

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 19, 2025
:
Paul Holiday H UP Unit :
:

- - - - -

UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Host Cynthia Marshall
All Parties Appearing Remotely
November 13, 2025, 2:30 p.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-2
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:

Regina Bryant (Via videoconference)
Jeff Large (Via videoconference)

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I N D E X

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I N D E X

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(PDF exhibits attached to the transcript.)

1 interest owner, or an owner with property in the
2 Paul Holiday H UP unit. I would also like this
3 information from anyone who represents any of
4 these persons. We will make note of your name and
5 call upon you when it's time for comments.

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

9 Hearing none.

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

13 Hearing none.

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

16 Ms. Barrett.

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

1 Code Section 1509.28.

2 My name is Jennifer Barrett, and I am
3 an administrative officer for the Division. Also
4 with me today is Program Administrator Cynthia
5 Marshall. We are conducting the hearing today and
6 serve as the Chief's designees on this matter.

7 On September 19th, 2025, Expand filed
8 with the Division an application for unit
9 operations for a unit designated as the Paul
10 Holiday H UP unit. Expand filed subsequent
11 revisions to the application. The unit is
12 proposed to be located in Monroe County, Ohio. In
13 its application, Expand claims to have the mineral
14 rights through voluntary agreements to
15 approximately 478.837 acres of the desired
16 approximate 579.626-acre unit.

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

1 gas; and two, the estimated additional recovery
2 from the unit exceeds the additional cost.

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

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

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

1 the opportunity to present questions or concerns
2 to the Division staff. And then the Division
3 staff may take a break to determine if there are
4 any additional questions for the Applicant.

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

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

16 Good afternoon, everybody. My name is
17 Mark Hylton, and I'm an attorney with the law firm
18 of Vorys, Sater, Seymour and Pease. And I'm here
19 today on behalf of Expand Operating, LLC, and its
20 request for a unitization order authorizing the
21 development of its proposed Paul Holiday H UP
22 unit.

23 The Applicant's affiliate, Expand
24 Appalachia LLC, has acquired oil and gas leases

1 covering over 82 percent of the acreage in the
2 proposed unit. And the Applicant plans to develop
3 the unit by drilling one well just shy of 16,000
4 feet in completed lateral length from a well pad
5 located just west of the unit.

6 The applicant is requesting a unit
7 order because there are tracts in the unit area
8 that are owned by unleased mineral owners, as well
9 as tracts leased to non-consenting working
10 interest owners.

11 You will hear testimony this afternoon
12 from three witnesses: Gray Barghols, a landman;
13 Kevin Wolfe, a geologist; and Drew Sauer, a
14 reservoir engineer. Their testimony will
15 establish that the Applicant meets each of the
16 elements required for a unit order under Revised
17 Code Section 1509.28. We therefore ask the
18 Division to approve the application, including the
19 unit plan, and issue the requested unit order for
20 the Paul Holiday H UP unit.

21 We would like to call our first witness
22 this afternoon, Gray Barghols.

23 MS. MARSHALL: Please swear in the
24 witness.

1 A. Yes. I'm an active member of the
2 American Association of Professional Landmen, the
3 AAPL.

4 Q. What are some of your typical job
5 responsibilities as a landman at Expand?

6 A. My job responsibilities include
7 managing our leasing program, overseeing
8 abstracting and titling duties, as well as
9 negotiating and securing all land contracts
10 necessary to form horizontal drilling units.

11 Q. Are you the one who was put in charge
12 of overseeing the development of the Paul Holiday
13 H UP unit?

14 A. Yes, I am.

15 Q. Mr. Barghols, could you please tell us
16 a little bit about the unit as well as Expand's
17 proposed development plan?

18 A. Sure. The Paul Holiday H UP proposed
19 unit is approximately 579 acres located in Monroe
20 County, Ohio. Expand intends to drill one
21 lateral, the Paul Holiday H UP MNR 10H lateral,
22 across this unit -- through this unit. And that
23 well will be drilled in a southeasterly direction
24 as to the Utica formation.

1 Q. The application shows that the
2 Applicant does not have any leases in the unit,
3 but instead Expand Appalachia, LLC, owns all the
4 consenting working interest owner -- excuse me,
5 all the consenting working interests in the unit.
6 Could you tell us about the relationship between
7 those two entities?

8 A. Happy to. So the Applicant Expand
9 Operating, LLC is our operating entity. And
10 Expand Appalachia, LLC is an affiliate with both
11 of those LLCs falling under the Expanded Energy
12 Corporation umbrella.

13 Expand Operating, LLC again is our
14 operating entity. We use it for purposes like
15 this: Applying for unit taxation, applying for
16 well permits, and operating those wells.

17 Whereas Expand Appalachia, LLC is the
18 entity that holds our material interests in the
19 Appalachian Basin and is in that entity to silo
20 the Appalachia interests from other interests held
21 by Expand in different basins across the country.
22 But Expand Appalachia, LLC and the Applicant
23 Expand Operating, LLC are affiliates of one
24 another.

1 Q. All right. Thank you, Mr. Barghols.
2 The tracts in this plot here that are colored in
3 yellow are ones that are fully leased to Expand
4 Appalachia, LLC. Just how much of the acreage has
5 been leased to Expand Appalachia?

6 A. Expand Appalachia, LLC has managed to
7 lease over 82 percent of the acreage included in
8 the prospective unit.

9 Q. Have you attempted to enter into an oil
10 and gas lease with all of the unleased mineral
11 owners in the unit?

12 A. Yes, we have.

13 Q. Have you similarly attempted to enter
14 into an agreement with the non-consenting working
15 interest owners with interest in the unit?

16 A. Yes, we have.

17 Q. Will you continue to work with these
18 parties after the hearing?

19 A. We will. Yes.

20 Q. Mr. Barghols, has the well pad for this
21 unit been constructed yet?

22 A. The well pad is currently being built.

23 Q. What rights were acquired that would
24 allow the pad to be built?

1 A. Expand has agreements in place with the
2 owners of the surface on the pad parcels.

3 Q. If you were to receive the requested
4 unit order, when is it currently planned for the
5 drilling of this well?

6 A. We plan to drill this well in Q1 or Q2
7 of 2026.

8 Q. Mr. Barghols, are you familiar with the
9 unit plan that was attached to the application?

10 A. Yes, I am.

11 Q. Under that plan, would you tell us how
12 unit production and expenses are supposed to be
13 allocated?

14 A. They're allocated on a surface acre
15 basis.

16 Q. In your experience, is this a common
17 allocation method?

18 A. Yes, it is.

19 Q. And which parties will be responsible
20 for paying those unit expenses?

21 A. They will be paid by participating
22 working interest parties.

23 Q. Part of the unit plan is an operating
24 agreement that was included as part of the

1 application as well. Does the operating agreement
2 include a non-consent penalty for non-consenting
3 working interest owners?

4 A. Yes, it does. And that penalty is
5 500 percent.

6 Q. Do you believe that is a fair and
7 reasonable non-consent penalty? And if so, why?

8 A. I do believe that is a fair penalty.
9 That 500 percent penalty is consistent with what I
10 have seen in voluntary joint operating agreements
11 in the area. It's my opinion that the statutory
12 should not carry a lesser penalty than the
13 voluntary, as that could potentially discourage
14 people from entering into voluntary agreements at
15 this time.

16 Q. Understood. Thank you, Mr. Barghols.

17 MS. MARSHALL: Thank you.

18 Mr. Barghols, I have a few questions.
19 Describe what efforts you have taken to identify
20 unknown and undetermined mineral owners.

21 THE WITNESS: Sure. To identify
22 unknown owners, we utilize first our online
23 records in an attempt to find their most recent
24 address and phone number. Outside of online

1 records, we search public records in the adjacent
2 counties and nearby counties in order to locate
3 the same information.

4 MS. MARSHALL: If you were to receive a
5 unitization order, can you describe what happens
6 to any payments that will be owed to unknown or
7 undetermined mineral owners under that order?

8 THE WITNESS: Those payments are held
9 in a holding account.

10 MS. MARSHALL: What is the current
11 average outstanding offer to the unleased mineral
12 owners in the proposed unit? Average bonus and
13 average royalty.

14 THE WITNESS: The current outstanding
15 offer to unleased parties is \$2,000 per net acre
16 and an 18 percent royalty.

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

19 THE WITNESS: There is a mixture in our
20 outstanding offers of gross and net. That is a
21 point of negotiation in forums, and it can vary
22 from lease to lease.

23 MS. MARSHALL: Do those offers include
24 surface use?

1 THE WITNESS: Surface use is another
2 negotiable point in those leases. Some of our
3 outstanding offers will include surface use,
4 others will not. And again, the lessor has the
5 opportunity to negotiate that for their particular
6 forum.

7 MS. MARSHALL: Will those offers
8 expire?

9 THE WITNESS: We do not intend for
10 those offers to expire any time soon. We want to
11 make sure that we're still working with unleased
12 parties after the hearing, even after the unit
13 order comes in. At some point, should we be
14 successful in receiving an order and move towards
15 filing our designation of statutory unit, we will
16 rescind lease offers at some point. But they will
17 be open now and into the foreseeable future.

18 MS. MARSHALL: What is the average
19 offer that was accepted by the leased mineral
20 owners in the proposed unit? Average bonus and
21 average royalty.

22 THE WITNESS: Sure. The average
23 accepted offer in the Paul Holiday H UP unit is
24 \$2,100 with a 17.9 percent royalty rate on

1 average.

2 MS. MARSHALL: Can you please explain
3 the difference between the current offer and
4 average offers accepted?

5 THE WITNESS: Yes. So on bonus, the
6 accepted offers are \$100 higher at 2,100 as
7 opposed to the 2,000 outstanding. That likely has
8 to do with some older leases we have accepted. We
9 likely took those on a longer term, potentially a
10 five-year term, as opposed to the outstanding
11 offers, which are all between a one- and two-year
12 term.

13 The leased bonuses are usually higher
14 for longer terms, and so that explains that \$100
15 discrepancy between accepted and outstanding. And
16 then on the royalty rate, I think we're within a
17 tenth of a percent. But that lower rate in our
18 accepted offers is likely because we do have some
19 older existing leases that have a lower royalty
20 burden than we're offering at 18 percent to the
21 unleased parties now.

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

24 THE WITNESS: I do, yes. I think our

1 contact log, that we submitted with our original
2 application and also supplemented prior to today's
3 hearing, shows explicitly the efforts we have made
4 with each of the unleased parties, as well as
5 third-party working interest owners. But I think
6 82 percent of the unit being leased to Expand
7 Appalachia, LLC also shows that our efforts have
8 been reasonable.

9 MS. MARSHALL: Will you continue
10 attempts to lease the unleased mineral owners
11 after the hearing and after a unitization order is
12 issued, if one is issued?

13 THE WITNESS: Yes, we will.

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

17 THE WITNESS: Yes. I believe these
18 have been reasonable as well. I don't have a
19 percentage to hang my hat on like I do on the
20 leasing side, but again our contacts log displays
21 the efforts and the lengths we went to with the
22 non-committed third-party working interest owners,
23 and I do believe those efforts are reasonable.

24 MS. MARSHALL: Will you continue your

1 attempts to commit non-consenting working interest
2 owners after today's hearing?

3 THE WITNESS: Yes, we will.

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

7 THE WITNESS: Yes, they do.

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

11 THE WITNESS: Bonus and royalty are
12 largely determined by the free market. But on the
13 front end of a leasing effort, I typically circle
14 up with my technical team, usually a geologist and
15 a reservoir engineer, to understand the economics
16 surrounding the potential unit and lateral they
17 are in and understand the impact of bonus and
18 royalty offers on those economics.

19 After that, it's time to engage the
20 potential lessor, and negotiations ensue after
21 that, and land with both parties agreeing on a
22 number for both royalty and bonus. At the end of
23 the day, it's largely determined by the market.

24 MS. MARSHALL: Thank you, Mr. Barghols.

1 So those are all the questions that I have.

2 Ms. Barrett, do you have any questions?

3 MS. BARRETT: I do not. Thank you.

4 THE WITNESS: Thank you.

5 MS. MARSHALL: Thank you.

6 Mr. Hylton, please call your next
7 witness.

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

9 Our next witness is Kevin Wolfe.

10 MS. MARSHALL: Please swear in the
11 witness.

12 - - - - -

13 KEVIN WOLFE

14 being first duly sworn, testifies and says as
15 follows:

16 DIRECT EXAMINATION

17 BY MR. HYLTON:

18 Q. Good afternoon, Mr. Wolfe.

19 A. Good afternoon.

20 Q. Please introduce yourself to the
21 Division and tell us just a bit about your
22 educational and professional background.

23 A. So, my name is Kevin Wolfe. I'm a
24 senior staff geologist with Expand Energy. I hold

1 a Bachelor's in Geology from the College of
2 Wooster and a Master's in Geology from the
3 University of Illinois, Urbana-Champaign.

4 I have worked for oil and gas operators
5 since 2008, primarily in Appalachia, but also
6 within the Rockies, Permian, and Maverick Basins.
7 Companies that I worked for prior to Expand Energy
8 are Grit Oil and Gas, Noble Energy, and EAG
9 Production.

10 Q. Do you belong to any relevant
11 professional associations?

12 A. Yes. I'm a member of the American
13 Association of Petroleum Geologists and the
14 Houston Geological Society.

15 Q. Could you give us some examples of
16 things that you do at Expand?

17 A. Yes. So I'm tasked with evaluating and
18 predicting the subsurface conditions of the
19 formations that we will encounter while drilling
20 horizontal wells within Appalachia.

21 I do this by creating and updating
22 geologic maps and predicting the properties of the
23 formations that we will encounter. I'm also
24 involved in the planning of depth, orientation,

1 and target for upcoming wells.

2 Q. Could you please tell us what depths
3 are included in the proposed unitized formation
4 for the subject unit?

5 A. We are seeking to unitize the Utica and
6 Point Pleasant.

7 Q. And as a professional geologist, what
8 does the term "pool" mean in your mind?

9 A. A continuous accumulation of
10 hydrocarbons within a reservoir.

11 Q. So the remainder of my questions are
12 really going to get to whether the unitized
13 formation underlying this unit is a pool or part
14 of a pool. Did you complete an evaluation of the
15 proposed unitized formation as part of the
16 application process?

17 A. Yes, I did.

18 Q. And what sorts of data did you look at
19 during that evaluation?

20 A. Yeah. So, I start off by reviewing
21 offset vertical and horizontal wells, looking at
22 whatever data they have available, primarily
23 focused on the wireline logs for the vertical
24 wells. I compare those values to core data that

1 we have in wells in other parts of the area and
2 create proxies to the well log responses and use
3 those to map geologic properties into the area
4 that we're interested in drilling the horizontal.

5 Q. Thank you, Mr. Wolfe. I'm going to go
6 through the two geology exhibits for the
7 application and ask you to explain what's going on
8 in those decisions. So I'd like to start first
9 with Exhibit F and turn things over to you.

10 A. Okay. So Exhibit F displays a black
11 rectangle, which is the Paul Holiday H UP unit,
12 that sits in between two blue dots that are
13 connected by a blue line. Those blue dots are
14 representative well logs that are in close
15 proximity to this unit that we will discuss in the
16 next exhibit.

17 Q. Now we're on to Exhibit E. If you
18 could, please explain to us what's being shown
19 here and also what kind of takeaways you might
20 have from this information?

21 A. Okay. So displayed are the wireline
22 responses for three of the logs from those wells
23 in the previous exhibit. On the far left in green
24 is the gamma-ray log, which we use as a proxy for

1 lithology. On the far right in black is porosity,
2 which is an indication of how much space is
3 contained within each of the feet of rock that's
4 being measured. And then in the center in blue is
5 resistivity, which is a proxy for hydrocarbon
6 presence in spots where there is porosity.
7 Resistivity further to the right on that chart
8 would indicate most likely that there is
9 hydrocarbon present.

10 In addition, I've marked the tops of
11 the Utica in orange, the Point Pleasant interval
12 of the Utica in red, and then the Trenton in
13 purple, with the Utica being the top of our
14 proposed unit and the Trenton being the base.

15 Q. Based on the information in these logs
16 and your evaluation in its entirety, do you
17 believe the unitized formation, so far as it
18 underlies the subject unit, is a pool or part of a
19 larger pool?

20 A. Yes. Due to the horizontal and
21 vertical consistency of the properties that these
22 wells display and that the rest of my mapping
23 indicates.

24 Q. Is it also your opinion that a surface

1 acreage allocation of production and expenses for
2 the unit is appropriate?

3 A. Yes.

4 Q. Do you believe the non-consent penalty
5 included in the operating agreement is fair and
6 reasonable?

7 A. Yes. So when we are drilling
8 horizontal wells in the Point Pleasant, there are
9 operational risks that we feel strongly that the
10 working parties who are going to benefit from the
11 production of wells should share equally in those
12 risks also.

13 So for example, while we are drilling
14 Point Pleasant wells, they are often highly
15 overpressured, where you can experience --
16 encounter randomly positioned natural fractures
17 that would either cause an influx of gas, or you
18 could also have a loss of fluid if that fracture
19 happens to be under pressure. And those hazards
20 would greatly increase the capital costs
21 associated with drilling a unit below.

22 Q. Thank you very much, Mr. Wolfe.

23 MR. HYLTON: Nothing further.

24 MS. MARSHALL: Mr. Wolfe, I have a

1 couple of questions.

2 What is the anticipated true vertical
3 depth of the horizontal portion of the wellbore?

4 THE WITNESS: So I anticipate the
5 target of the horizontal wells coming off of this
6 pad to be targeting around 9,436 TVD relative to
7 the surface hole location.

8 MS. MARSHALL: What is the anticipated
9 true vertical depth of the top of the Utica, the
10 Point Pleasant, and the Trenton?

11 THE WITNESS: Okay. So the Utica
12 should be expected around 9,296 feet TVD, the
13 Point Pleasant at 9,382 feet TVD. And then the
14 Trenton, which we won't encounter, would be
15 expected around 9,491 feet TVD. And all of those
16 are at the surface hole location.

17 MS. MARSHALL: Do you expect production
18 from outside the Point Pleasant?

19 THE WITNESS: So while the vast
20 majority of our production should be coming from
21 the Point Pleasant, any hydrocarbons contained
22 within the Utica would also be produced by a
23 horizontal well targeting the Point Pleasant.

24 MS. MARSHALL: Well, that is all the

1 questions that I have for you, Mr. Wolfe.

2 Ms. Barrett, do you have any questions?

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

4 MS. MARSHALL: Thank you.

5 Mr. Hylton, please call your next
6 witness.

7 MR. HYLTON: Thanks, Ms. Marshall.

8 Our last witness is Drew Sauer.

9 MS. MARSHALL: Please swear in the
10 witness.

11 - - - - -

12 DREW SAUER

13 being first duly sworn, testifies and says as
14 follows:

15 DIRECT EXAMINATION

16 BY MR. HYLTON:

17 Q. Hello, Mr. Sauer.

18 A. Hello, Mark.

19 Q. Could you please introduce yourself to
20 the Division panel and share briefly about your
21 educational and professional background.

22 A. Sure, yes. Good afternoon. My name is
23 Drew Sauer. I am a staff reservoir engineer with
24 Expand. I received my Bachelor's Degree in

1 Petroleum Engineering from the University of
2 Oklahoma. I have 14 years of experience in the
3 oil and gas industry, with eight of those 14 years
4 in the reservoir discipline.

5 Q. Are you a member of any relevant
6 professional associations?

7 A. Yes. I am a member of the Society of
8 Petroleum Engineers.

9 Q. Please tell us a bit more about your
10 job at Expand.

11 A. Sure. I am responsible for the
12 development planning and economic evaluations of
13 Marcellus and Utica wells in our Southwest
14 Appalachia Business unit. I evaluate ultimate
15 recoveries for planned wells and maintain
16 forecasts for our existing wells in production.

17 Q. Did you and your reservoir engineering
18 team forecast well production for the subject
19 unit?

20 A. Yes.

21 Q. Could you tell us a little bit about
22 how you did that?

23 A. Yes. We review production data from
24 nearby wells to estimate well performance and then

1 create a type curve on a per lateral foot basis.
2 We then use this type curve and apply it to the
3 full lateral length of the proposed well.

4 Q. Thank you, Mr. Sauer. I'd like to
5 direct your attention to the economics exhibit so
6 that we can discuss your forecasts. Starting
7 first with the top table, which reflects the
8 unitized operating scenario. Would you tell us
9 how much recovery you expect in this scenario?

10 A. Yes. 23.2 BCFe.

11 Q. And moving to the table just beneath
12 that, what would you expect in the non-unitized
13 operating scenario?

14 A. Approximately 3.2 BCFe.

15 Q. Now I'd like to take us to the bottom
16 table here, which reflects the difference between
17 those two operating scenarios. What is the
18 difference in recovery expected here?

19 A. 20 BCFe.

20 Q. Would you consider 20 BCFe to be a
21 substantial amount of production?

22 A. Yes.

23 Q. With that, is the requested unit order
24 reasonably necessary to substantially increase the

1 ultimate recovery from this unit?

2 A. Yes.

3 Q. What is the anticipated value of that
4 20 BCFe, Mr. Sauer?

5 A. Approximately \$13.5 million.

6 Q. And that is on the PV10 basis, right?

7 A. That's correct.

8 Q. Given that large positive PV10 figure,
9 does the value of the estimated additional
10 recovery produced in the unitized case exceed the
11 additional cost needed to produce it?

12 A. Yes.

13 Q. Do these numbers include well pad
14 costs?

15 A. Yes, they do.

16 Q. How are those accounted for?

17 A. I received an estimated pad cost from
18 our planning team, and then I split those wells
19 equally among -- or I split that cost equally
20 among the five planned wells.

21 Q. Thank you, Mr. Sauer. My last question
22 is, do you believe the 500 percent non-consent
23 penalty that's included in the operating agreement
24 is fair and reasonable?

1 A. Yes, I do. In addition to the
2 operational and capital risks previously described
3 by Mr. Wolfe, the working interest parties must
4 also bear the risk profile of commodity prices as
5 well as well performance.

6 Q. Thank you, sir.

7 MR. HYLTON: Nothing further for me at
8 this time.

9 MS. MARSHALL: Mr. Sauer, I have a
10 couple of questions. What is the estimated
11 economic life of the wells in years?

12 THE WITNESS: More than 50 years.

13 MS. MARSHALL: What price was used in
14 your economic calculations?

15 THE WITNESS: For gas price, I use
16 \$3.50 per MCF to life. And for oil it is \$60 per
17 barrel, flat to life.

18 MS. MARSHALL: When do you estimate you
19 will recover the cost of drilling, testing, and
20 completing the wells at one time, one-and-a-half
21 times, two times, and three times?

22 MR. SAUER: Sure. At one time, it's
23 approximately 2.2 years. At one-and-a-half times,
24 it's approximately 3 years. At two times, it's

1 approximately 4.7 years. And at three times, it's
2 approximately 16 years.

3 MS. MARSHALL: How many total wells
4 will be drilled from the pad?

5 THE WITNESS: There are five planned
6 wells.

7 MS. MARSHALL: Are there any existing
8 wells?

9 THE WITNESS: No. There are not any
10 existing wells.

11 MS. MARSHALL: How are the pad costs
12 accounted for in your calculation?

13 THE WITNESS: They are split equally
14 across the five wells.

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

17 THE WITNESS: They are an estimate at
18 this point.

19 MS. MARSHALL: What amount was included
20 for plugging and restoration costs in your
21 economic calculations per well? Plugging and
22 restoration.

23 THE WITNESS: That number is \$250,000
24 per well.

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

3 THE WITNESS: 1.47 BCFe per 1,000 feet.

4 MS. MARSHALL: And what is the
5 estimated recovery factor in the area?

6 THE WITNESS: Approximately 30 to 35
7 percent.

8 MS. MARSHALL: Okay. Thank you,
9 Mr. Sauer. That is all the questions that I have.

10 Ms. Barrett, do you have any questions?

11 MS. BARRETT: Yes, I do.

12 - - - - -

13 CROSS-EXAMINATION

14 BY MS. BARRETT:

15 Q. Could you explain why you used the four
16 wells you did on the reserve calculations?

17 A. Yes. Those are the nearest offset
18 wells with the most similar design to what we plan
19 on pumping for these proposed wells.

20 Q. Okay. And what is your \$250,000 per
21 well plugging and restoration cost based on?

22 A. That is based off of historical actuals
23 that we have seen as a company.

24 Q. Okay. Thank you.

1 MS. BARRETT: No further questions for
2 me.

3 MS. MARSHALL: Thank you.

4 Once again, if you would like to make
5 comments, I'm first going to take all of your
6 names and note whether you are an unleased mineral
7 owner, working interest owner, or an owner with
8 property in the unit.

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

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

20 Hearing none.

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

24 Hearing none.

1 Mr. Barrett, do you have any additional
2 questions for the Applicant?

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

4 MS. MARSHALL: Does the Applicant have
5 any closing remarks?

6 MR. HYLTON: No, we don't. Thank you
7 for your time.

8 MS. MARSHALL: Thank you, everyone.
9 The hearing is now concluded.

10 - - - - -

11 Thereupon, the foregoing proceedings
12 concluded at 3:01 p.m.

13 - - - - -

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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 5, 2025.

17
18
19 

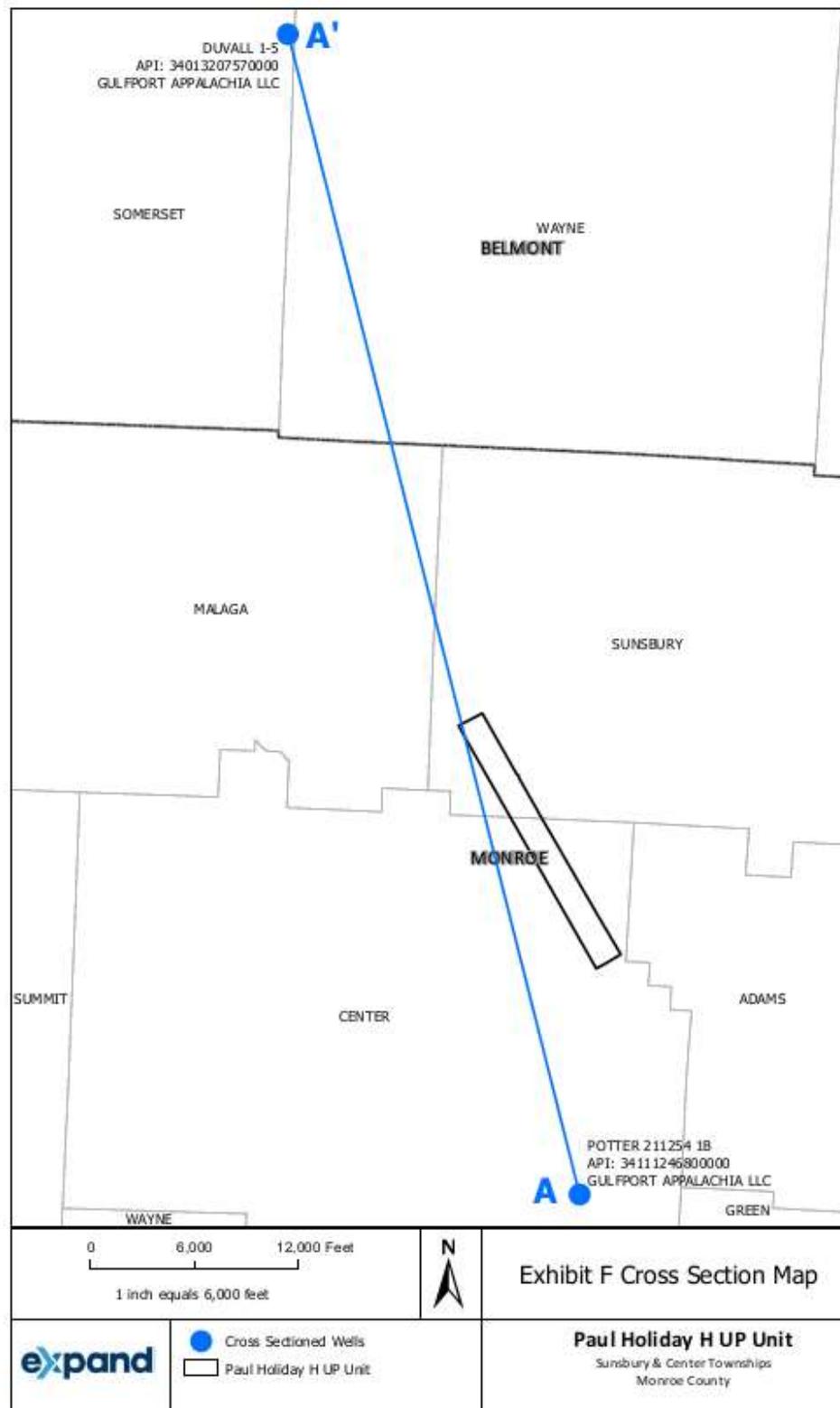
20 _____
21 Bridget Mary Hoyer, Notary Public - State of Ohio
22 My commission expires April 14, 2030.

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

EXPAND OPERATING LLC

PAUL HOLIDAY H UP UNIT

Application for Unit Operations



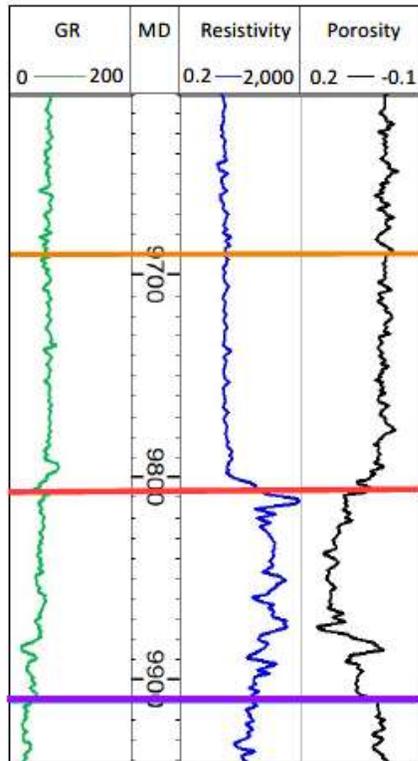
Geologic Cross-Section

Exhibit E – Paul Holiday H UP Unit

Monroe County, Ohio

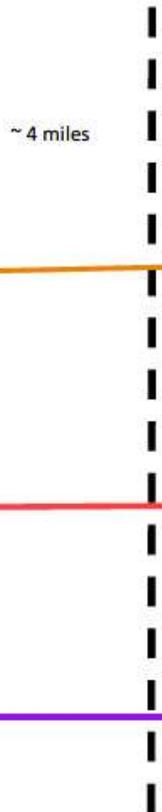
A

Potter 211254 1B Pilot Hole
 API: 3411124680000
 Gulfport Appalachia, LLC



TD = 10,115'

Paul Holiday H UP Unit
 EXPAND OPERATING LLC



~ 4 miles

~ 9.1 miles

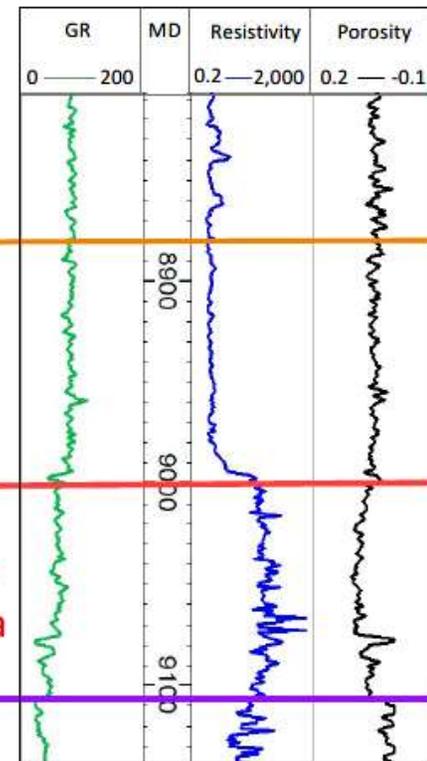
Utica

Point Pleasant
Interval of Utica

Trenton

A'

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



TD = 9,185'

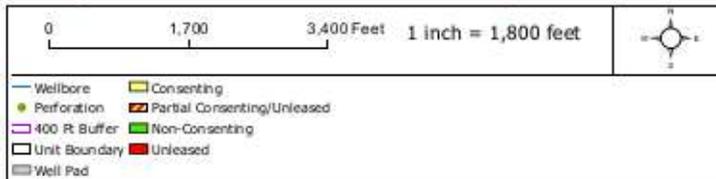
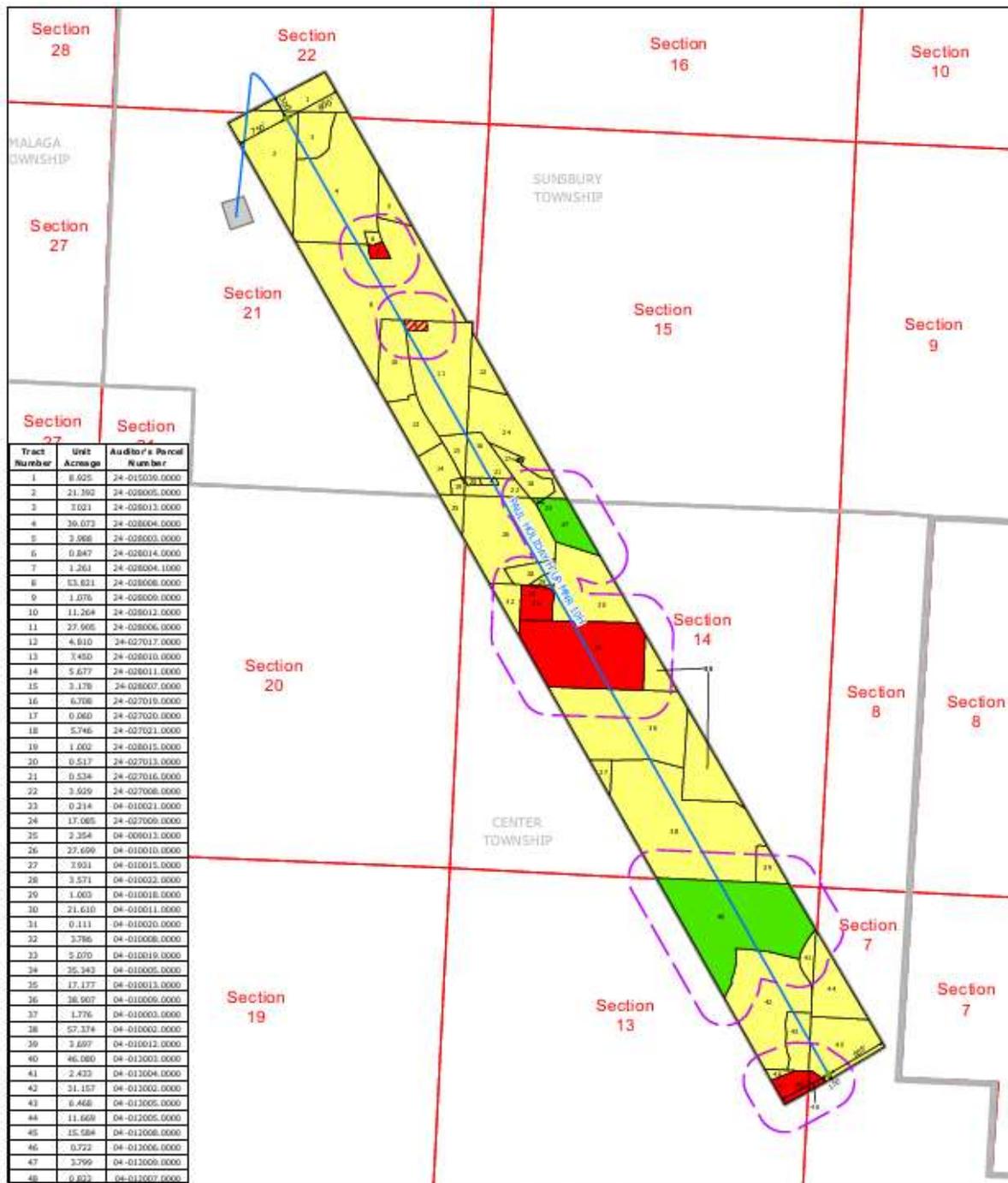


EXHIBIT D
Paul Holiday H UP Unit
 Unit Size: 579.626 Acres
 Center and Sunsbury Townships, Monroe County OH
 Revised 11/6/2025



Section 5. Economic Calculation Summaries *Required*
 Unitized Scenario

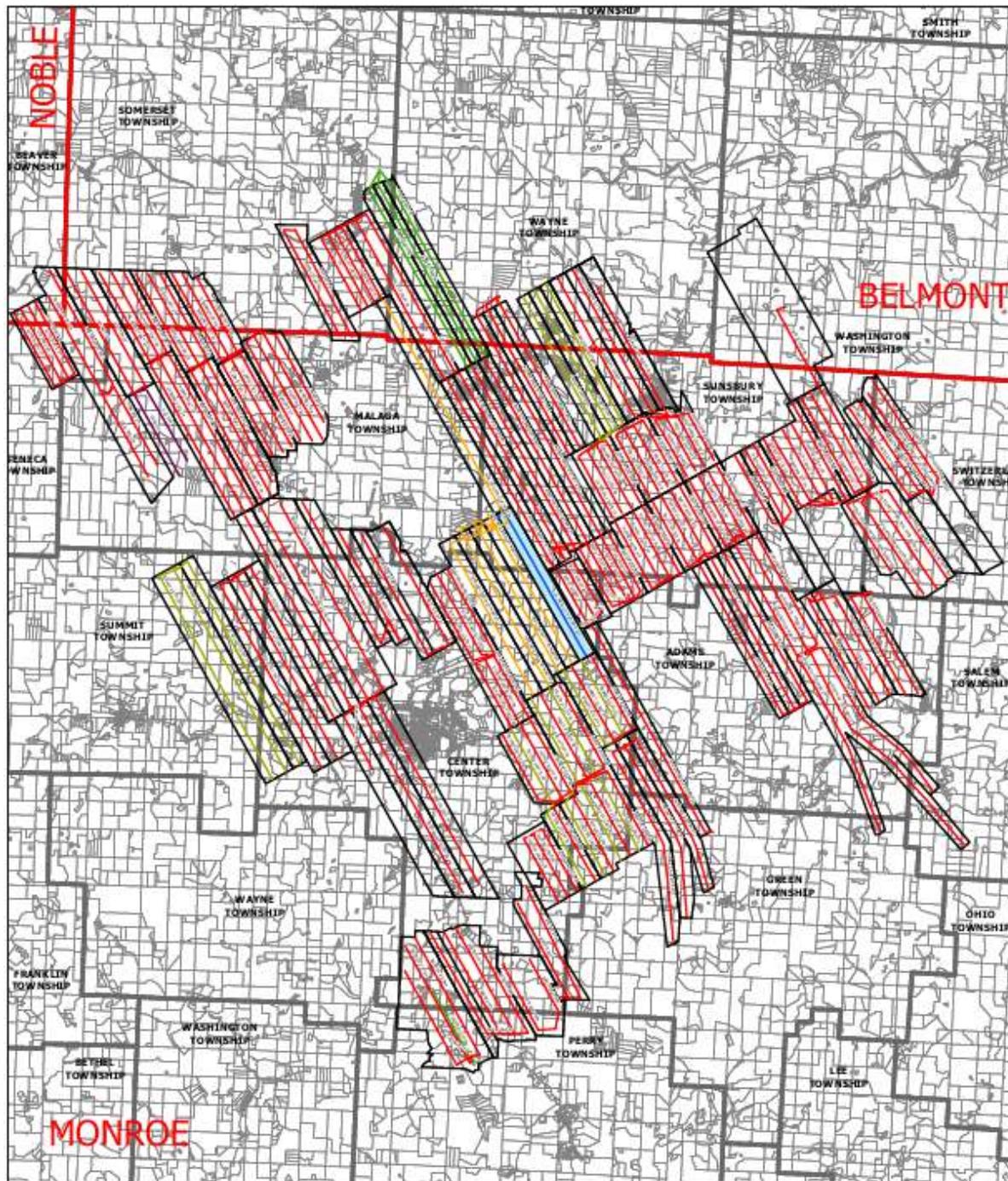
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday H UP MNR 10H	15,789	25,926	\$4.8	\$12.3	\$42.4	\$24.1	\$10.9	23.2
Total:	15,789	25,926	\$4.8	\$12.3	\$42.4	\$24.1	\$10.9	23.2

Non-Unitized Scenario

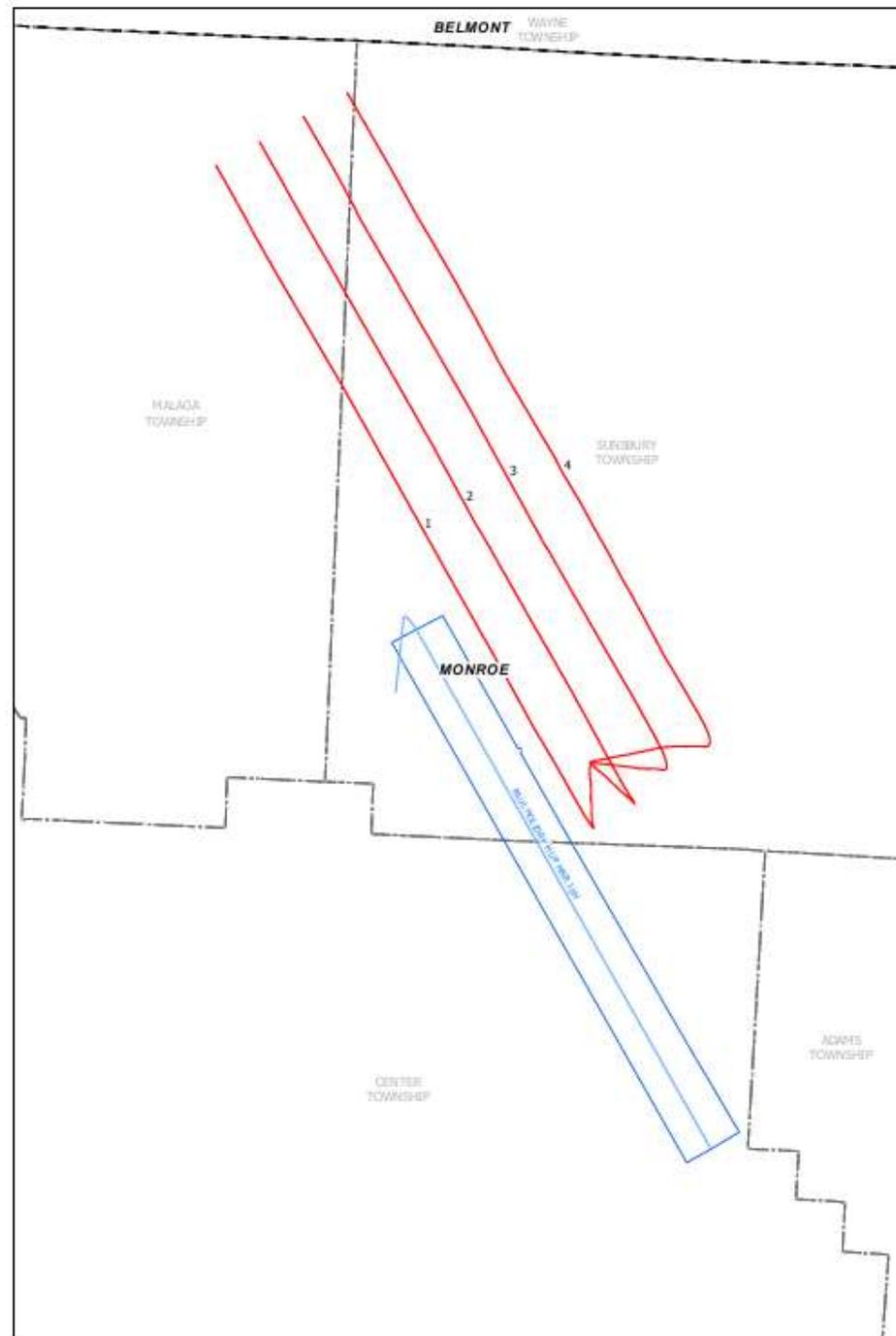
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday H UP MNR 10H	2,168	12,305	\$2.8	\$5.5	\$5.3	\$(3.2)	\$(2.6)	3.2
Total:	2,168	12,305	\$2.8	\$5.5	\$5.3	\$(3.2)	\$(2.6)	3.2

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 H UP MNR 10H	13,621	13,621	\$2.0	\$6.8	\$37.1	\$27.3	\$13.5	20.0
Total:	13,621	13,621	\$2.0	\$6.8	\$37.1	\$27.3	\$13.5	20.0



		1 inch = 12,000 feet		<p>Adjacent Units Map Paul Holiday H UP Unit Unit Size: 579.626 Acres Center and Sunbury Townships, Monroe County OH</p>
<ul style="list-style-type: none"> Drilling Permitted Plugged/Abandoned 	<ul style="list-style-type: none"> Producing Planned Unit Boundary 	<ul style="list-style-type: none"> Subject Wellbore Townships Tax Parcels 		



0 2,700 5,400 Feet 1 inch = 3,000 feet

Legend:
Township/District (solid line)
Counties (dashed line)
Producing Wellbores (red line)
Planned Wellbores (blue line)
Unit Boundary (blue outline)

Reserve Calculations
Paul Holiday H UP Unit
Center and Sunbury Townships, Monroe County OH



Well Name	Well Identifier	API	First Production Date	Distance From Unit	Lateral Length
JESSE STALDER A UP MNR 1H	1	3411125009	7/23/2025	1.055388 mi	19,752 ft
JESSE STALDER B UP MNR 3H	2	3411125010	7/23/2025	1.056610 mi	19,769 ft
JESSE STALDER C UP MNR 5H	3	3411125011	7/23/2025	1.057843 mi	19,356 ft
JESSE STALDER D UP MNR 7H	4	3411125012	7/23/2025	1.059089 mi	19,406 ft

	<p>Reserve Calculations Paul Holiday H UP Unit</p> <p>Center and Sunbury Townships, Monroe County OH</p>
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