

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 Expand :
Operating, LLC for : Application Date:
Unit Operation : September 18, 2025
:
Paul Holiday F UP Unit :
:

- - - - -

UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Host Cynthia Marshall
All Parties Appearing Remotely
November 13, 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 EXPAND OPERATING, LLC:

Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, OH 43215
By Mark Hylton, Esq.
(Via videoconference)

ALSO PRESENT:

Barbara Richardson (Via videoconference)
Cory Cosby (Via videoconference)
Jeff Large (Via videoconference)
Regina Bryant (Via videoconference)
Eric Moore (Via videoconference)

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2 P R O C E E D I N G S

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4 MS. MARSHALL: Good morning. Before we
5 begin, I would like to go over some instructions
6 for this video and telephone conference. If you
7 have joined online, please mute your microphone.
8 If you have called in via phone, please use the
9 "mute" feature of your phone. Once the hearing
10 begins, everyone will be muted except for those
11 presenting. If you have called in, you can unmute
12 yourself by pressing "star 6."

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

20 I am now asking anyone who would like
21 to make comments, please state your name slowly
22 and clearly for the Division and identify whether
23 you are an unleased mineral owner, working
24 interest owner, or an owner with a property in the

1 Paul Holiday F UP unit. I also would like this
2 information from anyone who represents any of
3 these persons. We will make note of your name and
4 call upon you when it's time for comments.

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

8 Hearing none.

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

12 Hearing none.

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

15 Ms. Barrett.

16 MS. BARRETT: Thank you and good
17 morning. Today is Thursday, November 13th, 2025.
18 And we are here on the matter of the application
19 of Expand Operating, LLC, for unit operation of
20 the Paul Holiday F UP unit. This hearing before
21 the Ohio Department of Natural Resources, Division
22 of Oil and Gas Resources Management, is convened
23 pursuant to Ohio Revised Code Section 1509.28.

24 My name is Jennifer Barrett, and I'm an

1 administrative officer for the Division. Also
2 with me today is Program Administrator Cynthia
3 Marshall. We are conducting the hearing today and
4 serve as the Chief's designees on this matter.

5 On September 18th, 2025, Expand filed
6 with the Division and application for unit
7 operations for a unit designated as the Paul
8 Holiday F UP unit. Expand filed subsequent
9 revisions to the application. The unit is
10 proposed to be located in Monroe County, Ohio. In
11 its application, Expand claims to have the mineral
12 rights through voluntary agreements to
13 approximately 500.851 acres of the desired
14 approximate 556.556-acre unit.

15 The purpose of today's hearing is to
16 determine whether Expand's Paul Holiday F UP unit
17 application meets all the requirements of Revised
18 Code Section 1509.28. Under that section, the
19 Chief of the Division must issue an order if he
20 determines that the Applicant has shown that, one,
21 the unit is reasonably necessary to increase
22 substantially the ultimate recovery of oil and
23 gas; and two, the estimated additional recovery
24 from the unit exceeds the additional cost.

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

8 The Chief's decision will be issued
9 through a Chief's Order, which will be posted on
10 the Division's website. Pursuant to Revised Code
11 Section 1509.36, any order may be appealed within
12 30 days after the date upon which the person to
13 whom the order was issued received the order and
14 for all other persons adversely affected by the
15 order within 30 days after the date of the order
16 complained of.

17 The hearing will proceed as follows:
18 Expand will present its witnesses and exhibits and
19 will answer questions posed by the Division staff.
20 Then any unleased mineral owners, working interest
21 owners, and those persons with property included
22 in the proposed Paul Holiday F UP unit will have
23 the opportunity to present questions and concerns
24 to the Division staff. And then the Division

1 staff may take a break to determine if there are
2 any additional questions for the Applicant.

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

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

14 MR. HYLTON: Thank you, Ms. Barrett.

15 Good morning, everybody. My name is
16 Mark Hylton. And I'm an attorney with the law
17 firm of Vorys, Sater, Seymour and Pease, in its
18 Columbus, Ohio office.

19 I'm here today on behalf of Expand
20 Operating, LLC, to ask the Division for a unit
21 order that would authorize the development of its
22 proposed Paul Holiday F UP unit in accordance with
23 the terms of the unit plan attached to its
24 application.

1 The Applicant's affiliate, Expand
2 Appalachia, LLC, has acquired oil and gas leases
3 covering just under 90 percent of the acreage in
4 the proposed unit. The Applicant plans to develop
5 the unit by drilling one well almost 16,000 feet
6 in completed lateral length from a well pad
7 located outside the northeast corner of the unit.

8 The Applicant is requesting a unit
9 order because there are tracts owned by unleased
10 mineral owners, as well as tracts leased to
11 non-consenting working interest owners.

12 Today you will hear testimony from
13 three witnesses testifying in support of Expand's
14 application. First will be Gray Barghols, a
15 landman. Second will be Kevin Wolfe, a geologist.
16 And third will be Drew Sauer, a reservoir
17 engineer.

18 Their collective testimony will
19 establish that the Applicant meets each of the
20 elements required for a unit order under Revised
21 Code Section 1509.28. And we, therefore, ask the
22 Division to approve the application, including the
23 unit plan, and issue the requested unit order, the
24 Paul Holiday F UP unit. We would like to call our

1 first witness now, Gray Barghols.

2 MS. MARSHALL: Please swear in the
3 witness.

4 - - - - -

5 GRAY BARGHOLS

6 being first duly sworn, testifies and says as
7 follows:

8 DIRECT EXAMINATION

9 BY MR. HYLTON:

10 Q. Good morning, Mr. Barghols. How are
11 you?

12 A. Good morning. I'm doing well. Thank
13 you, Mark.

14 Q. You bet. Before we get into the
15 substance of the testimony, would you please
16 introduce yourself and tell us about your
17 educational and professional background.

18 A. Sure. Again, my name is Gray Barghols.
19 I am a staff landman at Expand. I'm a 2017
20 graduate of the University of Oklahoma's Price
21 College of Business, where I received a Bachelor
22 of Business Administration in Energy Management.
23 I've been with Expand working the Appalachian
24 Basin since June of this year. Prior to that, I

1 was with Apache Corporation working the Delaware
2 Basin of Texas for eight years.

3 Q. Do you belong to any relevant
4 professional associations?

5 A. Yes. I am an active member of the
6 American Association of Professional Landmen, the
7 AAPL.

8 Q. Why don't you tell us a bit more about
9 your job and some of your typical
10 responsibilities?

11 A. Sure. At Expand, I am managing our
12 leasing program as well as overseeing abstracting
13 and title activities. And finally, I am tasked
14 with negotiating all land contracts necessary for
15 the formation of horizontal drilling units.

16 Q. As part of those job responsibilities,
17 were you the landman put in charge of overseeing
18 the development and unitization of the Paul
19 Holiday F UP unit?

20 A. Yes, I was.

21 Q. Mr. Barghols, I'm going to bring up a
22 plat map of the unit. With reference to this
23 exhibit, would you please tell us about the unit
24 and the proposed development plan?

1 A. Sure. The Paul Holiday F UP unit is
2 located in Monroe County, Ohio, and contains
3 approximately 556 acres. Expand intends to drill
4 one well, the Paul Holiday F UP MNR 6H well,
5 through the unit to the Utica formation in a
6 southeasterly direction. The proposed estimated
7 completed lateral length will be roughly 16,000
8 feet.

9 Q. And looking at the application, I note
10 that the Applicant, Expand Operating, LLC, does
11 not have any leases in the unit; and rather, the
12 consenting working interest is owned by Expand
13 Appalachia, LLC. Would you please describe for us
14 the relationship between these two entities?

15 A. I'm happy to. Expand Operating LLC,
16 the Applicant, and Expand Appalachia, LLC, are
17 affiliates of one another under the Expand Energy
18 Corporation umbrella.

19 Expand Operating, the Applicant, is our
20 operating company, largely used for unitizing
21 wells, permitting said wells. And operating those
22 wells, whereas our true contractual interests are
23 held in Expand Appalachia, LLC. This allows us to
24 separate our southwest Appalachia interest from

1 other business units across the company, which are
2 held in other basins. But Expand Appalachia, LLC
3 and Expand Operating, LLC, are direct affiliates
4 of one another.

5 Q. That's very helpful. Thank you,
6 Mr. Barghols.

7 I think this was touched on briefly,
8 but approximately what percentage of the unit
9 acreage has been leased to Expand Appalachia,
10 LLC?

11 A. Over 89 percent of the interest in the
12 unit has been leased to Expand.

13 Q. And for any tracts in the area that
14 have unleased mineral owners, have you attempted
15 to negotiate an oil and gas lease with those
16 unleased mineral owners?

17 A. Yes, we have.

18 Q. Have you also attempted to enter into
19 an agreement with the non-consenting working
20 interest owners in the unit?

21 A. Yes, we have.

22 Q. Will you continue those efforts after
23 the hearing today?

24 A. We will continue those efforts, yes.

1 Q. Mr. Barghols, looking at the map that's
2 on the screen, the gray square here outside the
3 northeast corner of the unit, that's
4 representative of the well pad that will be
5 servicing this unit, correct?

6 A. That is correct.

7 Q. Has that pad been built yet?

8 A. It is currently being built.

9 Q. And what rights were obtained to allow
10 the pad to be built at that location?

11 A. Expand has obtained agreements with the
12 surface owners of the pad parcels.

13 Q. If Expand were to receive the unit
14 order, what is the current spud date for this
15 well?

16 A. It will be in Q1 or Q2 of 2026.

17 Q. Thank you, Mr. Barghols. I want to
18 pivot to discuss, very briefly, certain provisions
19 of the unit plan that were included as part of the
20 application. Are you familiar with the unit plan,
21 including the attached operating agreement?

22 A. I am, yes.

23 Q. And under the unit plan, how will unit
24 production and expenses be allocated?

1 A. On a surface acreage basis.

2 Q. Is that a common allocation method in
3 your experience?

4 A. Yes. It is the most common.

5 Q. Which parties are obligated to pay the
6 unit expenses?

7 A. Those expenses are obligations of the
8 participating working interest parties.

9 Q. Does the operating agreement have a
10 non-consent penalty for the non-consenting working
11 interest owners in the unit and any other
12 non-consenting working owners that may enter the
13 unit?

14 A. Yes, it does. It carries a 500 percent
15 penalty.

16 Q. Do you believe that percentage is
17 reasonable for a non-consent penalty?

18 A. I do believe that is reasonable.
19 500 percent is in line with what we see in
20 voluntary joint operating agreements in the area.
21 It is my belief that a statutory unit should not
22 carry a lesser penalty than a voluntary agreement.
23 That would seemingly discourage parties from
24 entering into voluntary agreements.

1 Q. All right. Thank you very much,
2 Mr. Barghols.

3 MR. HYLTON: No further questions from
4 me at this time.

5 THE WITNESS: Thank you.

6 MS. MARSHALL: Good morning,
7 Mr. Barghols. I have a few questions for you.

8 Describe what efforts you have taken to
9 identify unknown and undetermined mineral owners.

10 THE WITNESS: First, we utilize online
11 resources at our disposal in an attempt to find
12 phone numbers and last known addresses for unknown
13 owners. After that, we utilize the public records
14 in nearby counties to try to locate the same.

15 MS. MARSHALL: If you were to receive a
16 unitization order, can you describe what happens
17 to any payments that would be owed to unknown or
18 undetermined mineral owners under that order?

19 THE WITNESS: Those payments will be
20 held in a holding account.

21 MS. MARSHALL: What is the current
22 average outstanding offer to unleased mineral
23 owners in the proposed unit? Average bonus and
24 average royalty.

1 THE WITNESS: The current outstanding
2 offers are \$1,500 per net acre and an 18 percent
3 royalty.

4 MS. MARSHALL: Is that average royalty
5 based on a net or gross amount?

6 THE WITNESS: There is a mixture in the
7 outstanding lease offers. That point is
8 negotiable, so there is a mixture of gross and
9 net.

10 MS. MARSHALL: Do those offers include
11 surface use?

12 THE WITNESS: Again, there is a mixture
13 in the outstanding offers. Those are also
14 negotiable on the lease form.

15 MS. MARSHALL: Will those offers
16 expire?

17 THE WITNESS: We are prepared to keep
18 those offers open through this hearing and through
19 potentially obtaining a unit order. We will be in
20 communication with the parties that those offers
21 are in front of.

22 They cannot stand forever, but we want
23 to make every attempt to have them exercise their
24 options under those offers. But as we get through

1 unit orders and into designation of statutory
2 units, we will have to withdraw offers at some
3 point. But for now and into the foreseeable
4 future, those offers are active.

5 MS. MARSHALL: What is the average
6 offer that was accepted by the leased mineral
7 owners in the proposed unit average? The average
8 bonus and average royalty.

9 THE WITNESS: The average bonus
10 accepted by the leased parties in the unit is
11 \$2,300, and the average accepted royalty is 18.3
12 percent.

13 MS. MARSHALL: Can you explain the
14 difference between the current offer and the
15 average accepted offers?

16 THE WITNESS: Yes. It's likely that
17 difference is due to market conditions. A number
18 of the leases that we have obtained and leased
19 parties in the unit were taken long ago. And
20 those leases were at longer terms, say, for
21 instance, a five-year term. A majority of our
22 outstanding offers are shorter lease terms,
23 somewhere between one and two years, and those
24 command a lower bonus, along with the shorter

1 primary term.

2 MS. MARSHALL: Do you believe your
3 lease attempts have been reasonable, and why?

4 THE WITNESS: Yes. I believe our
5 leasing attempts have been reasonable. I think
6 that's evidenced further by our contact log that
7 was submitted with our original application and
8 then supplemented prior to this hearing. But the
9 fact that 89 percent-plus of this unit is leased
10 to Expand shows that our leasing efforts have been
11 reasonable.

12 MS. MARSHALL: Will you continue to
13 lease the unleased mineral owners after the
14 hearing and after a unitization order is issued,
15 if one is issued?

16 THE WITNESS: Yes. We will continue
17 those efforts.

18 MS. MARSHALL: Do you believe your
19 attempts to commit non-consenting working interest
20 owners have been reasonable? If so, why?

21 THE WITNESS: Yes. We believe that,
22 again, our contact log with those uncommitted
23 working interest parties speaks to our various and
24 continued attempts there, and we will continue

1 those efforts after the hearing as well.

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

5 THE WITNESS: Yes, we will.

6 MS. MARSHALL: Do the leases in the
7 unit authorize drilling into and producing from
8 the proposed unitized formations?

9 THE WITNESS: Yes, they do.

10 MS. MARSHALL: To establish bonus and
11 royalty amounts in leases, how are those generally
12 determined?

13 THE WITNESS: First, I'll start by
14 saying that the leasing market is largely based on
15 free market principles. But at the onset of the
16 leasing project, I will meet with our technical
17 team, usually comprised of a geologist and a
18 reservoir engineer, to understand the potential
19 economics of the proposed unit and the proposed
20 horizontal well there and to understand the
21 dollars and cents around this development.

22 After that, I'll begin negotiations
23 with the mineral owner. And there is usually a
24 back and forth between lessor and lessee until

1 both parties can agree on a number for both bonus
2 and royalty, but it is largely determined by the
3 free market.

4 MS. MARSHALL: Thank you, Mr. Barghols.
5 That is all the questions that I have.

6 Ms. Barrett, do you have any questions?

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

8 MS. MARSHALL: Thank you.

9 Mr. Hylton, please call your next
10 witness.

11 MR. HYLTON: Thank you, Ms. Marshall.

12 Our next witness is Kevin Wolfe.

13 MS. MARSHALL: Please swear in the
14 witness.

15 - - - - -

16 KEVIN WOLFE

17 being first duly sworn, testifies and says as
18 follows:

19 DIRECT EXAMINATION

20 BY MR. HYLTON:

21 Q. Mr. Wolfe, how are you doing?

22 A. I'm doing well. Thank you, Mark.

23 Q. Sir, if you would please introduce
24 yourself and summarize your educational and

1 professional background.

2 A. Yeah. So my name is Kevin Wolfe. I'm
3 a senior staff geologist with Expand Energy. I
4 hold a bachelor's in geology from the College of
5 Wooster and a master's in geology from the
6 University of Illinois, Urbana-Champaign.

7 I have worked for oil and gas operators
8 since 2008. Prior to my experience with Expand
9 Energy, I've worked for Grit Oil and Gas, Noble
10 Energy, and EQT Production. My experience is
11 primarily in the lower 48 and also primarily in
12 Appalachia. But I've also worked the Rockies,
13 Permian, and Maverick Basins.

14 Q. Are you a member of any professional
15 associations?

16 A. Yes. I'm a member of the American
17 Association of Petroleum Geologists and the
18 Houston Geological Society.

19 Q. Please tell us about some of the things
20 that you do at Expand.

21 A. So I'm tasked with evaluating and
22 predicting the subsurface conditions for geologic
23 formations that we will encounter as we drill
24 through into our horizontal producing formations.

1 I do that by creating and updating geologic maps
2 of depth and other geologic properties. And then
3 I'm also involved in planning the depth,
4 orientation, and target for upcoming wells.

5 Q. I think that Mr. Barghols mentioned
6 this when describing the unit and the development
7 plan, but just for clarity of the record, would
8 you please tell us what depths or formations are
9 included in the proposed unitized formation?

10 A. So we are unitizing the Utica and Point
11 Pleasant.

12 Q. So the remainder of my questions for
13 the last part will really be geared toward
14 determining whether that Utica, Point Pleasant,
15 or, in other words, the proposed unitized
16 formation is part of a pool or a part of a
17 larger -- or is a pool or part of a larger pool --
18 excuse me. Would you please tell us how you would
19 define the term "pool"?

20 A. A continuous accumulation of
21 hydrocarbons within a reservoir.

22 Q. As part of the application process, did
23 you complete a subsurface evaluation for the Paul
24 Holiday F UP unit?

1 A. Yes, I did.

2 Q. Would you describe for us that
3 evaluation?

4 A. Yeah. So I start off by reviewing the
5 offsetting vertical and horizontal wells in the
6 area. Where available, I'll evaluate the well log
7 information and compare that to cores that we have
8 in the surrounding area and then use that data to
9 predict our expected conditions in the Utica-Point
10 Pleasant when we drill the wells.

11 Q. Thank you, Mr. Wolfe. The application
12 has two geology exhibits, Exhibit F and Exhibit E.
13 And so for us non-geologists, I'd like for you to
14 explain these exhibits to us. So starting first
15 with Exhibit F, which I'm sharing on the screen,
16 please tell us about the exhibit and what's being
17 shown here?

18 A. Okay. So in Exhibit F there is a black
19 rectangle that indicates the location of the Paul
20 Holiday F UP unit. And then that sits in between
21 two blue dots, which are the surface locations of
22 a pair of logs that I'm going to use in the next
23 figure.

24 Q. I'll flip to the second exhibit. And

1 I'll turn things back over to you, Mr. Wolfe,
2 okay?

3 A. Okay. So what we're looking at are the
4 wireline logs that are the measured responses of
5 the rocks when we wireline log pilot hole wells
6 that were a distance away from the Paul Holiday
7 unit.

8 I have displayed three different tracts
9 from those wireline logs. The first one in green
10 on the far left is the gamma ray, which is an
11 indication of lithology. It helps us in picking
12 tops. On the far right is the porosity track,
13 which is an indication of how much space is
14 contained within each of those different
15 formations. And then, right in the middle is
16 resistivity, which is a proxy for what type of
17 fluid is contained within the porosity if it
18 exists. The further to the right that resistivity
19 is, the more likely that is to be a hydrocarbon.

20 Also, I've indicated the tops for the
21 Utica in orange, the Point Pleasant interval of
22 the Utica in red, and then in purple on the bottom
23 is the Trenton, which is the base of our unitized
24 formations.

1 Q. Based on what you're seeing in these
2 logs and anything else you looked at during your
3 subsurface evaluation, do you believe the unitized
4 formation, insofar as it underlies the Paul
5 Holiday F UP unit, is a pool or part of a larger
6 pool?

7 A. Yes. I do, because of the horizontal
8 and vertical consistency of the rock properties in
9 this area.

10 Q. And given those rock properties and the
11 consistency you just mentioned, is it your opinion
12 that a surface acreage allocation of unit
13 production and expenses is appropriate for this
14 unit?

15 A. Yes, I do.

16 Q. Would you please tell us if you believe
17 the 500 percent non-consent penalty included in
18 the operating agreement is reasonable?

19 A. Yes, I do feel that it's reasonable.

20 Q. And why is that, Mr. Wolfe?

21 A. So drilling horizontal wells always
22 comes with risks that can impact the eventual
23 economic outcomes. The goal of that 500 percent
24 non-consent penalty is to make sure that those

1 that are going to be financially -- working
2 interest partners that are going to be financially
3 benefiting -- have shared the risk equally.

4 So when we're drilling a Point Pleasant
5 well, you are going to be drilling through rocks
6 that are highly overpressured. So there is always
7 this -- that you're having to mitigate as you're
8 drilling those wells.

9 You can also encounter natural
10 fractures that might cause losses that would
11 provide you with a situation where you are having
12 to spend additional capital to be able to
13 successfully drill and complete the well.

14 Q. Okay. I appreciate your time,
15 Mr. Wolfe.

16 MR. HYLTON: No further questions for
17 me.

18 MS. MARSHALL: Okay. Sorry about that.

19 Mr. Wolfe, I have a couple of
20 questions. What is the anticipated true vertical
21 depth of the horizontal portion of the wellbores?

22 THE WITNESS: So, I anticipate the well
23 to be targeted around 9,436 feet TVD. And it's
24 going to change over the horizontal portion

1 because this is going to be a downdip lateral. So
2 it's going to get gradually deeper as the well is
3 drilled.

4 MS. MARSHALL: What is the anticipated
5 true vertical depth of the top of the Utica, the
6 Point Pleasant, and the Trenton?

7 THE WITNESS: Okay. So the Utica is
8 anticipated at -- and this is relative to the
9 surface hole location. It should be around 9,269
10 feet TVD. The Point Pleasant should be around
11 9,382 feet TVD. And then the Trenton would be
12 anticipated around 9,491 feet TVD.

13 MS. MARSHALL: Do you expect production
14 from outside the Point Pleasant?

15 THE WITNESS: Well, the vast majority
16 of the production is going to come from the Point
17 Pleasant. Hydrocarbons present within the Utica
18 would also be drained by this horizontal well.

19 MS. MARSHALL: That is all the
20 questions that I have.

21 Ms. Barrett, do you have any questions?

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

23 MS. MARSHALL: Thank you.

24 Mr. Hylton, please call your next

1 witness.

2 MR. HYLTON: Thank you, Ms. Marshall.

3 Our third and final witness today will
4 be Drew Sauer.

5 MS. MARSHALL: Please swear in the
6 witness.

7 - - - - -

8 DREW SAUER

9 being first duly sworn, testifies and says as
10 follows:

11 DIRECT EXAMINATION

12 BY MR. HYLTON:

13 Q. Good morning, Mr. Sauer. How are you?

14 A. Good morning, Mr. Hylton. I'm Well,
15 thank you.

16 Q. Please introduce yourself to the
17 Division and briefly describe your educational and
18 professional background.

19 A. Yes. My name is Drew Sauer. I'm a
20 staff reservoir engineer at Expand Energy. I
21 received my Bachelor's Degree in Petroleum
22 Engineering from the University of Oklahoma. I
23 have 14 years of experience in the oil and gas
24 industry, with eight of those 14 years being in

1 the reservoir discipline.

2 Q. Are you a member of any relevant
3 professional associations, Mr. Sauer?

4 A. Yes. I am a member of the Society of
5 Petroleum Engineers.

6 Q. What are some of your general
7 day-to-day job responsibilities at Expand?

8 A. I am responsible for the development
9 planning and economic evaluations of Marcellus and
10 Utica wells in our Southwest Appalachia business
11 unit. I evaluate ultimate recoveries for planned
12 wells and also maintain forecasts for existing
13 wells in production.

14 Q. Did you or your reservoir engineering
15 team at Expand forecast well performance for the
16 Paul Holiday F UP MNR 6H well under both a
17 unitized operating scenario and a non-unitized
18 operating scenario?

19 A. Yes.

20 Q. Would you explain for us how that
21 process works, please?

22 A. Yes. So we reviewed production data
23 from nearby wells to estimate well performance and
24 then created a type curve based on a per lateral

1 length basis. And we used that type curve and
2 applied it to the full lateral length in question.

3 Q. Mr. Sauer, the economics exhibit to the
4 application, which is being shared on the screen
5 right now, summarizes your forecasts for the well
6 in this unit for the unitized and non-unitized
7 operating scenarios?

8 I'd like to start at the top table.
9 Would you please tell us what the anticipated
10 recovery for the unitized operating scenario is?

11 A. Yeah. It's approximately 23.9 BCFe.

12 Q. And how much recovery would you expect
13 under the non-operating scenario?

14 A. Zero BCFe.

15 Q. So, looking at either the top or the
16 bottom table, we can see that the difference in
17 recovery between the two operating scenarios is
18 obviously 23.9 BCFe; is that correct?

19 A. That's correct.

20 Q. Is 23.9 BCFe a substantial amount of
21 production in your opinion?

22 A. Yes, sir, it is.

23 Q. Is the requested unit order then
24 reasonably necessary to substantially increase the

1 ultimate recovery from the Paul Holiday F UP unit?

2 A. Yes.

3 Q. Mr. Sauer, would you please tell us the
4 expected monetary value of that 23.9 BCFe?

5 A. Yes. It's approximately the --
6 (Audio connection breaks up.)

7 Q. Given that PV10 number, does the --

8 THE REPORTER: I'm sorry. Can we go
9 back to that last answer, it was cut out. I
10 didn't quite get the last answer that you gave.

11 Q. Mr. Sauer, could you repeat the PV10
12 number for that 23.9 BCFe, please?

13 A. The PV10 number is \$11.9 million.

14 Q. Given that \$11.9 million figure, does
15 the value of the estimated additional hydrocarbons
16 produced with the unit order exceed the estimated
17 additional cost needed to produce it?

18 A. Yes.

19 Q. The numbers that are shown here, do
20 they account for the well pad costs?

21 A. Yes, they do.

22 Q. Would you explain to us how those costs
23 were accounted for in these figures?

24 A. Yes. We have an estimate from our

1 planning team. And those costs were split evenly
2 among the five planned wells.

3 Q. And both your colleagues testified
4 about the non-consent penalty included in the
5 operating agreement, and their opinion is that it
6 is reasonable. Would you agree that it's
7 reasonable? And if so, why?

8 A. I do agree that it's reasonable. And
9 adding to what Mr. Wolfe previously described
10 about the capital risks, the working parties must
11 also bear the risk profile of commodity prices as
12 well as general well performance.

13 Q. Thank you, Mr. Sauer.

14 MR. HYLTON: Nothing further for me.

15 MS. MARSHALL: Thank you.

16 Mr. Sauer, I have a couple of
17 questions. What is the estimated economic life of
18 the wells in years?

19 THE WITNESS: We expect greater than 50
20 years.

21 MS. MARSHALL: What price was used in
22 your economic calculations?

23 THE WITNESS: It was a \$3.50 price for
24 gas and a \$60 price for oil. And those will be

1 flat to life.

2 MS. MARSHALL: When do you estimate to
3 recover the costs of drilling, testing, and
4 completing the wells at one time, one-and-a-half
5 times, two times, and three times?

6 THE WITNESS: At one time, it will be
7 about 2.1 years. At one-and-a-half times, it will
8 be approximately 2.9 years. At two times, it will
9 be approximately 4.1 years. And at three times,
10 it will be approximately 13.0 years.

11 MS. MARSHALL: How many total wells
12 will be drilled from the pad?

13 THE WITNESS: We have five planned
14 wells for this trip.

15 MS. MARSHALL: Are there any existing
16 wells?

17 THE WITNESS: No. This is a new pad.

18 MS. MARSHALL: How are the pad costs
19 accounted for in your calculations?

20 THE WITNESS: They are split evenly
21 among the five wells.

22 MS. MARSHALL: Did you use actual pad
23 costs or estimated pad costs in your economics?

24 THE WITNESS: These are an estimate.

1 MS. MARSHALL: What amount was included
2 for plugging and restoration costs in your
3 economic calculations per well? That's plugging
4 and restoration.

5 THE WITNESS: Yes. Plugging and
6 restoration is 250,000 per well.

7 MS. MARSHALL: What is the estimated
8 BCFe per 1,000 feet?

9 THE WITNESS: Approximately 1.51 BCFe
10 per 1,000 feet.

11 MS. MARSHALL: What is the estimated
12 recovery factor in the area?

13 THE WITNESS: We expect between 30 and
14 35 percent.

15 MS. MARSHALL: Is it reasonably
16 necessary to increase substantially the ultimate
17 recovery of oil and gas?

18 THE WITNESS: Could you please repeat
19 that?

20 MS. MARSHALL: Is it reasonably
21 necessary to increase substantially the ultimate
22 recovery of oil and gas?

23 THE WITNESS: Yes.

24 MS. MARSHALL: Does the value of the

1 estimated recovery of oil or gas exceed the
2 estimated additional cost?

3 THE WITNESS: Yes.

4 MS. MARSHALL: That's all the questions
5 I have for you.

6 Ms. Barrett, do you have any questions?

7 MS. BARRETT: Yes, I have a few.

8 - - - - -

9 CROSS-EXAMINATION

10 BY MS. BARRETT:

11 Q. In reviewing your hearing exhibits, it
12 looks like he used four Jesse Stalder wells for
13 the basis for your calculations. Why did you only
14 use the four wells?

15 A. Those are just the nearest offsets with
16 a similar completion design.

17 Q. Okay. And just looking at the map, it
18 does look -- well, in this exhibit listing the
19 length too, it looks like the lateral lengths were
20 longer in these Jesse Stalder wells. Was there a
21 reason that these are planned to be slightly
22 shorter -- these Paul Holidays?

23 A. I realize that these run out to our
24 unit line -- Kevin. I might defer that to Kevin

1 Wolfe, on the length of the line.

2 - - - - -

3 CROSS-EXAMINATION

4 BY MS. BARRETT:

5 Q. Mr. Wolfe, are you able to answer that
6 question?

7 A. Yes, I can.

8 Q. Okay.

9 A. So those wells TD at existing unit
10 lines for producing UPP wells that are produced by
11 another operator. So it is literally as far as we
12 can go.

13 - - - - -

14 RECROSS-EXAMINATION

15 BY MS. BARRETT:

16 Q. Okay. And, Mr. Sauer, your \$250,000
17 per well plugging restoration cost estimate, what
18 are those based on?

19 A. Those are based off of historical
20 actuals that we have had. So the estimate is
21 based off of previous work.

22 Q. Okay. Thank you.

23 MS. BARRETT: No further questions for
24 me.

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

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

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

17 Hearing none.

18 If you have joined us via phone and
19 would like to make comments, please unmute
20 yourself by pressing "star 6" and state your name.

21 Hearing none.

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

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

1 MS. MARSHALL: Does the Applicant have
2 any closing remarks?

3 MR. HYLTON: We do not. Thank you for
4 your time. And I know we are going to be seeing
5 you a couple more times today.

6 MS. MARSHALL: Thank you, everyone.
7 The hearing is now concluded.

8 - - - - -

9 Thereupon, the foregoing proceedings
10 concluded at 9:33 a.m.

11 - - - - -

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

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

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

14 IN WITNESS WHEREOF, I have hereunto set my
15 hand and affixed my seal of office at Columbus,
16 Ohio, on December 8, 2025.

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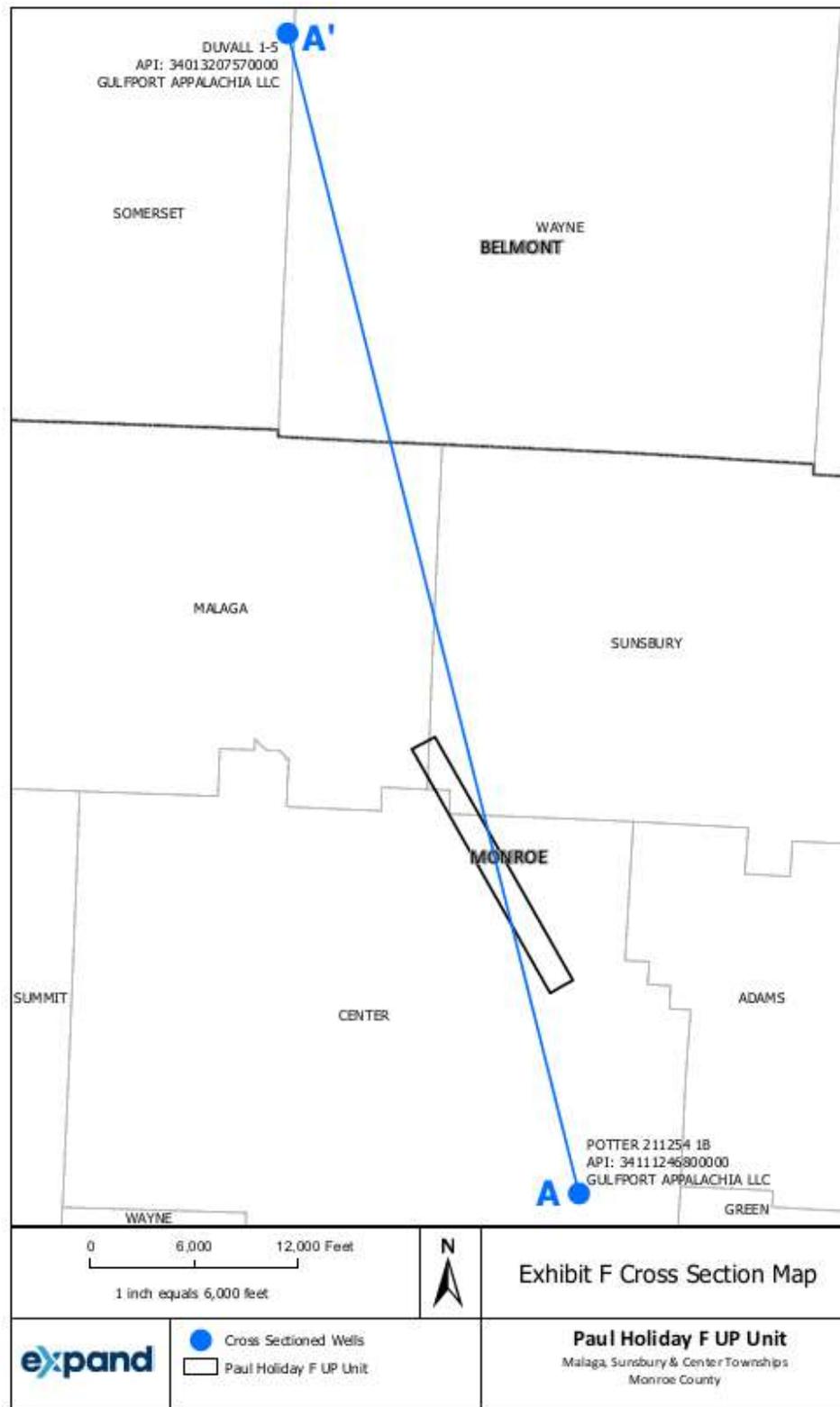
Bridget Mary Hoyer, Notary Public - State of Ohio
My commission expires April 14, 2030.

Vorys, Sater, Seymour and Pease LLP
Greg D. Russell, Mark A. Hylton, and Casey N. Valentine
Attorneys for Applicant

EXPAND OPERATING LLC

PAUL HOLIDAY F UP UNIT

Application for Unit Operations



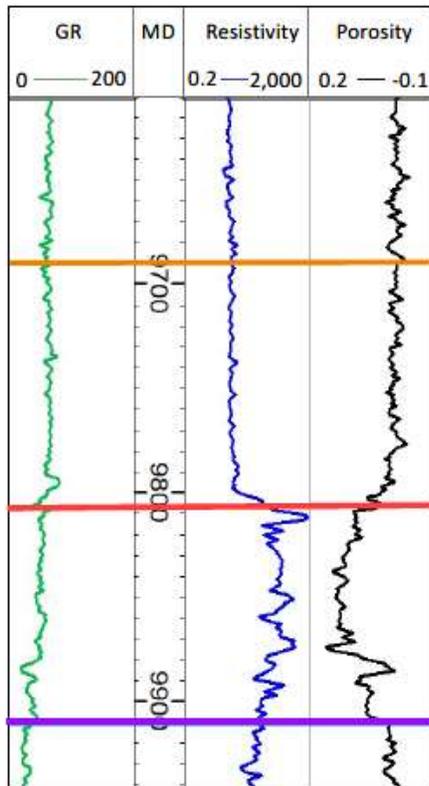
Geologic Cross-Section

Exhibit E – Paul Holiday F UP Unit

Monroe County, Ohio

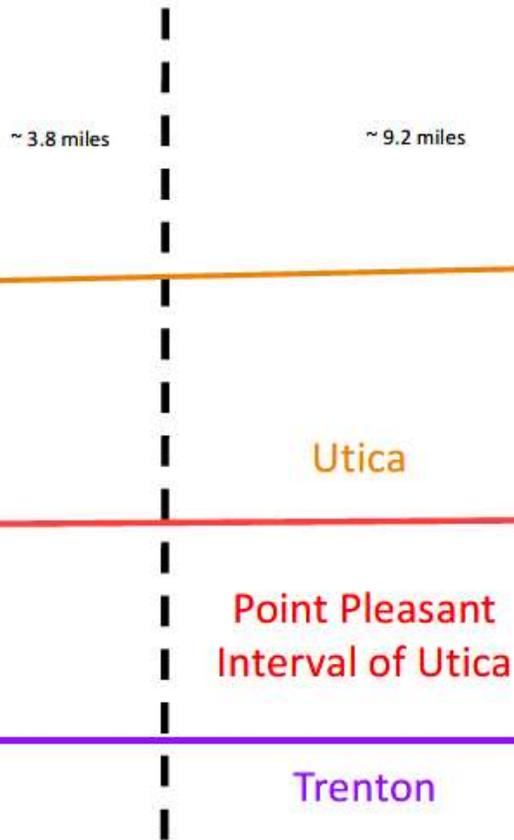
A

Potter 211254 1B Pilot Hole
 API: 34111246800000
 Gulfport Appalachia, LLC



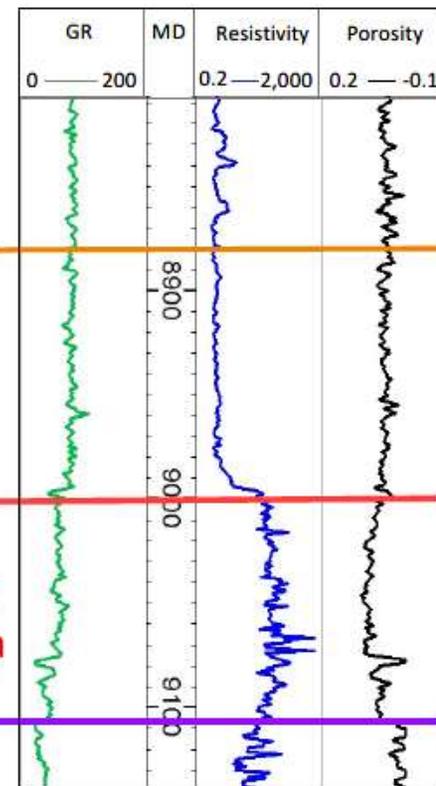
TD = 10,115'

Paul Holiday F UP Unit
 EXPAND OPERATING LLC

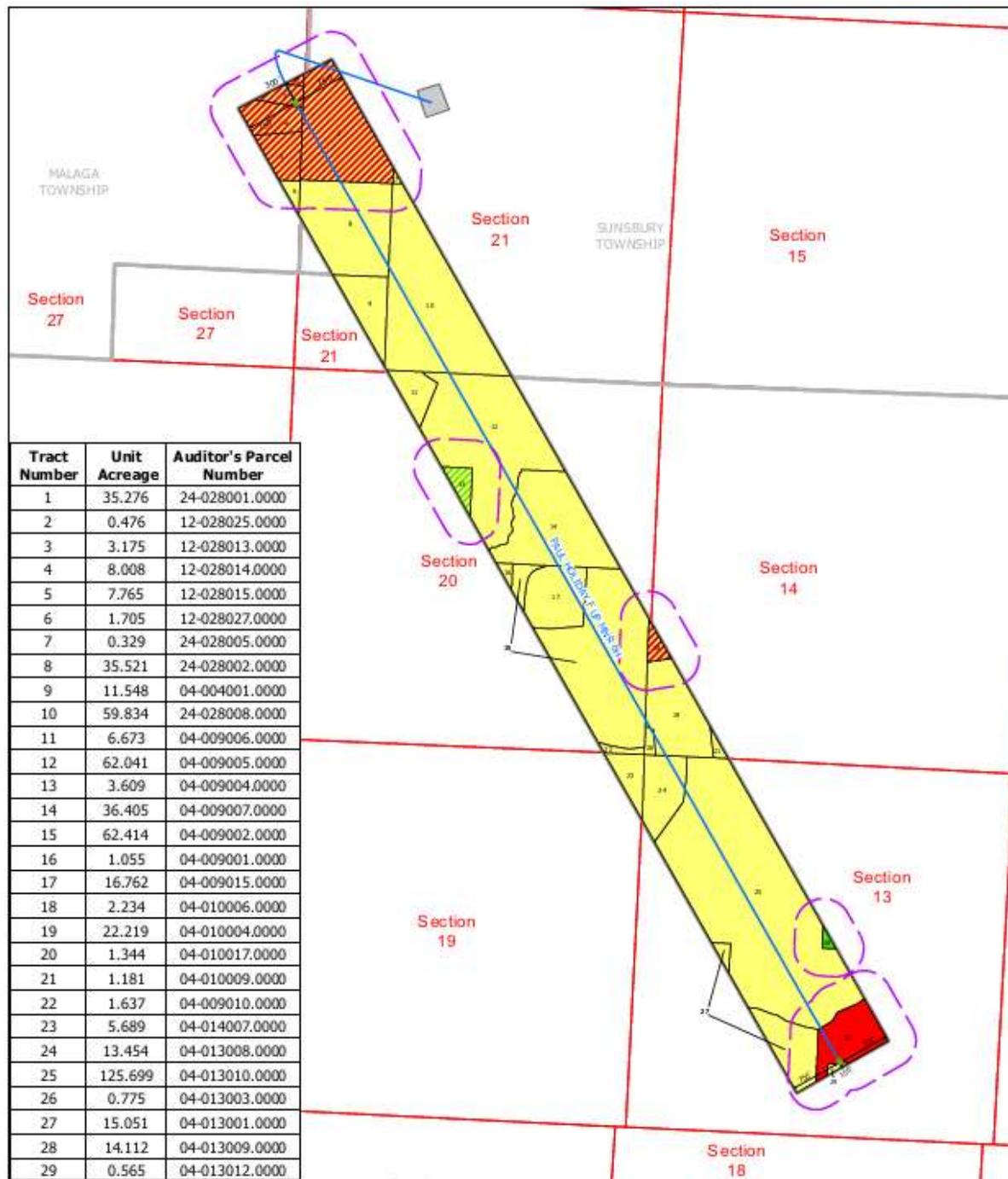


A'

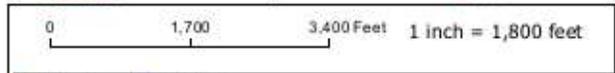
Duvall 1-5 Pilot Hole
 API: 34013207570000
 Gulfport Appalachia, LLC



TD = 9,185'



Tract Number	Unit Acreage	Auditor's Parcel Number
1	35.276	24-028001.0000
2	0.476	12-028025.0000
3	3.175	12-028013.0000
4	8.008	12-028014.0000
5	7.765	12-028015.0000
6	1.705	12-028027.0000
7	0.329	24-028005.0000
8	35.521	24-028002.0000
9	11.548	04-004001.0000
10	59.834	24-028008.0000
11	6.673	04-009006.0000
12	62.041	04-009005.0000
13	3.609	04-009004.0000
14	36.405	04-009007.0000
15	62.414	04-009002.0000
16	1.055	04-009001.0000
17	16.762	04-009015.0000
18	2.234	04-010006.0000
19	22.219	04-010004.0000
20	1.344	04-010017.0000
21	1.181	04-010009.0000
22	1.637	04-009010.0000
23	5.689	04-014007.0000
24	13.454	04-013008.0000
25	125.699	04-013010.0000
26	0.775	04-013003.0000
27	15.051	04-013001.0000
28	14.112	04-013009.0000
29	0.565	04-013012.0000



Wellbore	Consenting
Perforation	Partial Consenting/Unleased
400 Ft Buffer	Partial Consenting/Partial Non-Consenting
Unit Boundary	Non-Consenting
Well Pad	Unleased

EXHIBIT D
Paul Holiday F UP Unit
 Unit Size: 556.556 Acres
 Center, Malaga, and Sunsbury Townships, Monroe County OH
 Revised 11/6/2025



Section 5. Economic Calculation Summaries *Required*
Unitized Scenario

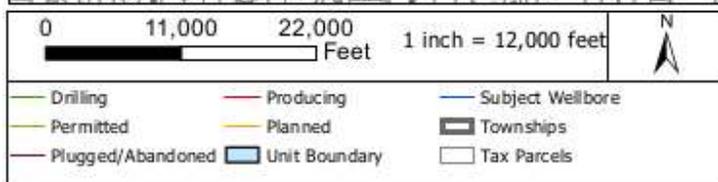
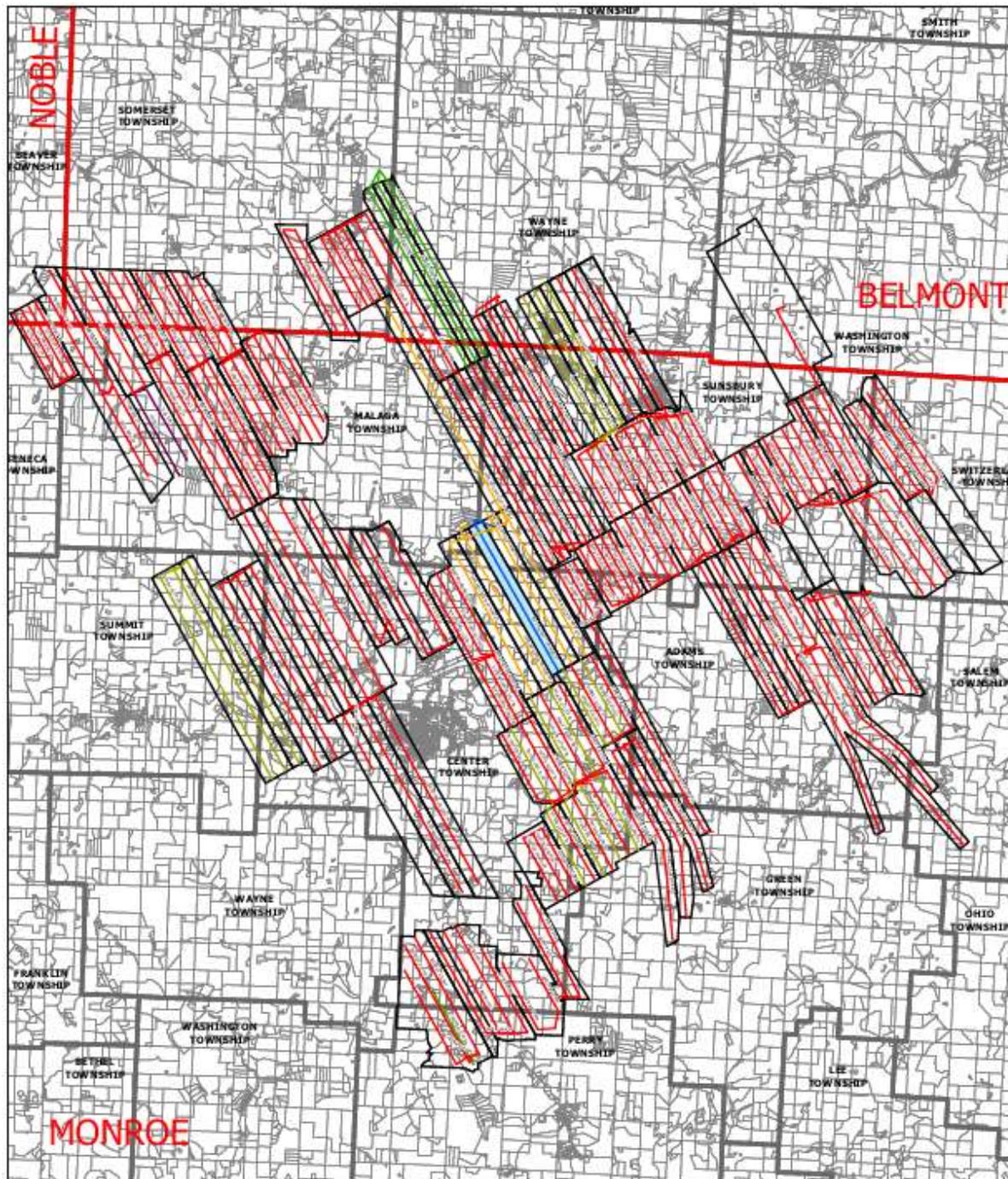
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday F UP MNR 6H	15,857	26,014	\$4.9	\$12.1	\$43.9	\$25.5	\$11.9	23.9
Total:	15,857	26,014	\$4.9	\$12.1	\$43.9	\$25.5	\$11.9	23.9

Non-Unitized Scenario

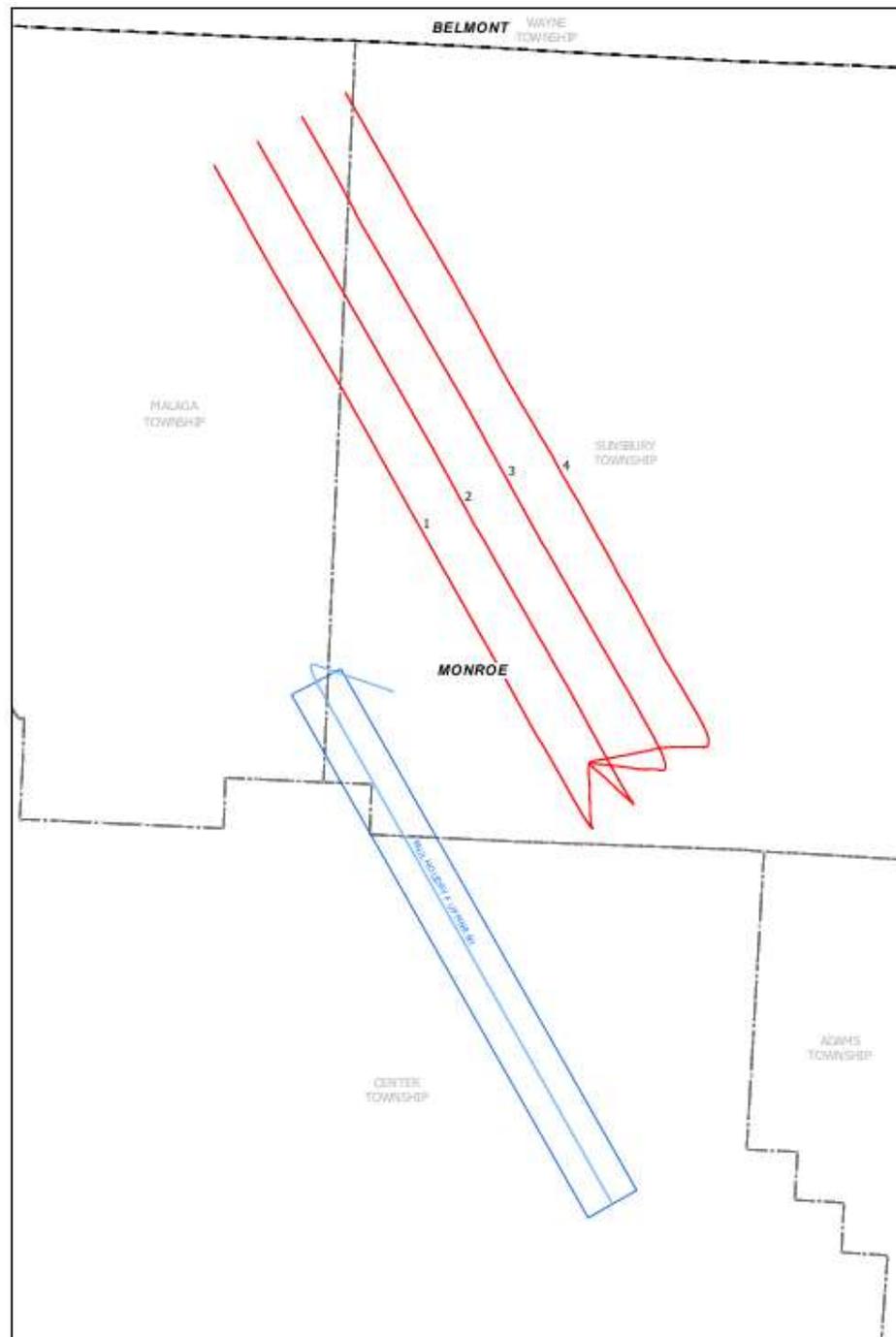
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday F UP MNR 6H	0	0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0
Total:	0	0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0

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)
Paul Holiday F UP MNR 6H	15,857	26,014	\$4.9	\$12.1	\$43.9	\$25.5	\$11.9	23.9
Total:	15,857	26,014	\$4.9	\$12.1	\$43.9	\$25.5	\$11.9	23.9



Adjacent Units Map
Paul Holiday F UP Unit
 Unit Size: 556.556 Acres
 Center, Malaga, and Sunsburry Townships, Monroe County OH



<p>0 2,700 5,400 Feet 1 inch = 3,000 feet</p>	
<p> Township/District Counties </p>	<p> Producing Wellbores Planned Wellbores Unit Boundary </p>
<p>Reserve Calculations Paul Holiday F UP Unit Center, Malaga, and Sunbury Townships, Monroe County OH</p>	



Well Name	Well Identifier	API	First Production Date	Distance From Unit	Lateral Length
JESSE STALDER A UP MNR 1H	1	3411125009	7/23/2025	1.060865 mi	19,752 ft
JESSE STALDER B UP MNR 3H	2	3411125010	7/23/2025	1.062065 mi	19,769 ft
JESSE STALDER C UP MNR 5H	3	3411125011	7/23/2025	1.063276 mi	19,356 ft
JESSE STALDER D UP MNR 7H	4	3411125012	7/23/2025	1.064500 mi	19,406 ft

0 9,750 19,500 Feet 1 inch = 11,093 feet 	Reserve Calculations Paul Holiday F UP Unit <small>Center, Malaga, and Sunbury Townships, Monroe County OH</small>