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 EOG Resources Inc. for Unit Operation	:	Application Date: June 24, 2025
Gazelle NSH Unit	:	

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UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Host Barbara Richardson
All Parties Appearing Remotely
August 21, 2025, 9:00 a.m.

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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 EOG RESOURCES INC.:

Porter Wright Morris & Arthur LLP
41 South High Street, 29th Floor
Columbus, OH 43215
By Christopher J. Baronzzi, Esq.
Bob Karl, Esq.
(Via teleconference)

ALSO PRESENT:

Cory Cosby (Via videoconference)
Jeff Large (Via videoconference)
Paul Westbrook, Esq. (Via videoconference)
Daniel Corcoran, Esq. (Via videoconference)
Ron Elkin (Via videoconference)
Matt Schaefer (Via videoconference)
David Howe (Via videoconference)
Rodger Willey (Via videoconference)
Ryan Steele, Esq. (Via videoconference)
Vafa Barissi, Esq. (Via videoconference)

I N D E X

Witnesses	Page
David Cox	
Mr. Baronzzi - Direct	12
Ms. Barrett - Cross	23
Dax Taylor	
Mr. Baronzzi - Direct	25
Ms. Barrett - Cross	36
John Dwyer	
Mr. Baronzzi - Direct	37
Ms. Barrett - Cross	57

I N D E X

Exhibits	Page
Exhibit D - Unit Map	27
Exhibit E - Cross-section Map	17
Exhibit F - Location Map	17

(PDF exhibits attached to the transcript.)

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P R O C E E D I N G S

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

If you joined online, please mute your microphone. If you have 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 microphone 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 owner with a property in the Gazelle NSH 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.

MR. CORCORAN: Good morning. This is Dan Corcoran. I represent Lucky Land Management, who owns the surface of the property where the well pad is intended to be constructed. And we would like to make a comment this morning.

MS. RICHARDSON: Okay. Are you a leased or unleased mineral owner?

MR. CORCORAN: Lucky Land Management owns the surface of the property where the well pads are proposed to be constructed. We do not own the minerals.

MS. RICHARDSON: Court Reporter, do you need the spelling of the last name?

THE REPORTER: I have it. Thank you.

MS. RICHARDSON: Thank you.

Anyone else?

Thank you. If you have joined us by 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 morning. Today is Thursday, August 21st, 2025. And we are here on the matter of the application of EOG Resources Inc., for unit operation of the Gazelle NSH 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 June 24th, 2025, EOG filed with the Division an application for unit operations for a unit designated as the Gazelle NSH unit. EOG

filed subsequent revisions to the application. The unit is proposed to be located in Noble County, Ohio. In its application, EOG claims to have the mineral rights through voluntary agreements to approximately 2,088.6952 acres of the desired approximate 2,201.4829-acre unit.

The purpose of today's hearing is to determine whether EOG's Gazelle NSH unit application meets all 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 EOG'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 receive 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: EOG 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 Gazelle NSH 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 EOG. 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.

For purposes of the record, the Division received written comments from Daniel Corcoran, on behalf of Lucky Land Management, LLC. These comments have been included as part of the record for the Gazelle NSH unit application.

Dan Corcoran, on behalf of Lucky Land Management, LLC, has also indicated that he wishes to make comments. And those comments can be made at the end of the hearing.

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

MR. BARONZZI: Thank you and good morning. My name is Chris Baronzzi. I am an attorney with Porter Wright Morris & Arthur. My colleague Bob Karl and I are here on behalf of our client, EOG Resources, Inc.

EOG is asking the Division to grant a standard order for unit operations for the Gazelle NSH unit. That unit is located in Brookfield, Olive, and Sharon Townships of Noble County, Ohio.

For convenience, EOG's witnesses and I may refer to this unit as just the "Gazelle unit."

As you will hear from EOG's witnesses, as of the date of its pre-hearing supplement, EOG has the right to drill and produce oil and gas from more than 94 percent of the acreage in the proposed Gazelle unit, which exceeds the 65 percent threshold set by Ohio Revised Code Section 1509.28.

As can be seen from the color-coded map on the screen, and as EOG's witnesses will explain, the proposed Gazelle unit consists of 110 tracts, totaling approximately 2,201 acres. The Gazelle unit will contain four unconventional wells that will each extend horizontally through the unit for approximately 16,360 feet.

The wells, known as the 2C and 4C wells, will be drilled from a pad that will be constructed near the middle of the proposed unit, and they will extend through the unit toward the northwest. The wells, known as the 1D and 3D wells, will be drilled from that same pad and will extend through the unit toward the southeast.

EOG seeks an order for unit operations from the Division because there are two tracts of land in the proposed unit that are, at least,

partially unleased and six tracts that are leased but have not been committed to unit operations by the working interest owners of those leases.

In support of its application, EOG will call three witnesses: David Cox, geological specialist; Dax Taylor, land specialist; and John Dwyer, reservoir engineering specialist, who will each testify that the application meets the requirements for granting an order for unit operations under Ohio Revised Code 1509.28.

EOG now asks for permission to call its first witness, David Cox.

MS. RICHARDSON: Please swear in the witness.

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DAVID COX

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BARONZZI:

Q. Good morning, Mr. Cox.

A. Good morning.

Q. Please state your name and place of employment for the record.

A. David Cox, and I work at EOG Resources.
Q. What is your position at EOG?
A. I'm a geological specialist.
Q. Would you please describe for the Division your educational background before becoming a geological specialist at EOG, including any degrees that you hold?
A. Sure. In 2005, I graduated from the University of Calgary with a Bachelor of Science degree in geology.
Q. Now, after you received your bachelor's degree from the University of Calgary, when did you begin working as a geologist?
A. Immediately upon graduating.
Q. Can you describe your professional experience and work history for the Division?
A. Yeah. From 2005 to 2007, I worked for Petrel Robertson Consulting, helping out with regional mapping projects. Then from 2007 to 2012, I worked for Husky Energy, where I worked in the Western Canadian Sedimentary Basin.

And then from 2012 to 2015, I worked for EOG Resources in the Canadian Division, where I focused on exploration and some development

drilling in various formations in the Western Canadian Sedimentary Basin. And then from 2015 to 2022, I worked for EOG Resources Denver Division, working primarily in the Powder River and DJ Basins in both exploration and development roles.

And finally, from October of 2022 until now, I have worked in the Oklahoma Division, initially developing our Woodford assets in the Anadarko Basin and now focusing on the Utica play in the Appalachian Basin.

Q. Thank you. Are you a member of any professional associations?

A. Yes. I'm a member of the American Association of Petroleum Geologists.

Q. Can you please describe your work as a geological specialist for EOG?

A. Yeah. I am one of the geologists responsible for the geological information necessary to produce well permits and the science for the development drilling of the Utica-Point Pleasant assets owned or operated by EOG.

To accomplish this, my daily activities include geologic mapping, well log analysis, geological risk assessment using seismic data,

acreage evaluations, well prognosis generation, and horizontal well planning. I also coordinate with our geosteerers to keep our wells within the intended geologic target.

Q. Are you familiar with the application for unitization of the Gazelle unit, including the geology exhibits that appear in that application?

A. Yes, I am.

Q. Did you hear my summary and introduction of the Gazelle unit a few minutes ago?

A. Yes, I did.

Q. Was my description consistent with your understanding of the Gazelle unit and your geologic analysis that supports the application for unitization?

A. Yes, it was.

Q. Can you please describe what the term "unitized formation" means with respect to the Gazelle unit and application?

A. 50 feet above the top of the Utica Shale to 50 feet below the top of the Trenton Limestone formation.

Q. Did you do any 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.
Q. Are you aware that the word "pool" has a specific meaning for purposes of EOG's application under Ohio law?
A. Yes.
Q. Under Ohio law, what does it mean to say that the unitized formation is a pool or part of a pool?
A. A pool 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.
Q. Was that definition used for purposes of the geologic analysis in the Gazelle unit?
A. Yes.
Q. What information did you analyze to determine whether the unitized formation was a pool or a part of a pool?
A. I looked at available core reports, mud logs, and electrical log data, including nearby

vertical wells.

Q. Mr. Cox, if I can direct your attention to Exhibit F, which is on the screen. Can you please describe what this map shows and why it is relevant to your geologic analysis?

A. Yes. This map shows the Gazelle unit as a red-outlined shape in the middle of the map, with the two vertical wells shown as red squares. Those vertical wells were used to describe the portion of the Utica-Point Pleasant pool within the Gazelle unit.

Q. And if I can now direct your attention to Exhibit E on the screen, can you please explain what this exhibit is and how it relates to your geologic analysis?

A. Yes. This is a cross-section of the vertical wells identified on the previous map. Artex Oil's Reed Owen G2 well is on the left. And EOG's Frec Nobl Olive A-1 well is on the right. In the middle is the proposed Gazelle NSH unit, with the expected depths of the relevant formations. Geologic mapping shows that the Gazelle unit lies entirely within the Utica-Point Pleasant pool and is of the same approximate

thickness and reservoir quality throughout the unit area, as shown by the wells in this cross-section.

This hydrocarbon accumulation extends in all directions from the proposed unit. And the rock properties, such as lithology, porosity, and fluid type, are very similar throughout the entire unit and constitute a common source of supply. This is shown by the gamma ray, resistivity, and porosity logs in the cross-section. All of the logs shown have a very similar character.

Q. Mr. Cox, I heard you mention gamma ray. Can you explain how gamma ray works and how it is relevant to your geologic analysis?

A. Yeah. The gamma-ray log records the amount of natural gamma radiation emitted by the rocks surrounding the borehole. The gamma-ray log is used to help correlate different formations and derive lithologies, for example, sandstone, shale, and carbonates.

Q. And where or how is the gamma-ray log reflected on this slide?

A. The gamma-ray log is the green curve for all three wells. And you can see that they

are very similar to each other.
Q. So what do these gamma-ray well logs tell us about the Gazelle unit, if anything?
A. Based on the data from these wells, I would expect the gamma-ray signature of the Utica-Point Pleasant formation in the Gazelle unit to be consistent with the two vertical well logs.
Q. Next, I heard you mention resistivity. Can you explain how resistivity works and why it is relevant to your geologic analysis?
A. Yeah. The resistivity log measures the electrical resistivity of the formation in ohm-meters. It is used to determine the formation's fluid type: water or hydrocarbons. Water-bearing formations typically have a lower resistivity, while hydrocarbon-bearing formations have a high resistivity.
Q. And how is resistivity reflected on this slide?
A. The resistivity log is the red curve for both vertical wells, and as you can see, they have very similar characteristics to each other. This indicates there is a uniform hydrocarbon saturation across the Gazelle unit.

Q. Last, I heard you mention porosity. Can you explain porosity and why it is relevant to your geologic analysis?

A. Yes. The porosity of a rock is a measure of storage space or empty space within the rock. It is one of the logs used to estimate the volume of hydrocarbon storage information. Neutron porosity is a measure of the amount of hydrogen atoms present in the reservoir fluid and helps identify the fluid type.

Q. How is porosity reflected on this slide?

A. The density porosity is a black curve. And the neutron porosity is a blue curve on the cross-sections for both vertical wells.

As you can see, both density and neutron porosity are very similar on both vertical wells, which indicates a uniform amount of storage across the Gazelle unit.

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

A. Yes.
Q. What is your professional opinion in that regard?
A. That the unitized formation is part of a pool.
Q. Is there uniform thickness across the unitized formation in the Gazelle unit?
A. Yes, there is.
Q. What is the thickness of the Utica-Point Pleasant interval within the Gazelle unit?
A. It is 288 feet thick based on the data from the identified vertical wells.
Q. Now I see, on the slide that is on the screen, there is a green-shaded box labeled "Hz Target Zn"; what is that?
A. That is the horizontal target for the well.
Q. What does that mean?
A. That is where we are going to drill the well.
Q. And what is the height of that target zone for the wellbore?
A. It's 50 feet.

Q. Given your opinion that the unitized formation is part of a pool and has uniform thickness across the unit, in your professional opinion, Mr. Cox, would it be appropriate to allocate unit expenses and payments of the proceeds of oil and gas production from the Gazelle 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 horizontal development of the Utica-Point Pleasant Shale?
A. Yes, it is.
Q. Thank you, Mr. Cox.
MR. BARONZZI: Those are my only questions. The Division may have some additional questions for you.
MS. RICHARDSON: Thank you.
What is the anticipated true vertical depth of the horizontal portion of the wellbore?
THE WITNESS: It will be 7,060 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 top of the Utica will be at 6,837 feet; top of the Point Pleasant will be at 7,023 feet; top of the Trenton Limestone will be at 7,125 feet.

MS. RICHARDSON: Thank you. Do you expect production from outside the Point Pleasant?

THE WITNESS: Very little. Maybe a little bit out of the base of the Utica where the porosity is slightly higher.

MS. RICHARDSON: Okay. Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: Yes, I do.

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CROSS-EXAMINATION

BY MS. BARRETT:

Q. Can you explain why, even though some of the wells are depicted as closer in proximity to the well pad on Exhibit D, they all have the same total measured depth in the application?

A. On the cross-section they have different values. Are they the same in the...

MR. BARONZZI: Do you want to see Exhibit D?

Sorry. Can you repeat the question?

Q. Yeah, sure. So I'm just asking for an explanation on the economics section of the exhibits. The total measured depth for each of these wells is listed as the same distance. So I'm looking for an explanation as to why some of the wells are depicted closer in proximity to the well pad, yet they all have the same total measured depth.

MR. BARONZZI: Do you want to take that?

A. Yeah, sure. So we are --

MR. BARONZZI: No. I think that question will probably best be answered by our reservoir engineering witness.

Q. Okay. I will save it for later, then. Thank you.

MS. BARRETT: That was my only question. No further questions at this time.

MS. RICHARDSON: Thank you.

Please call your next witness, Mr. Baronzzi.

MR. BARONZZI: EOG calls Dax Taylor.

MS. RICHARDSON: Thank you.

Please swear in the witness.

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DAX TAYLOR

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BARONZZI:

Q. Mr. Taylor, would you please state your full name and place of employment for the record.

A. Dax Taylor, and I work for EOG Resources.

Q. What is your position at EOG?

A. Land specialist.

Q. Please describe for the Division, your educational background.

A. I have a bachelor's in business administration with energy commerce from Texas Tech University and an MBA from the University of Oklahoma.

Q. And can you also describe your professional experience in the oil and gas industry?

A. Yes. I started my career with Encana Oil and Gas. I spent two years there, working on Texas, Louisiana, and Mississippi asset teams

before starting at EOG Resources, where I've been working for 11 years on Texas, Oklahoma, and Ohio asset teams, working on our Utica and Point Pleasant assets for the last four years.

Q. Are you a member of any professional associations?

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

Q. Are there continuing education requirements to maintain that membership?

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

Q. 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 asset. And I manage all aspects of landwork, including but not limited to lease acquisitions, title review, organic leasing, trade agreements, and development planning, amongst others.

Q. Did you assist with preparing the application for unitization of the Gazelle NSH

unit?
A. Yes.
Q. Did you hear my introduction of the Gazelle unit and application at the beginning of this hearing?
A. Yes.
Q. Was it an accurate description of the Gazelle unit and application for unitization?
A. Yes.
Q. If I can now direct your attention to Exhibit D, the color-coded map. Is this a depiction of the proposed Gazelle unit?
A. Yes.
Q. What would be the size of the Gazelle unit if it is drilled under a unitization order, as planned?
A. 2,201.4829 acres.
Q. Where will the unit be located?
A. Within Brookfield, Olive, and Sharon Townships of Noble County, Ohio.
Q. Will you please describe what other information is depicted in this map?
A. This is an overview map that shows all 110 tracts that are included within the Gazelle

unit. Each of those tracts is identified with a unit tract number, tax parcel number, and tract acreage in more detailed maps and tables in the application.

All the tracts in the unit are also categorized on this map by their status within the unit. Yellow tracts are leased and consenting, green tracts are non-consenting, and red tracts are unleased. The black dotted lines illustrate the 400-foot setback from unleased or non-consenting tracts, as required by Ohio law. And the blue dashed line identifies the location where this overview map is divided into sub maps, for purposes of showing greater detail in the application. Last, the blue dot shows the approximate planned surface location.

Of course, the map shows the four wells that EOG plans to drill and produce from the Utica-Point Pleasant pool.

Q. What is the status of the construction of the well pad?

A. This pad is not yet constructed.

Q. What is the expected length of the lateral portion of the Gazelle wells, if an order

for unit operations is granted?
A. The lateral length planned is 16,360 feet long under an order for unit operations.
Q. What is the spacing between the end of the laterals and the toes of the unit?
A. 150 feet between the end of each lateral to the boundary of the unit.
Q. And what is the spacing between laterals inside the unit and also from the last lateral on each side to the boundary unit on each side?
A. The internal spacing between the laterals will be approximately 1,450 feet. And the spacing from the lateral on each side to the boundary of the unit will be 725 feet.
Q. What is your expected development timeline for this unit?
A. EOG plans to drill and complete the wells within the time frame specified in the Chief's Order, if an order is issued.
Q. What percent of the unit is committed to unit operations?
A. Approximately 94.87674 percent of the unit is committed to unit operations.

Q. Who are the committed working interest owners in the unit?
A. Just EOG Resources.
Q. Are there uncommitted working interest owners?
A. Yes.
Q. Who are they?
A. Gulfport Appalachia, LLC; Ascent Resources-Utica, LLC; and Range Resources-Appalachia, LLC.
Q. What percentage of the Gazelle unit is leased but not committed to unit operations?
A. Approximately 4.992607 percent.
Q. Now, I understand there are two unleased or partially unleased tracts in the Gazelle unit; is that right?
A. Yes. Tracts 11 and 64 are unleased.
Q. What percentage of the unit is comprised of those unleased interests?
A. 0.130652 percent.
Q. Do you know how many acres in the unit those unleased interests account for?
A. Approximately 2.8763 unit acreage.
Q. Can you generally describe EOG's

efforts to lease the owners of the unleased mineral interests and to commit the owners of the non-consenting working interests?

A. Yes. Our efforts are detailed in our leasing efforts affidavit and spreadsheet in the application for unitization.

But generally speaking, we have corresponded with the unleased mineral owners and each non-consenting working interest owner and requested that they lease their interest to EOG. Or in the case of the non-consenting working interest owners, we asked that they commit their interests in unit operations. That correspondence was by phone, mail, email, and in-person meetings, as indicated on the leasing efforts affidavits in this application.

Q. Will EOG continue its effort to lease the unleased mineral owners and to commit the non-committed working interest owners after this hearing?

A. Yes, we will.

Q. I want to talk now for a moment about the unit plan that was included in the application. Are you familiar with it?

A. Yes.
Q. What is its purpose?
A. It's twofold: it helps define the respective rights of the parties in the unit, and it combines the oil and gas rights of all tracts in the unit, as if they were a single tract, for purposes of management, production, and development from the unitized formation within the unit, which is part of a common pool.
Q. Now, how will payments be allocated pursuant to the unit plan?
A. On a surface acreage basis.
Q. What is the reason for that?
A. For the reasons discussed by our geologists, mainly uniformity of the formation.
Q. Is that common in Ohio, specifically for the Utica-Point Pleasant play?
A. Yes.
Q. Who pays unit expenses?
A. The participating working interest owners.
Q. Do royalty owners pay unit expenses under the terms of the unit plan?
A. No. They do not.

Q. Thank you, Mr. Taylor.

MR. BARONZZI: Those are my only questions. I'm sure the Division will have some additional questions for you.

MS. RICHARDSON: Thank you.

What is the current average outstanding offer to the unleased mineral owners in the proposed unit?

THE WITNESS: Our current average outstanding offer is $3,000 an acre and an 18 percent royalty.

MS. RICHARDSON: And do those offers include surface use?

THE WITNESS: It is a combination depending on how the owner negotiates their lease.

MS. RICHARDSON: Will those offers expire?

THE WITNESS: Right now they do not have an expiration date, and we plan to continue negotiation efforts after this hearing.

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

THE WITNESS: The average accepted

offer is currently $1,516.88 an acre and 18.02 percent royalty.

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

THE WITNESS: Yes. That can be explained by the passage of time, with some of the leases being taken earlier versus the current day, where there is higher competition in the area and different market dynamics.

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

THE WITNESS: Yes, I do. And I believe so because of our success with leasing within this unit and the surrounding area today.

MS. RICHARDSON: Thank you. Will you continue attempts to lease the unleased mineral owners after the hearing or after the unitization order is issued, if one is issued?

THE WITNESS: Yes, we will.

MS. RICHARDSON: Okay. And do you believe the attempts to commit the non-consenting

working interest owners have been reasonable as well?

THE WITNESS: Yes, I do.

MS. RICHARDSON: Will you continue your attempts to commit non-consenting working interest owners after today's hearing?

THE WITNESS: Yes. We will.

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

THE WITNESS: Yes, they do.

MS. RICHARDSON: To establish bonus and royalty amounts in leases, how are those generally determined?

THE WITNESS: They are usually determined by various market dynamics, such as the current commodity prices and the amount of competition at the time of negotiations, as well as evaluations performed by our reservoir engineers.

MS. RICHARDSON: Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: Yes, I do.

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CROSS-EXAMINATION

BY MS. BARRETT:

Q. Could you please explain why you think that your attempts to commit the non-consenting working interest owners have been reasonable?

A. We have had various conversations with those parties, attempting to set up trade deals or purchase their interest from them. And to date, they have not indicated how they would like to treat their interest and are currently non-consenting.

Q. On the Exhibit D on the screen, can you explain what the "Extent Match Line" [sic] labeled on the exhibit is?

A. Yes. So that is going to be the break between two maps, so that we could show some greater detail inside the application.

Q. Okay. Thank you.

MS. BARRETT: No further questions for me.

MS. RICHARDSON: Thank you.

Mr. Baronzzi, please call your next witness.

MR. BARONZZI: EOG calls John Dwyer.

MS. RICHARDSON: Please swear in the witness.

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JOHN DWYER

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. BARONZZI:

Q. Good morning, Mr. Dwyer.

A. Good morning.

Q. Please state your name and place of employment for the record.

A. John Dwyer. EOG Resources.

Q. What is your position at EOG?

A. I'm a reservoir engineering specialist.

Q. Would you please describe for the Division your educational background before you became a reservoir engineering specialist at EOG, including any degrees you hold?

A. Sure. I hold a chemical engineering degree from Purdue University and a Master of Business Administration from the University of Michigan.

Q. Please tell the Division about your professional and work experience since receiving your engineering degree from Purdue.

A. I have worked in the industry for over 12 years now. In chronological order, I have worked at Halliburton, Whiting Petroleum, Devon Energy, and now EOG Resources.

My background includes extensive operations and technical experiences in fracturing, well intervention, asset development, and reservoir simulation. My experience spans the Williston, Anadarko, Delaware, and Utica Basins.

Q. Are you a member of any professional associations?

A. I am. The Society of Petroleum Engineers.

Q. Will you please describe your responsibilities and work as a reservoir engineering specialist for EOG?

A. My primary job responsibilities are to forecast future production for both producing and undeveloped wells. I use these forecasts to estimate the reserves, recoveries, and economics for various development scenarios. Using this

information, my team members and I recommend how EOG should develop its assets to maximize value and resource recovery.

Q. Are you familiar with the application for unitization of the Gazelle NSH unit?

A. Yes, I am.

Q. Did you hear my summary and introduction of the Gazelle unit as well as the testimony of Mr. Cox and Mr. Taylor this morning?

A. Yes, I did.

Q. Was my description and the prior testimony consistent with your understanding of the Gazelle unit at the time you estimated the economics and production volumes for the Gazelle unit as set forth in the application?

A. Yes.

Q. I understand you have analyzed the potential recovery of oil and gas from the Gazelle unit and the associated economics of the unit under two scenarios. First, as if the Gazelle unit was drilled without an order for unit operations; secondly, if it was drilled with the benefit of an order for unit operations from the Division; is that correct?

A. Yes, it is.
Q. I want to talk first about exactly what the well configurations would be in each scenario so that we can understand your economic and engineering analysis when we discuss it later. And for that, I would like to start with the color-coded map, which is on the screen now. Are you familiar with this map?
A. Yes, I am.
Q. Does this map accurately depict the configuration of the wells and unit that is the basis of your engineering and economic analysis?
A. Yes, it does.
Q. Can you tell the Division, if EOG is granted an order for unit operations, what will be the extent and configuration of the wells in the Gazelle unit?
A. Sure. The Gazelle unit is planned as a four-mile unit -- or four-well unit, forgive me. The lateral length of each well will be 16,360 feet. And it will have a central pad with two wells extending southeast, which are the 1D and the 3D, and two extending northwest, which are the 2C and 4C.

The wells will have an internal well spacing of approximately 1,450 feet. They will be set back from the eastern and western unit boundaries by 725 feet, and setback 150 feet from the northern and southern unit boundaries.

Q. Will EOG produce from the whole length of each lateral if unitized?

A. Yes.

Q. Will the entire unit be developed and produced under an order for unit operations as planned?

A. Yes.

Q. And also, as planned under an order for unit operations, do you expect any production from outside the Gazelle unit?

A. No.

Q. If EOG does not receive an order authorizing unit operations, what would be the configuration and extent of the wells in that situation?

A. If EOG attempted to develop the unit without an order for unit operations, three of the four wells would be much shorter due to the location of the non-consenting or unleased tracts

within the unit. While the 2C would not be affected, the 4C well could only be drilled a total of 13,613 lateral feet. The 1D would be limited to 8,821 feet. And the 3D would be limited to 3,617 feet.

Q. Now, from an economics perspective, would EOG actually drill any of these wells in the proposed Gazelle unit without a unit order from the Division?

A. No. Not at this time.

Q. Let's talk about economics and production in both unitized and non-unitized scenarios as you have analyzed them. And for that, I want to turn to the economics table, which is on the screen.

Are these the economics tables that were included in the pre-hearing supplemental application for unitization of the Gazelle unit you were just discussing?

A. Yes, they are.

Q. Can you tell the Division, generally speaking, what these tables show?

A. Sure. They show the unitized scenario and then the non-unitized scenario and then the

difference between the two.
Q. So the top table is the unitized scenario, middle is non-unitized, and the bottom is the difference?
A. That's correct.
Q. Do these tables show the difference in lateral length between the unitized and non-unitized scenarios that you have already described for us?
A. Yes, they do. It's the second column from the left, in the last table.
Q. When making your calculations, what did you look at to estimate potential production from the Gazelle unit?
A. Production from and configuration of nearby wells.
Q. We can now turn to the analogue well map, which is on the screen. Does this exhibit show the wells used in your analysis?
A. Yes, it does.
Q. Can you explain what all this map shows?
A. Sure. So the wells shown with green lines are wells that are either drilled, being

drilled, permitted, or unitized but not yet producing. The wells shown with black lines are currently producing. The wells with black lines and numbered labels are the analogue wells that we use for the purpose of estimating production from the Gazelle wells.

Q. Can you explain why you selected these numbered analogue wells for purposes of estimating production and economics of the Gazelle wells?

A. Sure. We use the wells mostly due to their proximity, geologically and locationally.

Q. I will turn now to a table that goes along with that analogue well map, which is on the screen now. Does the information on this table relate to the numbered analogue wells that we were just talking about on the prior map?

A. Yes.

Q. What information does this table provide, and why is it relevant to your engineering analysis?

A. The table provides specific well details that correspond with the wells labeled in the analogue well map. This information is relevant because it shows we considered the

producing time of the wells and proximity to the proposed Gazelle unit.

Q. I see that the last column is labeled "SHL to SHL"; what does that mean?

A. Sure. That means surface hole location to surface hole location. So the surface hole of existing wells is what our best estimate of what will be the surface hole location of the proposed wells.

Q. I don't see anywhere on this table that shows the production data from the analogue wells. But did you have access to production data from each of the analogue wells?

A. Yes, we did.

Q. And did you consider the production from each of the identified analogue wells in estimating production from the Gazelle wells?

A. Yes.

Q. Are there any other horizontal wells drilled into the Utica-Point Pleasant pool within the same townships as the Gazelle unit and wells?

A. Yes, there are.

Q. Can we agree that for purposes of your testimony from this point forward, if we say

"adjacent wells," what we mean are wells that are drilled into the Utica-Point Pleasant pool and also within the same townships as the Gazelle wells?

A. Yes.

Q. So does this map show all adjacent units and wells?

A. Yes, it does.

Q. And like with the analogue well map that we already looked at, I see the Gazelle unit labeled there is a light-blue-shaded rectangle; is that right?

A. That is correct.

Q. I also see that there are some blue lines that go through the Gazelle unit. What are those?

A. Those blue lines are the four proposed Gazelle wells.

Q. I see a variety of other boxes shaded light green. And as you already described with the analogue well map, are those also other horizontal drilling units in the area?

A. Yes, they are.

Q. I see some of them have green lines

that run through them. Are those wells that are either drilled, being drilled, permitted, or unitized but not yet producing?

A. Yep.

Q. And then some of the horizontal drilling units have black lines; those represent producing wells. Is that right?

A. That is correct.

Q. I see that we have numbers attached to some of the various wells that are on the map, correct?

A. Correct.

Q. And those numbered lines are just intended to specifically identify any adjacent wells, correct?

A. Correct.

Q. Now, did you account for all of these adjacent units and wells in your analysis of the economics and potential production from the Gazelle unit in this application?

A. Yes.

Q. I want to turn back to the economics tables. We already touched on lateral length, which is the second column there from the left. I

want to discuss the remaining columns, just moving from left to right. So the next column is the "Measured Depth." And can you just describe what measured depth is and how it differs from lateral length?

A. Yes. Measured depth includes the vertical and lateral sections of the wellbore.

Q. Can you explain what operating costs are? That is the next column there, operating costs. And give some examples of operating costs.

A. Sure. Lease operating costs are the costs incurred from the day-to-day operations that occur once the well begins producing. These include variable oil and gas processing and transportation, water transportation, and a fixed monthly cost in dollar per well per month.

Q. Do you have an exhibit that gives us more detail about those operating costs?

A. Yes, I do.

Q. Is it the slide that is on the screen now?

A. It is.

Q. Could you just walk us through the information on this slide?

A. Yes. So as you can see, the variable oil cost estimate is $0.30 per barrel. The variable gas estimate is $0.14 per MCF. The variable water estimate is $3.75 per barrel. And the fixed operating cost is $7,184 per month.

Q. While we are looking at this slide, I would like to ask you about the bottom portion of it, which is the June of 2025 strip price; do you see that?

A. I do.

Q. What is that? And how does it fit into your calculations?

A. That is the NYMEX strip price, effective the middle of June when we ran the calculation.

Q. Now, if we can return to the economics tables and continue our discussion. Moving from left to right across the columns, we were just discussing operating costs. I see that the next column is "Capital Costs." Can you describe what capital costs consist of?

A. Yes. Land, drilling, completions, flowback, facilities, plug and abandon, and reclamation costs.

Q. I just heard you mention, the capital costs include the costs to plug and abandon the wells and reclaim the pad site?
A. Yes.
Q. And specifically, what are those costs?
A. We estimate those costs to be $77,000 per well.
Q. That is for plugging and abandonment and restoration combined?
A. That is correct.
Q. Continuing our discussion of these columns, I see the next column is "Undiscounted Value of Estimated Recovery."
A. Yep.
Q. And what is that?
A. That is the gross revenue, exclusive of operating costs and capital.
Q. Next columns I think we can -- the next two, we can address them together: "PV0 and PV10." What are those?
A. That is the present value inclusive of operating and capital costs that can be represented at different discount rates. PV0 is an undiscounted value. And the PV10 is a

10 percent discount rate applied.

Q. Are the PV -- present value numbers, net of reasonably expected capital costs and operating expenses?

A. Yes, they are.

Q. And last, I see we have a column labeled "Estimated Gross Recovery"; what is that?

A. That is the estimated volume of recovered oil and gas converted to billion cubic feet equivalent.

Q. Is it a financial measure?

A. It is just the estimated volume of production from the wells.

Q. I see you have estimated the volume as BCFe; do you see that?

A. Yes.

Q. What is that?

A. That is a billion feet equivalent, using the six-to-one ratio of gas to oil.

Q. Now that we have a better understanding of what these columns show, let's look at the top table, specifically. That table shows the unitized scenario; is that right?

A. That's right.

Q. Under that unitized scenario, can you tell the Division what you estimate for production volumes, revenues, expenses, costs, and the value of production?

A. Sure. At this point, our best estimate is that the production volumes will be 42.04 billion cubic feet equivalent; that the revenue will be 191.52 million; that the operating expenses will be 56.56 million; the capital costs will be 36.64 million; the PV0 will be 73.44 million; and that the PV10 is 49.68 million.

Q. Now, can you tell the Division how those numbers change in the second table from the top if the wells are drilled without an order for unit operations?

A. Sure. We estimate that all the numbers are lower because of the limited development that would be possible, to be more precise, in the non-unitized scenario. And I will read through those as well.

So for the production volumes, we estimate 27.16 billion cubic feet equivalent; for the revenue, 126.05 million; operating expense, 40.77 million; capital cost, 26.88 million; PV0,

44.52 million; PV10, 30.41 million.

Q. Now, just to wrap up our discussion of the tables, the differences you just described between the top table and the middle table, those differences are shown in the third table; is that right?

A. That's correct.

Q. So if we compare the unitized and non-unitized scenarios, in your professional opinion, Mr. Dwyer, would the estimated ultimate recovery of oil and gas increase substantially if the Gazelle unit could be drilled under an order for unit operations, as compared to drilling and production in the non-unitized scenario?

A. Yes. I estimate that EOG will recover an additional 14.88 billion cubic feet equivalent of natural gas with an order for unit operations as compared to the non-unitized scenario.

Q. In your professional opinion, is 14.88 BCFe of natural gas a substantial increase?

A. Definitely. For example, to put it in financial terms, as you can see from the bottom table, I have estimated that the 14.88 billion cubic feet equivalent of natural gas will have a

gross value of more than $65 million, which, in my experience and opinion, is substantial.

Q. Now, let's focus for a minute on the anticipated difference in value between the unitized and non-unitized scenarios.

In your professional opinion, does the value of the estimated additional recovery of oil and gas with unit operations exceed the estimated additional cost of those unit operations?

A. Yes, it does. This is most easily demonstrated by comparing the present value figures. Here, the unit would make an additional 28.92 million on an undiscounted net present value basis if unitized. And 19.27 million, even on a 10 percent discount to net present value.

Q. So if I understand your testimony, if unit operations are granted, the unit makes $28.92 million more revenue on an undiscounted present value basis than if unit operations are not allowed. And that $28.92 million number is after costs are subtracted; is that right?

A. Yes.

Q. Thank you, Mr. Dwyer.

MR. BARONZZI: I have no further

questions, but the Division may have some questions for you.

MS. RICHARDSON: Thank you.

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

THE WITNESS: We are estimating it to be 28 years.

MS. RICHARDSON: Now, I saw the slide for the strip price. What price was used in your economic calculations?

THE WITNESS: The price that you are seeing here on the screen.

MS. RICHARDSON: Yes. That's June 2025 and it's at $3.48?

THE WITNESS: Yeah. For the year of 2025, and then 2026 production is $3.86. So the strip price is changing into the future. And so I'm just pulling a snippet to give a good idea of how it changes out.

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

THE WITNESS: Okay. So for a 1-time payout, we estimate it to be 1.08 years. For a

1.5-times payout, we estimate it to be 1.58 years. For a -- did you say, 2 times?

MS. RICHARDSON: 2 times and 3.

THE WITNESS: For 2, we estimate it to be 2.75 years; and for 3 times, 25 years. So right about the end of the life for the wells.

MS. RICHARDSON: And I know you proposed four wells, but what is the total wells that will be drilled from the pad?

THE WITNESS: From this pad, at this time, we expect there to be four wells.

MS. RICHARDSON: Okay. Just making sure. What amount was included for plugging and restoration costs in your economic calculations per well?

THE WITNESS: Sure. So for the plugging and abandon, that's $38,000 per well. And then for the salvage value, $36,000 per well. And then the reclamation costs, $39,000 per well.

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

THE WITNESS: 0.64.

MS. RICHARDSON: You may have answered this, but what is the estimated recovery factor in

the area?

THE WITNESS: We expect it to be anywhere from 4.5 to 6 percent.

MS. RICHARDSON: And have you factored in costs for shutdowns of existing wells due to simultaneous operations?

THE WITNESS: Costs to the proposed wells?

MS. RICHARDSON: Yes.

THE WITNESS: For shutdowns?

MS. RICHARDSON: Yes.

THE WITNESS: Not at this time, no.

MS. RICHARDSON: Thank you.

Ms. Barrett, do you have any questions?

MS. BARRETT: Yes, I do.

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CROSS-EXAMINATION

BY MS. BARRETT:

Q. You said you used estimated pad costs; is that correct?

A. I used estimated -- sorry?

Q. Estimated pad costs.

A. Oh, yes.

Q. Okay. And how were those estimated?

A. They were estimated by taking the costs that my operations team gave me and then equally applying it across all four wells.
Q. Do you know the basis of the costs that were given to you, how that was calculated?
A. I don't know the specifics of how they calculate that precisely.
Q. How was the 28-year economic life of the wells calculated or determined?
A. Sure. So the variables are the volumes out of each well and the price at which we expect those volumes to be fetching. And then of course, the operating costs: so the variable costs and the fixed costs. And so when those go negative, when our revenue is no longer exceeding our costs, that is the time at which we estimate at this juncture that would be the end of the life of the well.
Q. Okay. Is there a reason why the Gazelle NSH 2C was not pursued as a voluntary unit?
A. The 2C, yes. So the short answer is that this maximizes recovery. And the long answer is that by unitizing these wells together, one, we

have a scale of economies, of course; two, we have -- if you think about it from a reservoir management perspective, we are avoiding waste by doing this synchronously and we're not having a patchwork development cycle. And then, number three is fair interests to the owners for the entire life of the well, so all the way through when we have to do secondary recovery methods.

If you think of, say, a CO2 flood or a water flood, which wells are going to be the flood wells, and which ones are the wells that are going to benefit? By unitizing now, we ensure that all parties have equal interest and that we will maximize recovery out of this specific area.

Q. Okay. And I had asked this earlier, but can you explain why on Exhibit D, if we can pull that up, a couple of the wells look like they are closer in proximity to the well pad, but each of the wells in the economics has the same total measured depth?

A. Yes. Yes, absolutely. So the short answer is, we do expect to drill all of these wells at the same length within a rounding error of each other.

And it might be hard to see on the map, but if you squint at where the proposed location of where the well pad is, you can see there is something that we call "kickouts," for instance. So the 2C, you see the lateral actually starts backwards or more southeast of where the well pad location is. So we plan on drilling these wells at the exact same lateral length, and that is why we went through the estimates like we did.

Q. Okay. Thank you.

MS. BARRETT: No further questions for me at this time.

MS. RICHARDSON: Thank you.

I know that we have Dan from Lucky Land Management, who would like to make comments. But before we get to him, I need to know if there is anyone else that would like to ask a question or make comments.

So 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.

As a reminder, we ask that any interested party who speaks here today pose any questions to the Division, and we will then ask any questions to the Applicant.

Dan, are you there?

MR. CORCORAN: Yes, I'm here. Can you hear me?

MS. RICHARDSON: I sure can. Thank you. What we are going to do is swear you in, and then you can proceed to ask your question or comment, okay.

Please swear in the witness.

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(Dan Corcoran, having been duly sworn, testifies as follows.)

MS. RICHARDSON: Please proceed.

MR. CORCORAN: Good morning. My name is Dan Corcoran. I'm an attorney, and I represent Lucky Land Management, LLC.

I think I was asked at the beginning of this hearing, who is Lucky Land, and what is its interest? Is it a leased or is it an unleased

owner? And I said that we are neither -- we are neither one of those. We don't own the minerals that are proposed to be unitized in this case. But we do own the surface of the property where the well pads are proposed to be constructed. And I think it was, Dax Shepard, [sic] made a comment about this a little bit earlier during his testimony. He said that the pads have not yet been constructed, and that is indeed the case.

And the reason why we are here is because we are currently involved in a dispute with EOG about the construction of those wells. I talked about this in the written comments that we submitted. But essentially, EOG came to my client and asked about signing a surface use agreement to build those pads.

We did not reach an agreement with them. And they said that if we did not, then they were going to take us to court. And that is what they did; they sued my client in the Federal District Court in December of 2023.

We have been in a lawsuit since then, and that lawsuit is still pending. It has to do with whether they have the right to build the well

pads. EOG thinks that they do; they think they have the right to build the well pads.

And even though they have offered to pay my clients to enter into a surface use agreement, their position in the case is that they don't really need to offer to pay us anything. They do that because they are just really friendly and they are good neighbors, but they already have the rights to do what they want. And we need to let them come onto the property to do that. Well, we have not let them do that, so they took us to court. And they asked the Federal Court to give them an injunction so that we would be prevented from continuing to allow them to come onto the property.

And that injunction hearing was held in February of 2024. And initially the trial court, in that case, granted them what they wanted and gave them that injunction. And the injunction is subject to appeal. Of course, we did appeal it. And when we filed that appeal, we asked for the District Court to put a stay on it so that nothing would change while the validity of the injunction order was being reviewed by the court of appeals.

EOG was in a real big hurry to get this done back then, because they said they needed to get onto the property and cut down a bunch of trees because of the bats that needed to be protected. It had to be done before the end of March, they said. So that is why it was really urgent that they do this.

And by the way, the amount of property that they were proposing to use for these pads, initially it was over 45 acres. That is a lot of acreage in my opinion. There were some later -- some discussions about whether or not a pad could be moved. They thought they could move one, and if they did, it would have been a little bit more than 35 acres that they were going to have to clear out and confiscate, essentially, to put these well pads on our property.

That is a big deal to my client. Because, as I said in the written comments, he bought this property as an investment, and this is what he does. This is part of his business: he buys the land, he works on it, he turns it into a hunting property, and then he sells it to people who want to buy hunting properties. And he has

put a lot of time -- I think we said thousands of man-hours, hundreds of thousands of dollars in this. He was clearing, I think, about 60 acres of the land so that he could create food plots and everything. And that was what he planned to do with this.

And EOG wants to put the well pads right in the middle of the food plots that we just paid all this money to clear -- I think it was over about $300,000 to clear the area where we put these food plots.

And so the -- you know, even these payments that they are offering for the surface use agreement don't come close to covering what my client's loss would be if they were permitted to do that. So that is why we ended up in court. And of course, when the judge is looking at this issue and trying to figure out, do they have the right to do it or do they not have the right to do it? Well, it depends on what the law is, of course.

So it is a question of Ohio law. But it's also a question of what the deeds say. And by the deeds, I'm talking about the deeds where

the mineral rights were separated from the surface rights. And there are a number of different parcels that my clients owned. But that separation took place back in the late '50s and early '60s.

So the court was looking at these deeds to try to figure out when the mineral rights were separated and whether the mineral owner reserves the right not just to drill the oil and gas beneath the property that was subject to the deed but also other property. Because in this case, they want to build these well pads not just to produce oil and gas from beneath our property, but from thousands of acres of other property that is within the units that are proposed. Is that within the scope of the rights that were reserved in the severance deed? So that was the key issue. And as I said, the trial court initially thought it did and that it was entitled to do it.

But on appeal, the court of appeals first -- they initially stayed the injunction order. Unfortunately, it was not until after EOG had already come onto the property and cut down the trees, but it did stay that order. And then

after briefing and after argument, the court of appeals said, no, sorry, the trial court got it wrong. Based on Ohio law and based on the language in the severance deeds that are at issue in our particular case, they simply are not likely to prevail on their arguments that they have the right to do this, that is, to use our property as a base for drilling thousands of acres of other land through these units. So that was the outcome of the appeal.

And then the case comes back down to the district court, and a couple of things happened there. First of all, we took the decision from the court of appeals and said, we think that we are actually entitled to judgment. That is, not only should the injunction order never have been granted in the first place, but EOG's complaint really should be dismissed at this point. They do not have the right, they are not going to have the right, and the court should make a final determination on the merits.

At the same time that we submitted that request, EOG said, wait a minute. Wait, don't do that, Let's wait. Because they said they were

going to apply for a unit order with the Ohio Department of Natural Resources, which obviously they have done. And that is why we are here, okay. They said they wanted to apply for this unit order, and they told the district court that this would change everything. This would change its calculus in terms of what rights it had to use the surface of my client's property.

Now, I don't agree with that. We don't agree with that. We do not think that anything that the Division is doing today should have any impact on my client's surface rights. We talked about that in the written comments. We presented the legal arguments with the analysis of 1509.28. That statute is there to allow operators to pool and unitize acreage for more efficient production of oil and gas and to avoid waste and so forth. All right.

And by the way, again, we do not own the oil and gas. What EOG does with the oil and gas does not affect us, okay. So if they wanted to unitize all this land and they wanted to put the well pad somewhere else, if they wanted to put it on a neighboring property, for example --

which, by the way, we have suggested. By the way, we have talked to one of the neighbors, and we think that they would be more than willing to sign a surface use agreement for EOG to do that. That's fine. Okay. They can put the well pad somewhere else. Just don't tear up our properties, over 35 acres of it, to put these well pads there when you do not have the right to do it.

But EOG thinks that if it can get a unit order, that it is some sort of a magical effect. That it's just going to give it surface rights on my client's property, which it does not currently have.

The statute is not designed to do that. The statute should not have anything to do with surface rights. The reason that you, the Division, are able to do this, to put these surface -- these mineral rights all together, whether they are consenting or not, is because of the doctrine of correlative rights that applies to ownership of mineral rights in the state of Ohio.

And that's fine. But again, our rights are not the mineral rights. Our rights are not

subject to the doctrine of correlative rights. And so the statute does not give the Division the authority to give them the surface rights that they don't have but that they want you to give them.

Okay. The other thing that we said about the unitization statute was -- let's not forget that this was enacted in 1965. And as I mentioned earlier, the separation of minerals and surface took place before this statute was enacted. And there is clear case law that has recognized -- and including case law from the Supreme Court of Ohio, that you can't -- that statutes can't have a retroactive effect. And that includes with respect to these statutes that have been applied in a couple of different cases.

So even if EOG was correct that somehow the statute can be used to get surface rights that it does not currently have, that would not apply to us. Because the surface rights and the mineral rights were separated prior to when the statute was enacted. So whatever surface rights they have on our property -- and by the way, we are not denying that they have the right to come onto the

surface to drill the oil and gas under our land; that's not the problem. The problem is the thousands of acres of other property that they want to also drill and produce.

And then the third argument that we submitted in the written comments is that, you know, even if you could use this to seize surface rights and even if it could be applied retroactively, which we don't think that it can be, you can't just take our land and not compensate us for it.

I do not think that the unitization statute is a condemnation statute. But if the Division and EOG want to use it that way, then my client should be entitled to compensation, just like in any other taking, for the property that's being taken from us. Like, if you are going to build a road or something, you have got to pay the landowner for it, right? So why shouldn't we be entitled to that as well? And if we are not entitled to it, if we are not entitled to reasonable compensation for the land that is being taken, if this is truly a condemnation statute, which again, we don't think that it is, then it

would be unconstitutional for EOG to do what it is proposing to do. So that is our position.

What do we want the Division to do about it? Well, we have said a couple things. We said, first of all, you should deny the application. You should deny the application, because how can you grant an application for unitization if you do not know where the well pads are going to be located? The pads have not been constructed yet. It is up in the air right now whether they will ever be constructed where EOG is proposing to put them on its Exhibit D. If they are put somewhere else, is it still going to be able to put these units together in the way that it has proposed?

What effect is that going to have on the laterals on all these maps that we are looking at? The spacing and the size and the shape of the unit, all of that. I'm a little disappointed that we did not get any questions about that. If the well pad does not go where they want it to go, what impact would it have on the unit? And since you don't know that, we don't know that. We can't know that the Division should not grant the

application that is being requested here today.

And then of course, the other thing that we asked for, and this is the alternative to denying the application altogether, is that if you are going to grant it anyway over our objection, we think the Division should state very clearly that anything that it does today is not going to impact my client. That it's not going to impact my client's rights on the surface of its property. Because we know what EOG is going to do if it gets this unit order. It is going to take it back to the district court, and the case is still pending. It's going to show it to the judge and say, look, now we are a unit operator and this changes everything. And maybe we didn't have the right to build the pads before, but now we should because we are a unit operator.

So if the Division were to state very clearly and expressly in its order that this does not affect Lucky Land and it does not give EOG any additional surface rights in the property that it does not already have, that would be the alternative relief that we are requesting. And again, this is exactly why EOG is here. They are

here because they are trying to get surface rights that they do not have.

And I think it was, maybe, Jennifer Barrett, who asked the question a little earlier about -- what is it, the Gazelle NSH 2C? Why didn't they just voluntarily unitize that one? It does not look like there is any unleased acreage for that well, or any non-consenting acreage, so you know they could do that themselves right now. They don't need the Division to give them permission. And all the reasons that the witness gave for why they were doing that did not make any sense to me, frankly. If you have a unit, what difference does it make whether you put it together voluntarily or if it's put together pursuant to a unit order, okay?

The real reason why they are doing it is because they want to use the unit order as an excuse to come back and to take our surface rights away. They do not have the right to do it. And the Division should not allow them to do it.

So for those reasons, and for all the reasons that we stated in our written objection, we would ask the Division to first and foremost

deny the application for unitization, because we just do not know where these well pads are going to be. And we do not know what impact that would have on the proposed unit.

And then alternatively, if it were to grant the application, to clearly and expressly state in the unit order that it does not affect surface rights of Lucky Land Management and does not give EOG any additional surface rights that it did not already have prior to when the order was granted.

Those are my comments. Thank you.

MS. BARRETT: Thank you for your comments. Does the Applicant have any response to the comments?

MR. BARONZZI: Yes. Thank you.

At the outset, EOG objects to Lucky Land Management's attempt to insert itself into these unitization proceedings. As Mr. Corcoran said, Lucky Land Management is not a mineral owner. They are not a working interest owner. They have no interest in the unitized formation. They are just an owner of the surface of certain tracts in the unit.

In this proceeding, EOG's application for unitization just asks the Chief to issue his standard order for unit operations. It is not seeking any extra rights or declarations or decisions regarding the respective surface rights of the parties. They just want a standard unitization order without any unique, specific findings regarding the rights of Lucky Land Management or EOG to use the surface.

EOG frankly and respectfully asserts that this is not the appropriate forum to litigate a dispute about surface rights. Mr. Corcoran made a lot of statements and arguments, many of which EOG disagrees with. I'm not going to get into a back-and-forth about all the legalities and case law and constitutional issues and that kind of thing, because this just isn't the right forum for it.

The fact of the matter is that EOG does have an oil and gas lease on the Lucky Land Management's property. And it does have, as Mr. Corcoran said, express rights to use the surface of the Lucky Land Management property by virtue of certain deeds where the minerals were

severed from the surface and, specifically, reserved rights to use the surface in connection with those minerals.

But the parties' rights under those deeds and leases are already being litigated, as Mr. Corcoran said, in Federal District Court for the Southern District of Ohio. That litigation is ongoing. And that court, and not this unitization proceeding, is where the parties should continue to litigate their rights with respect to the deeds and the lease.

It is important to understand that the decision from the Sixth Circuit Court of Appeals, that was referenced by Mr. Corcoran, is limited to a decision and a dispute about the injunction that was issued by the district court. It is not a final order that disposes of the rights between the parties. So we do not yet have a final order from a court that says whether, or how, EOG can use a surface. So that matter is still in dispute. It is still being litigated.

Mr. Corcoran's statement that EOG has asserted that somehow unitization will change the calculus or change everything, as he said, and he

said that Lucky Land Management and he do not agree with that. We will respond to all of these arguments, including that, in a written submission after this hearing. We wanted to submit one comprehensive response. But those statements about how unitization might change the calculus or change everything, those are not our words. And we will explain that in our written response. Those are the words of the Sixth Circuit, and specifically, the Sixth Circuit's decision that was attached to Mr. Corcoran's objection. Page 18 of that decision uses those words about how unitization may change the calculus of the Court's consideration of the parties' respective rights.

So for all these reasons, EOG objects to Lucky Land Management's comments and Mr. Corcoran's comments here. We asked the Division to leave these issues to be decided by the Federal District Court that can complete the picture of all the legal issues and facts that address it.

We would ask the Division to grant its standard order for unit operations and not make any specific or particular findings about surface

rights; EOG's not asking for that. We just want the standard order. We want to be able to continue to litigate any issue with surface rights where it should be litigated, which is before the court.

MS. BARRETT: Okay. And I have one additional question for the Applicant.

Because the length of the laterals and the total measured depth of the wells obviously affect the calculations of economics, which underlie the standard that the Division reviews the applications under, do you have any response to Lucky Land Management's concern that the pad site is hypothetical?

MR. BARONZZI: Which is -- if the site were changed?

MS. BARRETT: Yes.

MR. BARONZZI: Yeah. I mean, again, we feel -- EOG feels confident that it is going to have the right to build the pads at the location.

But if something changes, then of course those issues will have to be revisited then. And if the economics change, or it creates some sort of material change to the economics, we

understand that there may be additional proceedings or hearings that will be required here. But at this point, we have every expectation that the right to build the pads at the approximate location as shown will be upheld.

MS. BARRETT: Okay. Thank you. No further questions for me.

MS. RICHARDSON: Thank you.

Thank you, everyone --

MR. CORCORAN: Ms. Richardson, before you conclude, I have a question. Is there a transcript of the hearing today and the comments and the testimony?

MS. RICHARDSON: We will have a transcript within 21 days.

MR. CORCORAN: Okay. How do I obtain a copy of that?

MS. RICHARDSON: You will just email the Oil and Gas Division. And we will either mail it to you or send it to you by email.

MR. CORCORAN: Okay, great. Thank you.

MS. RICHARDSON: Thank you.

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

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

MS. RICHARDSON: And does the Applicant have any closing remarks?

MR. BARONZZI: Mr. Dwyer's testimony concludes EOG's presentation of evidence today. EOG believes it has demonstrated that its application for unit operations of the Gazelle NSH unit meets the requirements of Revised Code 1509.28 and asks the Division to issue its standard order for unit operations and to reject Lucky Land Management's request to make specific findings or decisions about EOG and Lucky Land Management surface rights. Thank you.

MS. RICHARDSON: Thank you.

Thank you, everyone. The hearing is now concluded.

- - - - -

Thereupon, the foregoing proceedings concluded at 10:17 a.m.

- - - - -

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 11, 2025.



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

GAZELLE NSH UNIT
UNITIZATION HEARING
AUGUST 21, 2025

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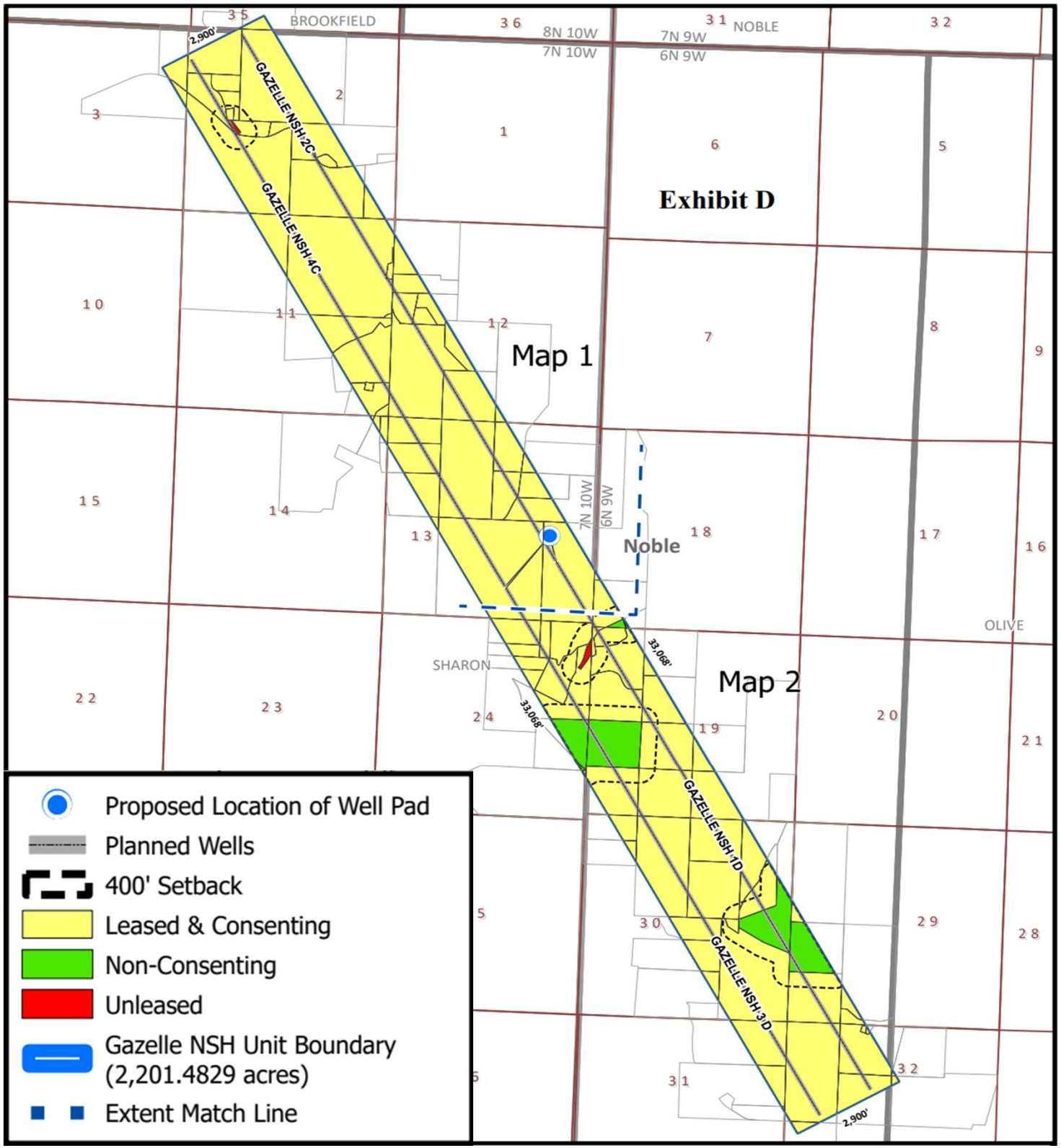
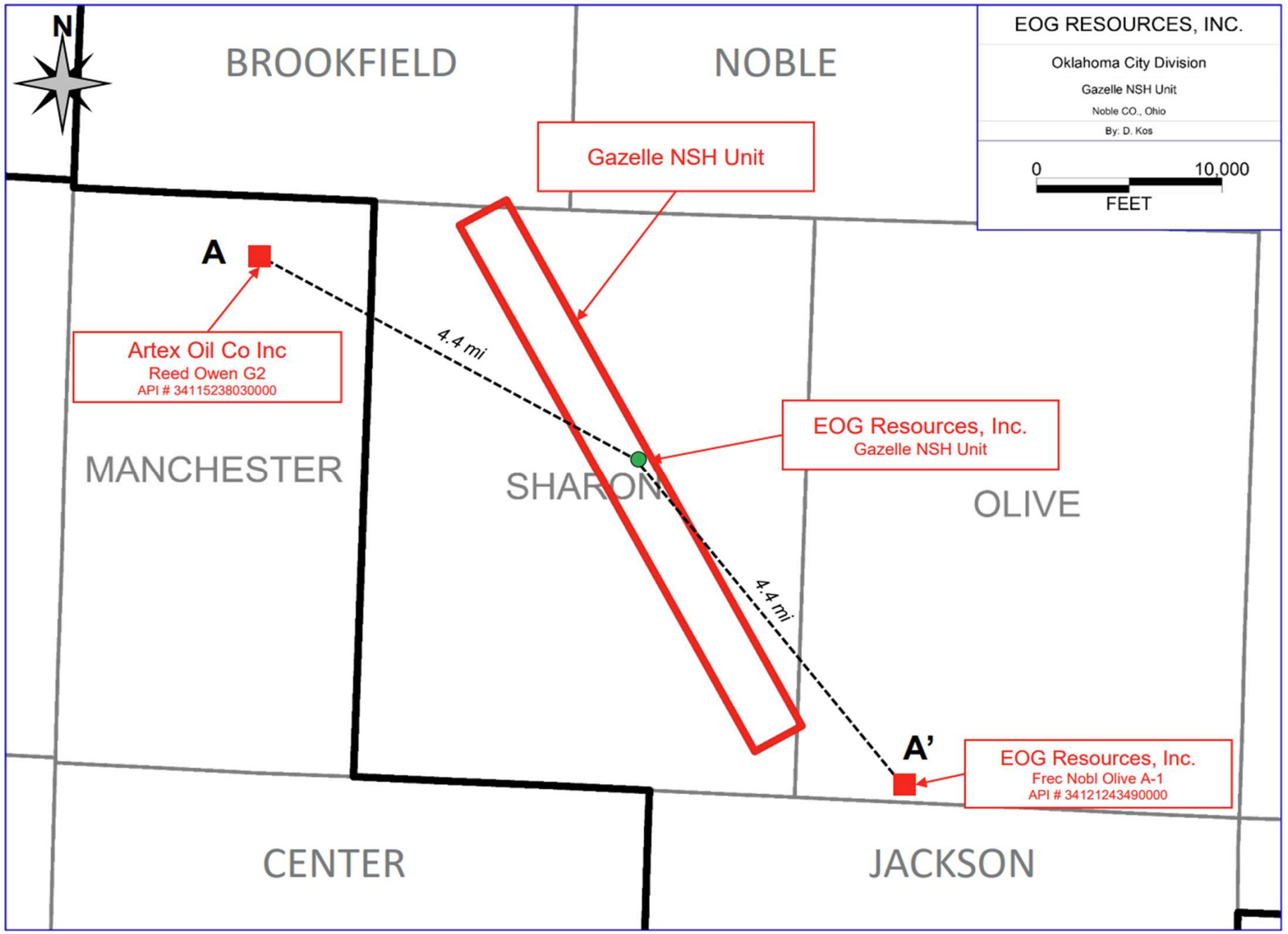
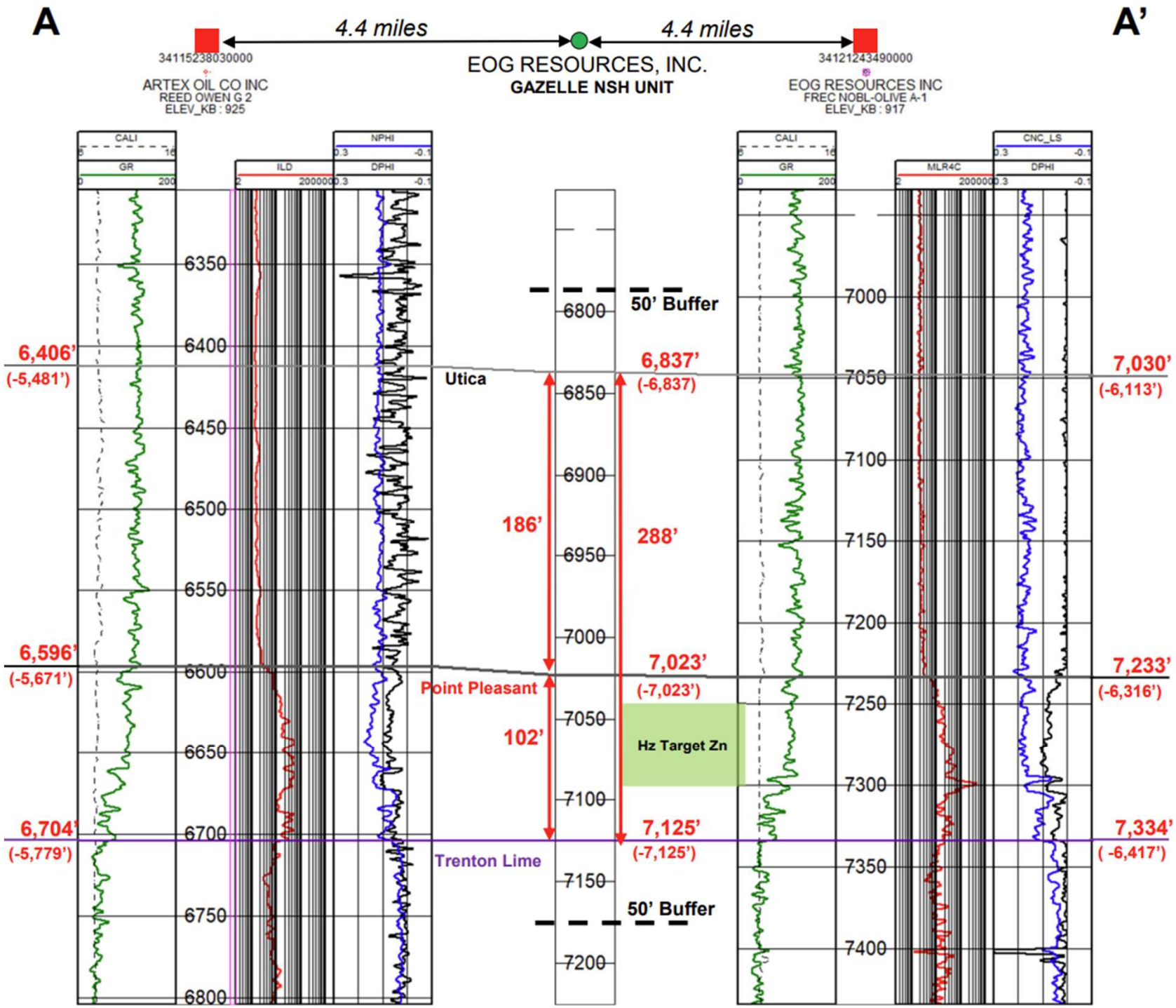

Exhibit D
Map 1
Map 2
BROOKFIELD
NOBLE
SHARON
OLIVE
Noble
8N 10W
7N 10W
7N 9W
6N 9W
GAZELLE NSH 2C
GAZELLE NSH 4C
GAZELLE NSH 1D
GAZELLE NSH 3D
2,900'
33,068'
Proposed Location of Well Pad
Planned Wells
400' Setback
Leased & Consenting
Non-Consenting
Unleased
Gazelle NSH Unit Boundary
(2,201.4829 acres)
Extent Match Line

Exhibit F



Pilot Well Proposed Surface Pad Location

Exhibit E


A
A'
4.4 miles
4.4 miles
34115238030000
ARTEX OIL CO INC
REED OWEN G 2
ELEV_KB : 925
EOG RESOURCES, INC.
GAZELLE NSH UNIT
34121243490000
EOG RESOURCES INC
FREC NOBL-OLIVE A-1
ELEV_KB : 917
CALI
GR
ILD
NPHI
DPHI
MLR4C
CNC_LS
50' Buffer
6,406'
(-5,481')
6,837'
(-6,837)
Utica
7,030'
(-6,113')
186'
288'
6,596'
(-5,671')
7,023'
(-7,023')
Point Pleasant
7,233'
(-6,316')
102'
Hz Target Zn
6,704'
(-5,779')
7,125'
(-7,125')
Trenton Lime
7,334'
(-6,417')
50' Buffer

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)
GAZELLE NSH 1D	16360	23360	14.14	9.16	47.88	18.36	12.42	10.51
GAZELLE NSH 2C	16360	23360	14.14	9.16	47.88	18.36	12.42	10.51
GAZELLE NSH 3D	16360	23360	14.14	9.16	47.88	18.36	12.42	10.51
GAZELLE NSH 4C	16360	23360	14.14	9.16	47.88	18.36	12.42	10.51
Total:	65440	93440	56.56	36.64	191.52	73.44	49.68	42.04

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)
GAZELLE NSH 1D	8821	17398	9.06	6.45	27.07	8.78	6.25	5.58
GAZELLE NSH 2C	16360	23360	14.14	9.16	47.88	18.36	12.42	10.51
GAZELLE NSH 3D	3617	10617	5.35	3.36	11.26	2.61	1.74	2.32
GAZELLE NSH 4C	13613	20613	12.22	7.91	39.84	14.77	10.00	8.75
Total:	42411	71988	40.77	26.88	126.05	44.52	30.41	27.16

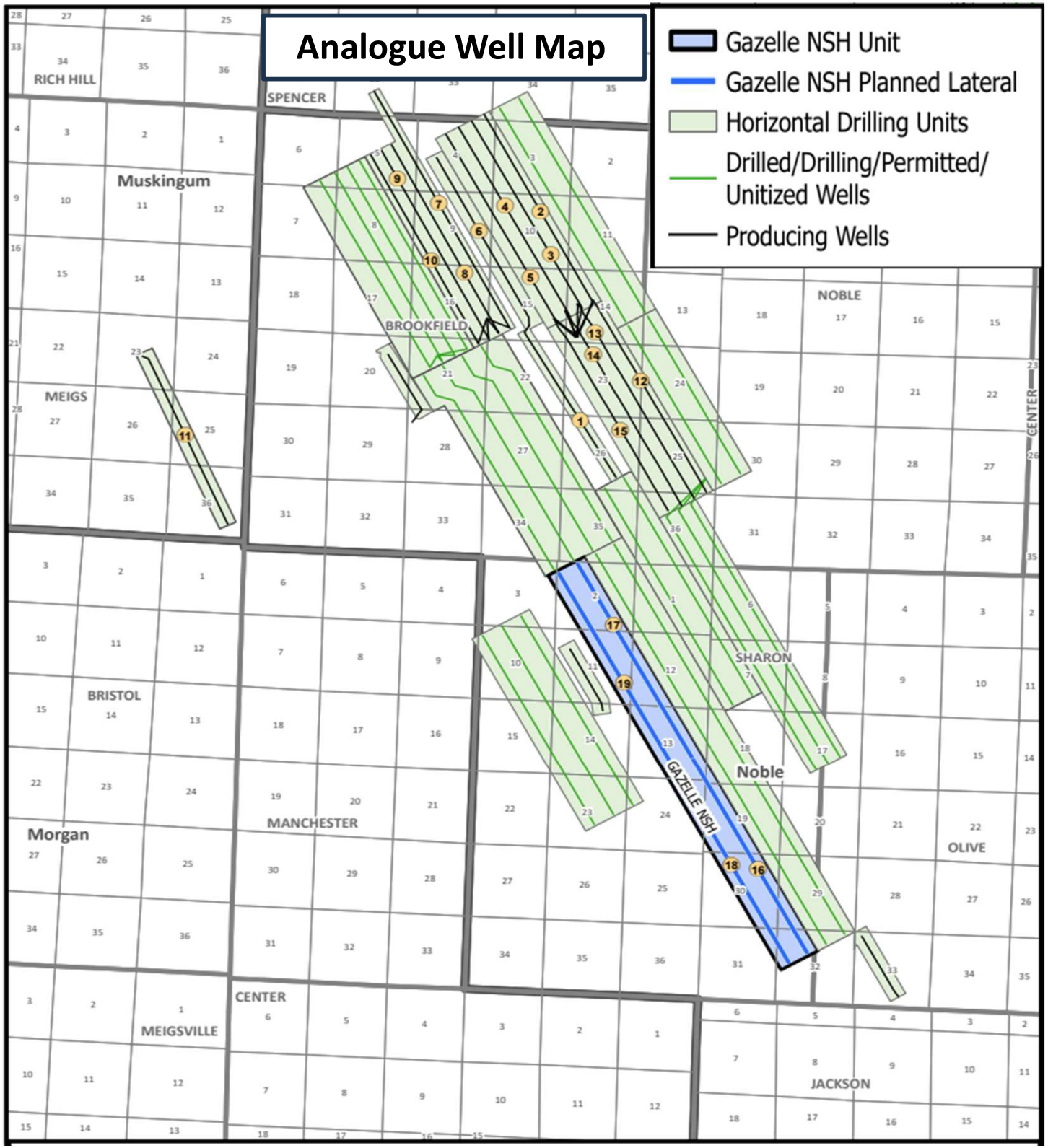
Difference

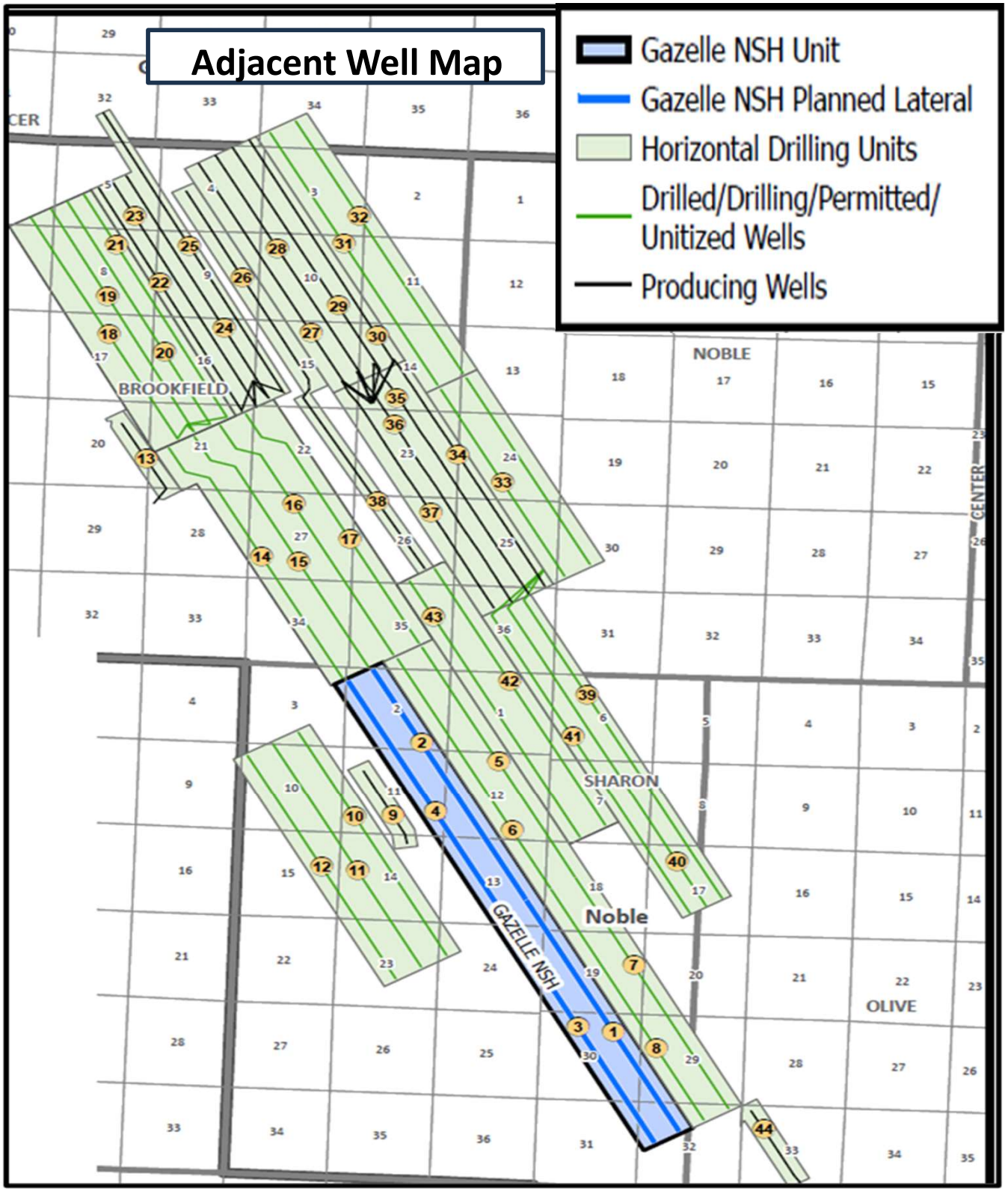
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM$)	Capital Costs (MM$)	Undiscounted Value of Estimated Recovery (MM$)	PV0 (MM$)	PV10 (MM$)	Estimated Gross Recovery (BCFe)
GAZELLE NSH 1D	7539	5962	5.08	2.71	20.81	9.58	6.17	4.93
GAZELLE NSH 2C	-	-	-	-	-	-	-	-
GAZELLE NSH 3D	12743	12743	8.79	5.80	36.62	15.75	10.68	8.19
GAZELLENSH 4C	2747	2747	1.92	1.25	8.04	3.59	2.42	1.76
Total:	23029	21452	15.79	9.76	65.47	28.92	19.27	14.88

Operating Stream		Operating Cost
Variable Oil ($/bbl)	$	0.30
Variable Gas ($/mcf)	$	0.14
Variable Water ($/bbl)	$	3.75
Fixed Op Costs ($/month)	$	7,184.00

June 2025 STRIP PRICE

Year	Oil Price ($/bbl)	Gas Price	($/mcf)
2025	65.11	3.48	
2026	60.97	3.86	
2027	61.32	3.84	
2028	61.96	3.75	
2029	62.41	3.63	
LIFE	65.00	3.50	


Analogue Well Map
Gazelle NSH Unit
Gazelle NSH Planned Lateral
Horizontal Drilling Units
Drilled/Drilling/Permitted/ Unitized Wells
Producing Wells
RICH HILL
SPENCER
Muskingum
BROOKFIELD
NOBLE
MEIGS
CENTER
SHARON
BRISTOL
Noble
GAZELLE NSH
MANCHESTER
Morgan
OLIVE
CENTER
MEIGSVILLE
JACKSON


Adjacent Well Map
Gazelle NSH Unit
Gazelle NSH Planned Lateral
Horizontal Drilling Units
Drilled/Drilling/Permitted/ Unitized Wells
Producing Wells
BROOKFIELD
NOBLE
SHARON
Noble
OLIVE
CENTER
GAZELLE NSH

Adjacent Well Table

NUMBER	WELL NAME	API
1	GAZELLE NSH 1D	PLANNED LATERAL
2	GAZELLE NSH 2C	PLANNED LATERAL
3	GAZELLE NSH 3D	PLANNED LATERAL
4	GAZELLE NSH 4C	PLANNED LATERAL
5	ORYX NSH 2C	PLANNED LATERAL
6	ORYX NSH 4C	PLANNED LATERAL
7	ORYX NSH 1D	PLANNED LATERAL
8	ORYX NSH 3D	PLANNED LATERAL
9	FREC NOBL SHARON A-1H	34121243480100
10	CHEETAH NSH 2C	PLANNED LATERAL
11	CHEETAH NSH 4C	PLANNED LATERAL
12	CHEETAH NSH 6C	PLANNED LATERAL
13	FREC NOBL BROOKFIELD A-3H	34121243500100
14	DEERE NBK 7B	34121246940000
15	DEERE NBK 5B	34121246930000
16	DEERE NBK 3B	34121246920000
17	DEERE NBK 1B	34121246910000
18	DEERE NBK 8A	34121246790000
19	DEERE NBK 6A	34121246780000
20	DEERE NBK 4A	34121246770000
21	DEERE NBK 2A	34121246760000
22	SABLE NBK16 8A	34121246600000
23	SABLE NBK16 6A	34121246590000
24	SABLE NBK16 4A	34121246580000
25	SABLE NBK16 2A	34121246570000
26	BROOKFIELD-NO-15SE 1HPA	34121246490100
27	WHITE RHINO NBK14 8A	34121246640000
28	WHITE RHINO NBK14 6A	34121246630000
29	WHITE RHINO NBK14 4A	34121246620000
30	WHITE RHINO NBK14 2A	34121246610000
31	BISON NNB 4A	PLANNED LATERAL
32	BISON NNB 2A	PLANNED LATERAL
33	BISON NNB 3B	PLANNED LATERAL
34	WHITE RHINO NBK14 #5B	34121246750000
35	WHITE RHINO NBK14 #9B	34121246730000
36	WHITE RHINO NBK14 #7B	34121246720000
37	WHITE RHINO NBK14 #11B	34121246740000
38	BROOKFIELD NBK15 3A	34121246550000
39	GEMSBOK NNB 1C	34121246880000
40	GEMSBOK NNB 3C	34121246890000
41	GEMSBOK NNB 5C	34121246900000
42	OSPREY NBK 1C	PLANNED LATERAL
43	OSPREY NBK 3C	PLANNED LATERAL
44	FREC NOBL OLIVE A-1H	34121243490100