC, in 2018, where I spent seven years leading our team in well planning and geosteering operations in the Appalachian Basin. And then in August 2025, I joined EOG, the successor in interest to EAP.

Q. And could you describe your work as a geoscience operations advisor at EOG?

A. So I am one of the geologists responsible for the geologic information necessary to produce well permits and drilling plans for the development and drilling of the Utica-Point Pleasant asset owned and operated by EOG.

To accomplish this, my daily activities include well log analysis, geologic risk assessment using seismic data, geologic mapping, well prognosis generation, and horizontal well planning. The team and I are also responsible for the real-time geosteering of all of our horizontal wells to ensure each is accurately placed within the intended geologic targets.

Q. Thank you. And are you familiar with the application for unitization of the Engle Northwest unit, including the geology exhibits that appear in that application?

A. Yes, I am.
Q. Please describe what the term "unitized formation" means with respect to the Engle Northwest unit.
A. So the unitized formation described is located at a depth from 50 feet above the top of the Utica Shale to 50 feet below the top of the Trenton Limestone.
Q. Did you perform an analysis to determine if the unitized formation is a pool or a part of a pool, as required for unitization under Ohio law?
A. Yes, I did.
Q. And are you aware that the word "pool" has a specific meaning for the purposes of EPA's application under Ohio law?
A. Yes, I do.
Q. What does it mean to say that a unitized formation is a part of a pool under Ohio law?
A. So a pool is defined to be 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

geologic structure that is completely separated from any other zone in the same structure may contain a separate pool.

Q. And was that definition used for purposes of your geologic analysis of the Engle Northwest unit?

A. Yes, it was.

Q. And what information have you analyzed to determine whether the unitized formation was a pool or part of a pool?

A. So in the case of this unitization, I reviewed available core reports, mud logs, and electric log data of nearby pilot wells.

Q. Turning to the slide before us, can you please describe what this map shows and why it is relevant to your geologic analysis?

A. Sure. So this map shows the Engle Northwest unit as the yellow box, with the three nearby pilot wells as the blue circles. These are the pilot wells that were used as part of the analysis to describe the pool underneath the Engle unit.

Q. And turning to our next exhibit, could you please explain what this exhibit is and how it

relates to your geologic analysis?

A. Sure. So this is a cross-section of the pilot wells adjacent to the unit. Geologic mapping shows that the Utica Shale pool underlies the entire Engle Northwest unit and is of the same approximate thickness and reservoir quality throughout the unit.

The accumulation of oil and gas extends in all directions beyond the proposed unit. And the rock properties such as lithology, porosity, and fluid type, are similar throughout the entire unit and constitute a common source of supply. This is shown by the gamma ray, the resistivity, and density logs on this cross-section. All three logs shown here have very similar characteristics in all three of the pilot wells.

Q. Thank you. And can you explain how gamma ray works and why it is relevant?

A. Sure. So the gamma-ray log records the amount of natural gamma radiation emitted by the rocks in the subsurface that surround the borehole. The gamma-ray log is used to help correlate different formations and derive lithologies. For example, we are able to

distinguish between a sandstone, shale, or a carbonate, using this log.

Q. And how is that reflected on this slide?

A. So the gamma-ray log is the far-left curve on all three pilot wells. And you can see the log responses, or the character of the logs is very similar. The three curves are almost a perfect overlay of each other.

Q. What do these pilot well gamma-ray graphs tell us about the Engle Northwest unit, if anything?

A. So they tell me, I would expect the gamma-ray signature of the Utica Shale formation underlying the Engle Northwest unit to be consistent with the three pilot wells.

Q. Could you explain how resistivity works and why is it relevant?

A. Sure. So the resistivity log measures electrical resistivity of the formation. It is used to determine the formation fluid type: water, oil, or gas. Water-bearing formations typically have a lower resistivity, while hydrocarbon-bearing formations have a higher

resistivity.
Q. And how is that reflected on the slide?
A. So again, this is the middle curve on the three pilots -- two of the three pilot wells. And once again, a very similar log response, almost a perfect overlay of one another, indicating that there is a uniform hydrocarbon saturation across the unit.
Q. What do these pilot well resistivity graphs tell us about the Engle Northwest unit, if anything?
A. I would expect the resistivity of the Utica Shale formation underlying the Engle Northwest unit to be consistent with what we see in the pilot wells.
Q. And could you explain what bulk density is and why this is relevant?
A. So log density -- this log tells us just how dense or tight the rock is and helps us to evaluate the potential for storage space or porosity within the rock.
Q. And how is bulk density reflected on this slide?
A. So that is the black curve on the far

right of all three pilot wells. And once again, you can see the density curves on all three wells are almost identical, showing a uniform amount of storage space across the unit.

Q. What do these pilot wells tell us about the Engle Northwest unit, if anything?

A. I would expect the storage potential, or porosity, of the Utica Shale formation underlying the Engle Northwest to be consistent with the three pilot wells.

Q. Did you use the data analysis you just described to form a professional opinion about whether the unitized formation described in the application is a pool or part of a pool?

A. Yes.

Q. And what is your professional opinion?

A. The unitized formation is part of a pool.

Q. Is there uniform thickness across the unitized formation in the Engle Northwest unit?

A. Yes, there is.

Q. What is the thickness of the Utica-Point Pleasant formation interval underlying the Engle Northwest unit?

A. So the Utica-Point Pleasant Shale interval is roughly 250 feet thick.
Q. And what is the height of your target zone for the wellbore?
A. The height of the target zone will be about 35 feet.
Q. Giving your opinion that the unitized formation is a part of a pool and has uniform thickness across the unit, in your professional opinion, would it be appropriate to allocate unit expenses and payments of the proceeds of oil and gas production from the unit on a surface acreage basis?
A. Yes.
Q. And in your experience, is it common to allocate payments on a surface acreage basis for unit operations in the Utica-Point Pleasant formation?
A. Yes, it is.
Q. Thank you, Mr. Daniels.
MR. BENEDEJCIC: Those are my only questions, but the Division may have some additional questions for you.
THE WITNESS: Thank you.

MS. RICHARDSON: Thank you.

What is the anticipated true vertical depth of the horizontal portion of the wellbores?

THE WITNESS: So we would expect to land these wellbores at a TVD of 6,950 feet.

MS. RICHARDSON: Thank you. What is the anticipated true vertical depth of the top of the Utica, the Point Pleasant, and the Trenton?

THE WITNESS: So the Utica is expected at 6,759, the Point Pleasant at 6,889, and then the Trenton at 7,009 feet.

MS. RICHARDSON: And do you expect production from outside of the Point Pleasant?

THE WITNESS: There is a potential for a small amount of production from the Lower Utica.

MS. RICHARDSON: Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: No, I do not. Thank you.

THE WITNESS: Thank you.

MS. RICHARDSON: Thank you.

Please call your next witness.

MR. BENEDEJCIC: I would like to call our last witness today, Wes Casto.

MS. RICHARDSON: Please swear in the

witness.

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MICHAEL "WES" CASTO

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BENEDEJCIC:

Q. Good afternoon, Mr. Casto. Would you please state your name and place of employment.

A. Yes. My name is Michael Casto; I go by Wes Casto. And my business is called Casto Petroleum Engineering. And I'm working as a contractor for EOG Resources, Inc., which is the successor in interest to EAP Ohio, LLC.

Q. And what is your job title?

A. Petroleum engineering consultant.

Q. Would you please describe for the panel your educational background that led to you becoming a reservoir engineer, including any degrees you hold?

A. Yes. I have a Bachelor of Science in petroleum engineering from Marietta College.

Q. Please tell the panel about your professional and work experience since receiving

your engineering degree from Marietta College.
A. Sure. Upon graduation, I worked for Chevron in drilling and completions, and then I worked for Wright & Company Petroleum Consultants for four years. And then in 2015, I became a licensed professional engineer in Ohio and started my company, Casto Petroleum Engineering.

I have testified as a reservoir engineer in numerous ODNR unitization hearings for several operators. And I have also testified as a petroleum engineering expert witness in many other legal matters.
Q. Thank you. And could you please describe your responsibilities and work as a petroleum engineering consultant?
A. Yes. I specialize in reservoir engineering in the Utica and Marcellus Shales. And I perform reserve reports, mineral appraisals, acquisition and divestiture evaluations, and other types of analysis for many clients in the Appalachian Basin.
Q. Did you assist with preparing the application for unitization of the Engle Northwest unit?

A. Yes.
Q. I understand that you have analyzed the potential recovery of oil and gas from the Engle Northwest unit and the associated economics of the unit under two scenarios.
First is if the Engle Northwest unit was drilled without an order for unit operations. And secondly, if it was drilled with the benefit of an order for unit operations from the Division; is that right?
A. Yes.
Q. Thank you. First I want to talk about what the well configurations would be in each scenario so that we can understand your economic analysis. Are you familiar with the map in front of us now?
A. Yes.
Q. And does this map accurately depict the configuration of the wells that are the basis of your operational and economic analysis?
A. Yes, it does.
Q. And will EAP produce from the whole length of each lateral if unit operations are approved?

A. Yes.
Q. And if EAP does not receive an order authorizing unit operations, what would be the configuration and extent of the wells?
A. So under a non-unitized scenario, the 1H lateral will be limited to 1,650 feet, and the 3H lateral will be limited to 1,123 feet.
Q. And would EAP drill these wells without an order for unit operations?
A. No, they would not.
Q. And why not?
A. In that situation, each lateral would no longer compete with other internal prospects with respect to PV10 and other economic metrics. And as the economics table will show, the present value of each of the 1H and 3H wells would be greatly affected if they could not be unitized.
Q. Let's talk now about the economics and production in both the unitized and non-unitized scenarios as you have analyzed it.
Are these the economic tables that were included in the latest supplement to the application for unitization of the Engle Northwest unit?

A. Yes.
Q. And using the bottom table, can you tell us the differences in lateral length between the unitized and non-unitized scenarios?
A. Yes. The differences are 19,759 feet for the 1H lateral and 19,819 feet for the 3H lateral.
Q. And when making your calculations, what did you look at to estimate potential recovery from the Engle Northwest units?
A. I created type curves for the proposed laterals based on the performance of analogous producing wells in the area. And in this analysis, I considered many variables like thermal maturity, completion parameters, proximity, vintage, et cetera.
Q. And turning to our next exhibit, does this exhibit show the wells you used in your analysis?
A. Yes.
Q. And on this exhibit, does the information on this table relate to the numbered analogue wells you were just discussing?
A. Yes, it does.

Q. Turning back now to the economics tables, we have already discussed the lateral length column. But I have a few more questions about the other columns in these tables. In particular, can you explain what "operating costs" are and give some examples of those costs?

A. Sure. So operating costs, or lease operating expenses, are the day-to-day costs incurred by the wells after production begins. And they include variable oil and gas processing and transportation, water transportation, as well as fixed monthly costs in terms of dollars per well per month.

Q. And continuing our discussion of the columns in the economics table; I see that the next column is "Capital Cost." What is included in those costs?

A. That would include all costs associated with land, drilling, completions, flowback, facilities, plugging and abandonment, and reclamation.

Q. Thank you. And I would like to ask now about the value assessment you made and applied to the estimated recovery in each scenario. First,

what pricing index did you factor into your calculations?

A. I used the May of 2025 SEC price to calculate revenues.

Q. And what do PV0 and PV10 mean?

A. Present value is a measure of future cash flow, inclusive of operating and capital costs. And it can be represented at different discount rates in order to account for the time value of money. So PV0 is a zero percent discount rate, and PV10 is a 10 percent discount rate.

Q. And are the PV numbers net of reasonably expected capital costs and operating expenses?

A. Yes.

Q. Moving now to estimated gross recovery, can you please explain what that is?

A. It is the estimated volume of oil and gas expected to be recovered in terms of BCFe, or billions of cubic feet equivalent.

Q. And under that unitized scenario, can you please tell the Division what you estimate for recovery volumes, revenue, expenses, costs, and value of recovery?

A. Sure. So the expected recovered volumes would be 21.8 BCFe; expected undiscounted gross revenue would be $162.8 million; expected operating expenses would be $66.4 million; capital costs would be $32.8 million; and the PV0 would be $34.4 million; and the PV10 would be $14.7 million.

Q. Thank you. And now can you tell the panel how those number change in the second table from the top, being the non-unitized scenario?

A. Yes. In the non-unitized scenario, the expected volume recovery would be 1.1 BCFe; undiscounted gross revenue would be $8.8 million; operating expenses would be $4.3 million; capital costs would be $7.0 million; the PV0 would be negative $4 million; and the PV10 would also be negative $4.0 million.

Q. Is it your professional opinion and testimony here today that a unit order is reasonably necessary to increase substantially the ultimate recovery of oil and gas in the Engle Northwest unit?

A. Yes. And I estimate that EAP will recover an additional 20.7 BCFe of oil and gas if

they have an order for unit operations.

Q. And lastly, is it your professional opinion and testimony here today that the value of the estimated additional recovery of oil and gas exceeds the estimated additional cost of unit operations?

A. Yes. And you can see that by comparing the economic figures. So an additional $154.0 million will be realized on an undiscounted gross revenue basis. An additional $38.4 million will be realized on a PV0 basis. And an additional $18.7 million in PV10 would be realized if an order to unitize is granted.

Q. Thank you.

MR. BENEDEJCIC: I have no further questions for Mr. Casto.

MS. RICHARDSON: Thank you.

What is the estimated economic life of the wells in years?

THE WITNESS: 38 years.

MS. RICHARDSON: And I think you mentioned something about the price that was used for economic calculations; can you provide that again?

THE WITNESS: Yes. That would be the May of 2025 SEC price.

MS. RICHARDSON: Thank you. What is the estimated payout of the wells, 1, 1.5, 2, and 3?

THE WITNESS: 1-times payout would be 2.2 years; 1.5-times payout would be 6.6 years; 2-times payout would be 21.7 years; and the wells did not reach a 3-times payout.

MS. RICHARDSON: Okay. And I think it was mentioned earlier on that -- I know that you are proposing two wells, but was it a total of ten wells from one pad; is that correct?

THE WITNESS: A total of five between the northeast and northwest units, and then likely five more to the south at a later time.

MS. RICHARDSON: Thank you. What amount was included for plugging and restoration costs in your economic calculations per well?

THE WITNESS: It is $330,000 per well.

MS. RICHARDSON: What is the estimated BCFe per 1,000 feet?

THE WITNESS: 0.52 BCFe per 1,000.

MS. RICHARDSON: And what was the

estimated recovery factor in the area?

THE WITNESS: Five percent for oil and 22 percent for gas.

MS. RICHARDSON: Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: No, I do not. Thank you.

MS. RICHARDSON: Thank you.

Once again, if you would like to make comments, I am first going to take all of your names and note whether you are an unleased mineral owner, working interest owner, or an owner with a property in the unit.

Only one person may speak at a time to properly record the hearing. And please mute your microphone once you have delivered your comments or questions to avoid any feedback. Additionally, anyone speaking today will be asked to provide their information to the court reporter. If you are uncomfortable speaking during the hearing, we will also accept written comments.

If you have joined us via WebEx and would like to make comments, please unmute yourself and state your name.

Hearing none.

If anyone has joined us via phone and would like to make comments, please unmute yourself by pressing "star 6" and state your name.

Hearing none.

Ms. Barrett, do you have any additional questions for the Applicant?

MS. BARRETT: No, I do not. Thank you.

MS. RICHARDSON: Does the Applicant have any closing remarks?

MR. BENEDEJCIC: Yes. Mr. Casto's testimony will conclude our presentation today. We want to thank the Division for their time. And EAP believes that it has demonstrated that its application for unit operations of the Engle Northwest unit meets the requirements of ORC 1509.28, and therefore asks the Division to grant its application.

MS. RICHARDSON: Thank you.

Thank you, everyone. The hearing is now concluded.

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Thereupon, the foregoing proceedings concluded at 2:30 p.m.

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State of Ohio : C E R T I F I C A T E
County of Franklin: SS

I, Bridget Mary Hoye, a Notary Public in and for the State of Ohio, do hereby certify that I transcribed or supervised the transcription of the audio recording of the aforementioned proceedings; that the foregoing is a true record of the proceedings.

I do further certify I am not a relative, employee or attorney of any of the parties hereto, and further I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Columbus, Ohio, on September 18, 2025.



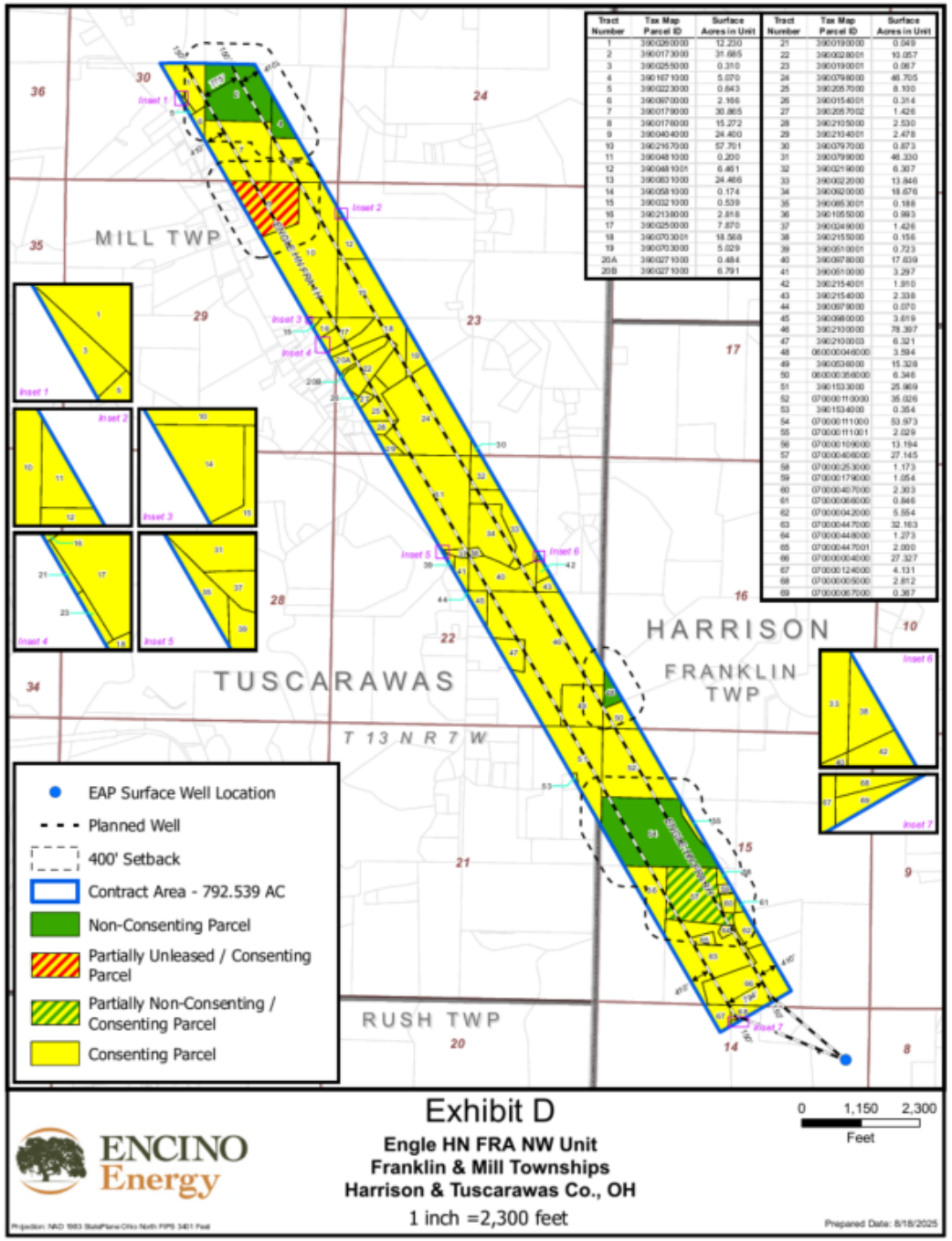
Bridget Mary Hoye, Notary Public - State of Ohio
My commission expires April 14, 2030.

Engle HN FRA NW
August 27, 2025

Andrew Benedejcic

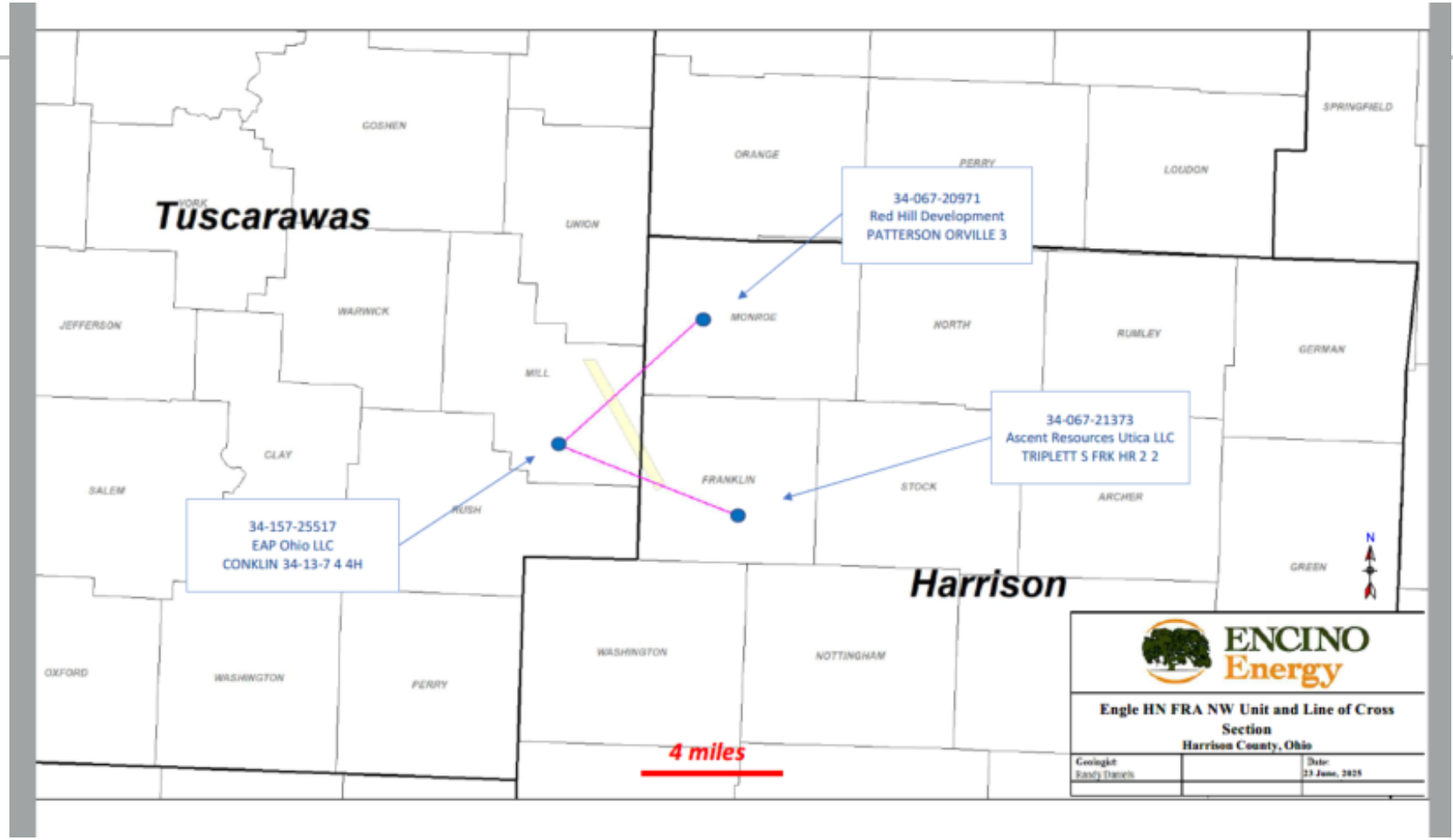
Engle HN FRA NW

Exhibit “D”



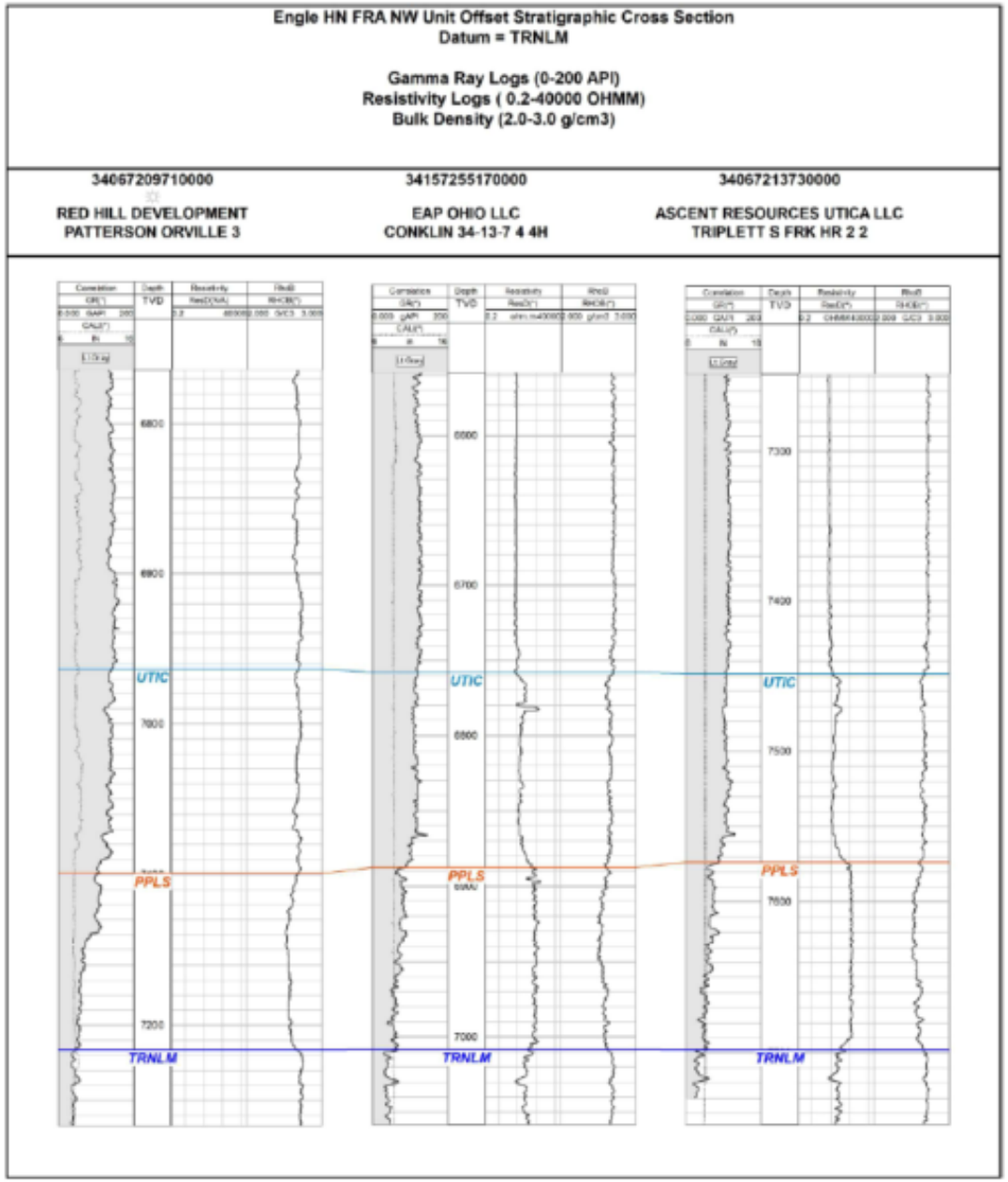
Engle HN FRA NW

Exhibit “F”



Engle HN FRA NW

Exhibit “E”



Bricker Graydon

Engle HN FRA NW
Economic Summary

Bricker Graydon

Section 5. Economic Calculation Summaries *Required*

Unitized Scenario

Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM$)	Capital Costs (MM$)	Undiscounted Value of Estimated Recovery (MM$)	PV0 (MM$)	PV10 (MM$)	Estimated Gross Recovery (BCFe)
ENGLE HN FRA 1H	21,409	28,909	33.6	16.6	82.3	17.4	7.4	11.0
ENGLE HN FRA 3H	20,942	28,442	32.8	16.2	80.5	17.0	7.3	10.8
Total:	42,351	57,351	66.4	32.8	162.8	34.4	14.7	21.8

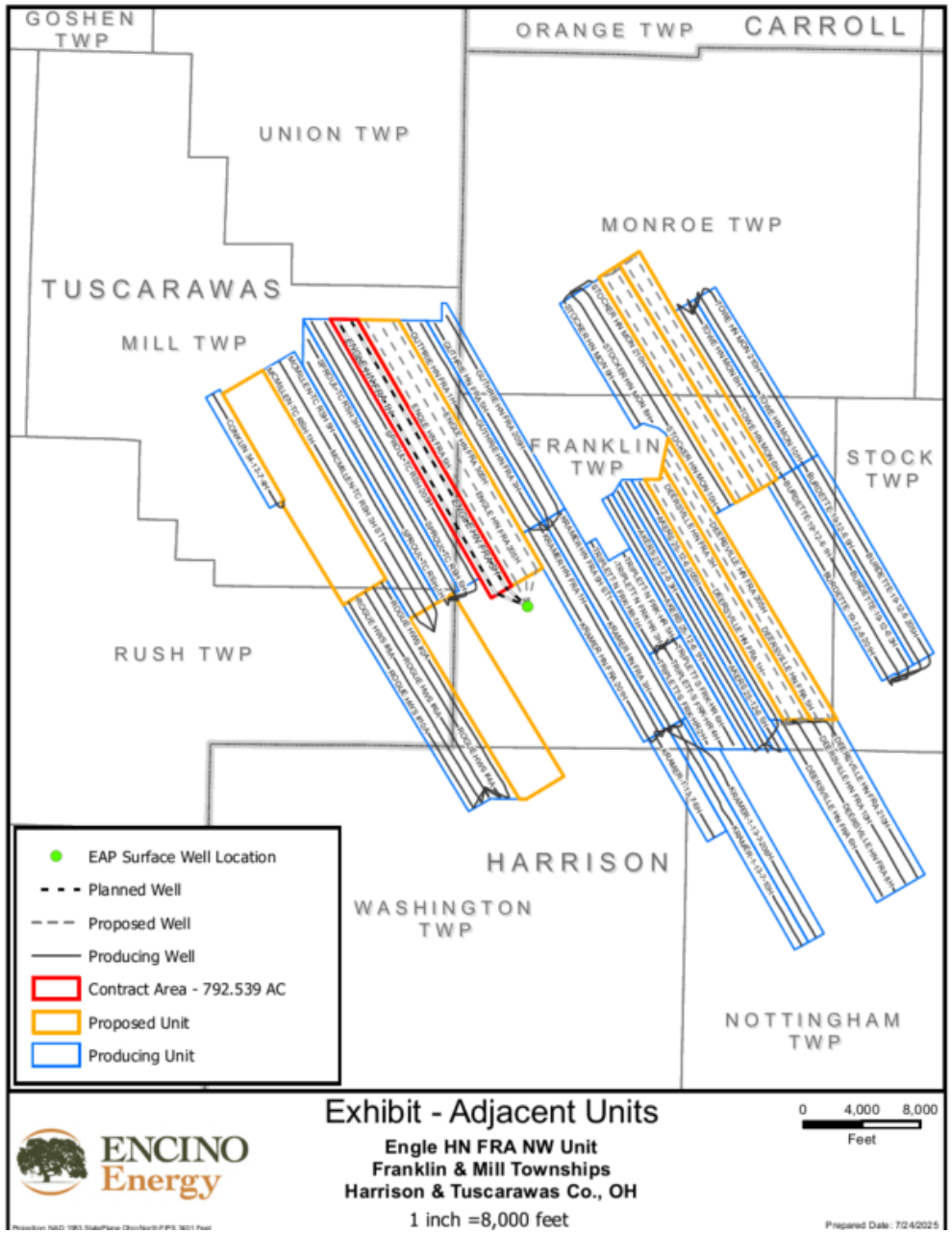
Non-Unitized Scenario

Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM$)	Capital Costs (MM$)	Undiscounted Value of Estimated Recovery (MM$)	PV0 (MM$)	PV10 (MM$)	Estimated Gross Recovery (BCFe)
ENGLE HN FRA 1H	1,650	9,150	2.6	3.7	5.4	-1.8	-1.9	0.7
ENGLE HN FRA 3H	1,123	8,623	1.7	3.3	3.4	-2.2	-2.1	0.4
Total:	2,773	17,773	4.3	7.0	8.8	-4.0	-4.0	1.1

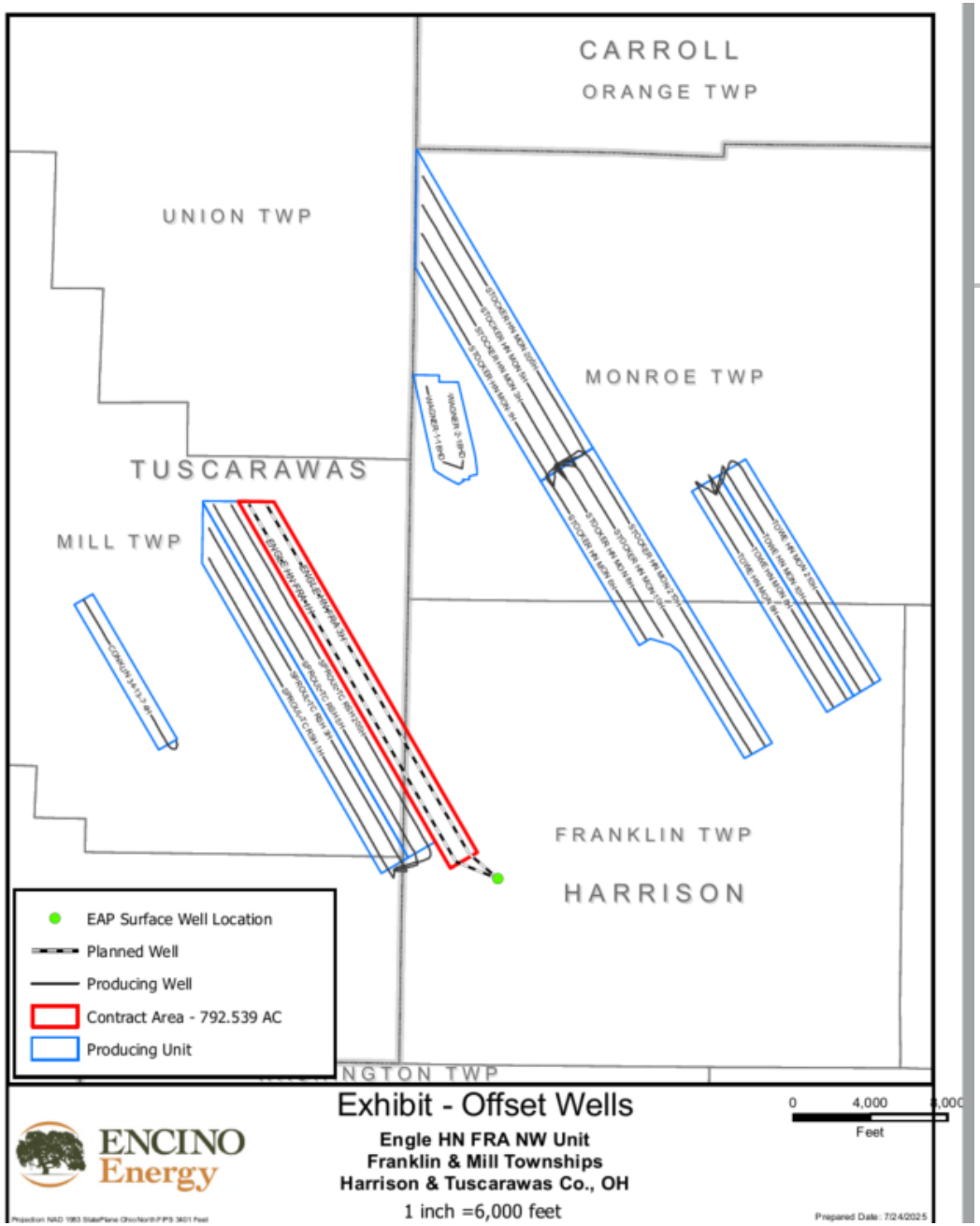
Difference

Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM$)	Capital Costs (MM$)	Undiscounted Value of Estimated Recovery (MM$)	PV0 (MM$)	PV10 (MM$)	Estimated Gross Recovery (BCFe)
ENGLE HN FRA 1H	19,759	19,759	31.0	12.9	76.9	19.2	9.3	10.3
ENGLE HN FRA 3H	19,819	19,819	31.1	12.9	77.1	19.2	9.4	10.4
Total:	39,578	39,578	62.1	25.8	154.0	38.4	18.7	20.7

Engle HN FRA NW
Adjacent Units



Engle HN FRA NW
Offset Wells



Engle HN FRA NW

Offset Wells

Well Name	API Number	Start Date	Lateral Length (Ft)	Distance from Unit (Mi)
CONKLIN 34-13-7 4H	34157255170100	12/1/2015	8,551	1.70
SPROUL TC RSH 1H	34157255410000	4/1/2024	18,489	0.49
SPROUL TC RSH 205H	34157255440000	4/1/2024	20,335	0.07
SPROUL TC RSH 3H	34157255420000	4/1/2024	19,957	0.38
SPROUL TC RSH 5H	34157255430000	4/1/2024	20,906	0.23
STOCKER HN MON 10H	34067217770000	7/1/2024	17,838	2.58
STOCKER HN MON 1H	34067217150000	4/1/2023	12,752	2.44
STOCKER HN MON 205H	34067217180000	4/1/2023	16,007	2.58
STOCKER HN MON 210H	34067217780000	7/1/2024	17,933	2.58
STOCKER HN MON 3H	34067217160000	4/1/2023	14,117	2.57
STOCKER HN MON 5H	34067217170000	4/1/2023	14,922	2.57
STOCKER HN MON 6H	34067217750000	7/1/2024	9,962	2.43
STOCKER HN MON 8H	34067217760000	7/1/2024	10,279	2.56
TOWE HN MON 10H	34067217580000	6/1/2024	12,374	3.80
TOWE HN MON 210H	34067217590000	6/1/2024	12,522	3.80
TOWE HN MON 6H	34067217560000	6/1/2024	12,304	3.68
TOWE HN MON 8H	34067217570000	6/1/2024	12,363	3.79
WAGNER 1-18HD	34067211600000	3/1/2015	4,322	0.03
WAGNER 2-18HD	34067211610100	1/1/2017	3,544	0.03

Thank You

Bricker Graydon