

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 G UP Unit :
:

- - - - -

UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Host Barbara Richardson
All Parties Appearing Remotely
November 13, 2025, 11:30 a.m.

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

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A P P E A R A N C E S

ON BEHALF OF OHIO DEPARTMENT OF NATURAL RESOURCES:

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

ON BEHALF OF EXPAND OPERATING, LLC

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

ALSO PRESENT:

Cory Cosby (Via videoconference)
Regina Bryant (Via videoconference)
Eric Moore (Via videoconference)
Mark Landefeld (Via videoconference)
Casey Goodson (Via videoconference)
Marlon E. Henry (Via videoconference)
Gary Meredith (Via videoconference)

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I N D E X

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(PDF exhibits attached to the transcript.)

1 interest owner, or owner with a property in the
2 Paul Holiday G 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 MR. MOORE: Eric Moore. I am a leased
10 owner in all the different Holiday units.

11 MS. RICHARDSON: Mr. Moore, I have you
12 written down. You said you are a leased owner?

13 MR. MOORE: Yes.

14 MS. RICHARDSON: Okay. Thank you so
15 much.

16 Anyone else?

17 MR. LANDEFELD: Mark Landefeld.

18 MS. RICHARDSON: Mark.

19 MR. LANDEFELD: Yes. My father and my
20 aunt are deceased. But I'm listed as a unknown
21 heir on the all three of the different units.

22 And I'm just trying to get ahold of
23 Gray, actually. But I have not been able to
24 contact him -- or has not returned an email, so --

1 MS. RICHARDSON: Okay. No worries.

2 MR. LANDEFELD: I'm just here to
3 listen.

4 MS. RICHARDSON: Thank you. We have
5 your name down, and I'll call upon you toward the
6 end of the hearing.

7 Anyone else?

8 Thank you. If you have joined us via
9 phone, please unmute yourself by pressing "star
10 6." Tell us your name if you wish to make
11 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 G 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 am

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

5 On September 19th, 2025, Expand filed
6 with the Division an application for unit
7 operations for a unit designated as the Paul
8 Holiday G 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 440.924 acres of the desired
14 approximate 555.216-acre unit.

15 The purpose of today's hearing is to
16 determine whether Expand's Paul Holiday G 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 the information provided to us in order
5 to make a determination. We have a court reporter
6 present as well, and we will have a copy of the
7 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 G 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 Eric Moore and Mark Landefeld have
13 indicated that they wish to make comments, and
14 those comments can be made at the end of the
15 hearing.

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

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

19 Good morning, everybody. My name is
20 Mark Hylton, and I'm an attorney at the Columbus
21 office of Vorys, Sater, Seymour and Pease. I'm
22 here this morning on behalf of Expand Operating,
23 LLC, to ask the Division for a unit order
24 authorizing the development of its proposed Paul

1 Holiday G UP unit consistent with the terms of the
2 unit plan attached to the application.

3 Expand Appalachia, LLC, an affiliate of
4 the Applicant, has acquired oil and gas leases
5 covering the majority of the acreage in the
6 proposed unit. And the Applicant's development
7 plan involves drilling one well almost 16,000 feet
8 in completed lateral length from the well pad
9 located at the northern end of the unit.

10 We are seeking a unit order because
11 there are tracts in the unit area that are owned
12 by unleased mineral owners and a tract leased to a
13 non-consenting working interest owner.

14 Today three witnesses will be
15 testifying in support of the application: Gray
16 Barghols, a landman; Kevin Wolfe, a geologist; and
17 Drew Sauer, a reservoir engineer. Their testimony
18 will establish that the Applicant meets each of
19 the elements required for a unit order under
20 Revised Code Section 1509.28. We therefore ask
21 the Division to approve the application for the
22 Paul Holiday G UP unit and issue the requested
23 unit order.

24 Now I would like to call our first

1 witness, Gray Barghols.

2 MS. RICHARDSON: 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 well, Mark. Thank
13 you.

14 Q. Would you please introduce yourself to
15 the Division and describe your educational and
16 professional background.

17 A. Sure. Again, I'm Gray Barghols. I'm a
18 staff landman here at Expand. I'm a 2017 graduate
19 of the University of Oklahoma's Price College of
20 Business, where I received a Bachelor's of
21 Business Administration in Energy Management.

22 I have been with Expand's Appalachia
23 Basin team here since June of this year. Prior to
24 that, I was with Apache Corporation for eight

1 years in the Texas Delaware Basin.

2 Q. Do you belong to any professional
3 associations, Mr. Barghols?

4 A. I do. I am an active member of the
5 American Association of Professional Landmen, or
6 AAPL.

7 Q. What does a landman such as yourself do
8 at Expand?

9 A. My job responsibilities: I'm tasked
10 with managing our leasing program, overseeing
11 abstracting and titling activity, and also with
12 negotiations of all material, land, and oil and
13 gas contracts that lead to the formation of
14 horizontal drilling units.

15 Q. Are you the landman that was put in
16 charge of overseeing the unitization of the
17 subject unit?

18 A. Yes, I am.

19 Q. Please tell us about the unit and
20 Expand's proposed development plan.

21 A. Sure. The Paul Holiday G UP proposed
22 unit is located in Monroe County, Ohio and
23 contains approximately 555 acres. Expand intends
24 to drill one well, the Paul Holiday G UP MNR 8H

1 lateral, through the unit to the Utica formation.
2 And that well will be drilled in a southeasterly
3 direction.

4 Q. The application reflects all of the
5 working interests being owned by Expand
6 Appalachia, LLC, rather than the Applicant. Would
7 you please explain why the application is
8 structured that way?

9 A. Sure. Expand Operating, LLC and Expand
10 Appalachia, LLC, are direct affiliates of one
11 another, both under the Expand Energy Corporation
12 umbrella.

13 Expand Energy -- or Expand Operating,
14 LLC is our operating entity used for items such as
15 applying for units, like this hearing, applying
16 for well permits, and operating those wells.
17 Whereas, Expand Appalachia, LLC is the holding
18 entity for all our contracts, including oil and
19 gas leases.

20 That's done to silo those interests
21 from our other business units across different
22 basins that Expand Energy owns.

23 Q. And how much acreage in the subject
24 unit has been leased to Expand Appalachia, LLC,

1 approximately?

2 A. Expand has over 79 percent of the
3 acreage in the Paul Holiday G UP unit leased.

4 Q. For the tracts shown here on the map
5 colored in red, or the red-and-yellow striping,
6 have you attempted to enter into an oil and gas
7 lease with the unleased mineral owners?

8 A. Yes, we have.

9 Q. And have you also tried to get an
10 agreement with the sole non-consenting working
11 owner in the unit?

12 A. We have.

13 Q. Will you continue your efforts with
14 those parties? So, the unleased mineral owners
15 and the non-consenting working interest owner
16 after the hearing today.

17 A. Yes, we will.

18 Q. Mr. Barghols, has the well pad that's
19 shown here with the gray square at the northern
20 end of the unit been constructed yet?

21 A. It is currently in the process of being
22 built.

23 Q. And what rights were obtained to allow
24 the construction of the pad at the location shown

1 here?

2 A. Expand has entered into agreements with
3 the surface owners of the pad parcels.

4 Q. If the Division issues the requested
5 unit order, when do you currently intend to drill
6 the well in this unit?

7 A. We intend to drill in Q1 or Q2 of 2026.

8 Q. Thank you, Mr. Barghols. Are you
9 familiar with the provisions of the unit plan that
10 were attached to the application, including the
11 operating agreement?

12 A. Yes, I am.

13 Q. Under those provisions, how are the
14 units production and expenses proposed to be
15 allocated?

16 A. They are allocated on a surface acre
17 basis.

18 Q. Is a surface acre basis customary in
19 the industry in this area of Ohio?

20 A. Yes, it is.

21 Q. Which parties will be obligated to pay
22 the unit expenses?

23 A. Those will be paid by participating
24 working interest parties.

1 Q. Does the unit's operating agreement
2 have a non-consent penalty for any non-consenting
3 working interest owners?

4 A. Yes, it does. It contains a
5 500 percent penalty.

6 Q. Do you believe that a 500 percent
7 non-consent penalty is fair and reasonable?

8 A. I do. The 500 percent penalty is
9 consistent with what I have seen in voluntary JOAs
10 in the area. It is my opinion that a statutory
11 unit should not contain a lesser penalty, as that
12 would discourage parties from entering into
13 voluntary agreements.

14 Q. Thank you, Mr. Barghols.

15 MR. HYLTON: I have no further
16 questions for you.

17 MS. RICHARDSON: Thank you.

18 Mr. Barghols, in reviewing your
19 application, I noticed that there were a few
20 unknown or undetermined mineral owners. Please
21 describe what efforts you have taken to identify
22 unknown or undetermined mineral owners.

23 THE WITNESS: Sure. So first we use
24 online resources in an attempt to track down the

1 most recent address and phone numbers for those
2 unknown parties. We also utilize public records
3 in neighboring counties near Monroe to attempt to
4 locate the same.

5 MS. RICHARDSON: Thank you. If you
6 were to receive a unitization order, can you
7 describe what happens to any payments that would
8 be owed to unknown or undetermined mineral owners
9 under the order?

10 THE WITNESS: Yes. Those payments
11 would be held in a holding account.

12 MS. RICHARDSON: Thank you. What is
13 the current average outstanding offer to unleased
14 mineral owners in the proposed unit? And that's
15 the average bonus and average royalty.

16 THE WITNESS: Sure. The average
17 outstanding offer is \$1,500 per net acre on bonus
18 and 18 percent on royalty.

19 MS. RICHARDSON: Thank you. And you
20 mentioned about surface use. Do those offers --
21 do they include surface use?

22 THE WITNESS: There is a mixture of
23 leases that include surface use and those that do
24 not in the outstanding offers. That is a

1 negotiable point in our lease form.

2 MS. RICHARDSON: Thank you. And will
3 those offers expire?

4 THE WITNESS: As of now, they will not
5 expire. We are actively trying to lease all
6 unleased parties and will through this hearing and
7 through a potential unit order being received.

8 At some point we will have to rescind
9 offers, but not until after an order comes in --
10 after designation of statutory unit filing. So,
11 no. Those do not have a set-in-stone expiration
12 date.

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

16 THE WITNESS: Sure. Just to clarify,
17 our outstanding offers, again, are \$1,500 an acre
18 and 18 percent royalty. Our average accepted
19 offer within the unit is \$1,800 bonus and 17.9
20 percent royalty.

21 Very similar on the royalty, but I will
22 address the bonus. The leases that we have
23 already taken, some of those are older leases that
24 we have had awhile and likely had longer terms on

1 the outstanding offers. All of those lease terms
2 are between one and two years; whereas, leases we
3 have taken previously have been up-to-five-year
4 terms.

5 And so the bonus usually runs in
6 lockstep with the term that we seek on those
7 primary terms for those oil and gas leases.

8 MS. RICHARDSON: Thank you. And what
9 is the average offer that was accepted by the
10 leased mineral owners and the proposed unit?

11 THE WITNESS: The average accepted
12 offer is \$1,800 an acre and 17.9 percent royalty.

13 MS. RICHARDSON: Thank you. I just
14 wanted to make sure I ask that question. Do you
15 believe your attempts have been reasonable? And
16 if so, why?

17 THE WITNESS: I do. I think our
18 attempts have been reasonable. I think that is
19 further evidenced by the contact log that we
20 submitted with our initial application and
21 supplemented prior to today's hearing. And is
22 also evidenced by the fact that Expand has
23 79 percent of the acreage included in the proposed
24 unit leased.

1 MS. RICHARDSON: Will you continue the
2 attempts to lease unleased mineral owners after
3 the hearing and after the unitization order is
4 issued, if one is issued?

5 THE WITNESS: Yes. We will continue
6 those efforts after the hearing and after a unit
7 order.

8 MS. RICHARDSON: Now for the
9 non-consenting working interest owners, do you
10 believe in your professional opinion that your
11 attempts to commit non-consenting working interest
12 owners have been reasonable? And if so, why?

13 THE WITNESS: Yes, I do. I think we
14 have a lone party in here, and again, we can't
15 recognize that with a percentage like we can the
16 percentage leased for the unleased owners. But
17 our contact log should shed some more light on the
18 attempts made there with the non-consenting
19 working interest party.

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

23 THE WITNESS: Yes. We will continue
24 those efforts.

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

4 THE WITNESS: Yes, they do.

5 MS. RICHARDSON: Okay. And to
6 establish bonus and royalty amounts in leases, how
7 are they generally determined?

8 THE WITNESS: Yeah. So leasing
9 negotiations are largely based on the free market.
10 But I will say, on the front end of any leasing
11 activity, I meet with my technical team, usually
12 comprised of a geologist and a reservoir engineer,
13 to understand the economics and the implications
14 of the leased bonus on those economics of the
15 proposed unit and the proposed well.

16 Once I have a better understanding
17 there, we approach mineral owners. And there is
18 usually some back and forth between the potential
19 lessor and lessee until we land on a negotiated
20 amount for both bonus and royalty -- but largely
21 based on the free market.

22 MS. RICHARDSON: Thank you.

23 Ms. Barrett, do you have any questions?

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

1 MS. RICHARDSON: Thank you.

2 Mr. Hylton, please call the next
3 witness.

4 MR. HYLTON: Thank you, Ms. Richardson.
5 Our second witness is Kevin Wolfe.

6 MS. RICHARDSON: Please swear in the
7 witness.

8 - - - - -

9 KEVIN WOLFE

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

12 DIRECT EXAMINATION

13 BY MR. HYLTON:

14 Q. Hello, Mr. Wolfe. How are you?

15 A. I'm doing well. Hello, Mark.

16 Q. Please introduce yourself to the panel
17 and tell us a bit about your educational
18 professional background.

19 A. Yeah. So my name is Kevin Wolfe. I'm
20 a senior staff geologist with Expand Energy. I
21 hold a Bachelor's in Geology from the College of
22 Wooster and a Master's in Geology from the
23 University of Illinois, Urbana-Champaign.

24 I have worked in the oil and gas

1 industry since 2008 for operators. And prior to
2 Expand Energy, I worked for Grit Oil & Gas, Noble
3 Energy and EQT Production. My experience is
4 primarily in the lower 48, with most of that being
5 in the Appalachian Basin. I've also worked the
6 Rockies, Permian, and Maverick Basins.

7 Q. Do you belong to any relevant
8 professional associations, Mr. Wolfe?

9 A. Yes. I'm a member of the American
10 Association of Petroleum Geologists and the
11 Houston Geological Society.

12 Q. What sorts of responsibilities are you
13 tasked with at Expand?

14 A. So I'm tasked with evaluating and
15 predicting the subsurface conditions for
16 formations that we will encounter during the
17 drilling of our horizontal wells.

18 I do that by creating and updating
19 geologic maps of depth and other geologic
20 properties. And then I'm also tasked with
21 planning the depth, orientation, and target for
22 upcoming wells.

23 Q. Could you please tell us about the
24 proposed unitized formation for this unit?

1 A. So we're proposing to unitize the Utica
2 and Point Pleasant.

3 Q. And as a geologist, how would you
4 define the term "pool," Mr. Wolfe?

5 A. It's a continuous accumulation of
6 hydrocarbons within a reservoir.

7 Q. Did you evaluate the proposed unitized
8 formation insofar as it underlies the subject
9 unit?

10 A. Yes, I did.

11 Q. Tell us a little bit about that
12 evaluation and some of the informational sources
13 you looked at.

14 A. Yeah. So I start off by looking at
15 nearby vertical and horizontal wells, particularly
16 paying attention to the wireline characteristic of
17 the vertical wells. I then take the wireline
18 information and compare that to the core data that
19 we have that is further away to create a proxy for
20 different geologic properties, and then map those
21 out to the unit that we are interested in.

22 Q. Thank you, Mr. Wolfe. I'm sharing
23 Exhibit F to the application right now. Could you
24 please just briefly explain what is being shown on

1 this exhibit?

2 A. Yes. So Exhibit F displays a black
3 rectangle that is the Paul Holiday G UP unit. It
4 sits in between a pair of blue dots that are
5 connected by a blue line. Those are type wells
6 that are representative of the section that we
7 anticipate encountering in the Paul Holiday wells.

8 Q. I'm going to flip over to Exhibit E
9 now. Would you please tell us what is being shown
10 here, and as a professional, what this information
11 means to you?

12 A. Okay. So Exhibit E is a subset of the
13 wireline logs from those two pilot holes that were
14 collected when those wells were drilled.

15 I have displayed three curves. On the
16 far left in green is the gamma ray, which provides
17 this information about lithology and lithology
18 changes. On the far right in black is the
19 porosity, which tells us about how much space we
20 expect to see within those different rock
21 formations. And then in blue in the middle is
22 resistivity, which is a proxy for hydrocarbon
23 presence. As those values get higher, we
24 anticipate higher amounts of hydrocarbons within

1 the porous space that exists. In addition, I have
2 the tops labeled for the Utica in orange and the
3 Point Pleasant Interval of the Utica in red. And
4 then in purple is the base of our proposed unit,
5 which is the top of the Trenton.

6 Q. Given what you're seeing in these logs
7 and everything else you might have looked at up to
8 this point, do you believe the unitized formation
9 insofar as it underlies this unit is a pool or a
10 part of a larger pool, Mr. Wolfe?

11 A. Yes, it is. Due to the horizontal and
12 vertical consistency of the properties of
13 hydrocarbon-bearing rocks in this area.

14 Q. And do the subsurface characteristics
15 that you referenced that lead you to the
16 conclusion that it is a pool or a part of a larger
17 pool -- do they support the use of that surface
18 acre allocation of unit production and expenses
19 that Mr. Barghols mentioned?

20 A. Yes, they do.

21 Q. Would you please tell us if you believe
22 the 500 percent non-consent penalty found in the
23 operating agreement is fair and reasonable?

24 A. Yes. Because the non-consent penalty

1 is a motivator for all working interest partners
2 who are going to benefit financially from the well
3 to also share in equal amounts of risk. Because
4 the Utica and Point Pleasant are highly
5 overpressured formations, as we drill those, there
6 is operational risk to drilling those wells, that,
7 if there are fractures encountered, can either
8 lead to influxes of gas or losses of mud that
9 could drive up costs.

10 And so one of the goals of that
11 non-consent penalty is to make sure that everyone
12 shares that risk equally.

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

14 MR. HYLTON: Nothing further for me.

15 MS. RICHARDSON: Thank you.

16 Mr. Wolfe, what is the anticipated true
17 vertical depth of the horizontal portion of the
18 wellbore?

19 THE WITNESS: So I'm estimating, at
20 surface hole location, the target of these wells
21 to be at 9,436 feet TVD.

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

1 THE WITNESS: So, the Utica I would
2 anticipate to be around 9,269 feet TVD. Once
3 again, that's at surface hole location. The Point
4 Pleasant would be expected around 9,382 feet TVD.
5 And then the Trenton would be expected at 9,491
6 feet TVD.

7 MS. RICHARDSON: Thank you. And do you
8 expect production from outside the Point Pleasant?

9 THE WITNESS: So while the vast
10 majority of the production is going to come from
11 the Point Pleasant interval, hydrocarbons within
12 the Utica would also be drained by a horizontal
13 place within that interval.

14 MS. RICHARDSON: Thank you.

15 Ms. Barrett, do you have any questions?

16 MS. BARRETT: No questions from me.

17 Thank you.

18 MS. RICHARDSON: Thank you.

19 Mr. Hylton, please call your next
20 witness.

21 MR. HYLTON: Thank you, Ms. Richardson.

22 Our last witness will be Drew Sauer.

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

1 - - - - -

2 DREW SAUER

3 being first duly sworn, testifies and says as
4 follows:

5 DIRECT EXAMINATION

6 BY MR. HYLTON:

7 Q. How are you doing, Mr. Sauer?

8 A. I'm doing well. Thanks, Mark.

9 Q. Please introduce yourself to the panel
10 and tell us about your educational and
11 professional background.

12 A. Yes. Hi, my name is Drew Sauer. I am
13 a staff reservoir engineer at Expand Energy. I
14 received my Bachelor's degree in Petroleum
15 Engineering from the University of Oklahoma.

16 And I've spent the last 14 years in the
17 oil and gas industry, with 8 of those 14 years
18 being in the reservoir discipline.

19 Q. Are you a member of any professional
20 associations?

21 A. Yes. I am a member of the Society of
22 Petroleum Engineers.

23 Q. Tell us a bit more about your job and
24 some of the things that you do at Expand.

1 A. Sure. I am responsible for the
2 development planning and economic evaluations of
3 Marcellus and Utica wells in our Southwest
4 Appalachia business unit. I evaluate ultimate
5 recoveries for planned wells and maintain
6 forecasts for existing wells that are in
7 production.

8 Q. And did your engineering team at Expand
9 forecast well performance for the subject unit?

10 A. Yes.

11 Q. And that was for both a unitized
12 operating scenario and a non-unitized operating
13 scenario, correct?

14 A. Yes, that's correct.

15 Q. At a high level, would you explain that
16 process for us?

17 A. Yes. So nearby production data is
18 reviewed and we estimate well performance and
19 create a type curve on a per lateral length basis.
20 And then we use that type curve and apply it to
21 the full lateral length of the wells in question.

22 Q. And looking at the exhibit that's being
23 presented on the screen, which is the economics
24 exhibit of the application, we are able to see

1 your forecasts for the well in this unit for the
2 two operating scenarios, which are shown in the
3 top two tables here. I would like to start first
4 with the top table. Would you please tell us how
5 much production you expect in that unitized
6 operating scenario?

7 A. Yes. We expect 23.8 BCFe.

8 Q. And, Mr. Sauer, how much do you expect
9 in the non-unitized operating scenario?

10 A. Zero BCFe.

11 Q. And I'll let you get your credit for
12 the math, what is the difference in recovery
13 between those two scenarios?

14 A. That is 23.8 BCFe.

15 Q. And would you consider 23.8 BCFe to be
16 substantial, Mr. Sauer?

17 A. Yes.

18 Q. Is the unit order you are requesting
19 then reasonably necessary to substantially
20 increase the ultimate recovery from the subject
21 unit?

22 A. Yes, it is.

23 Q. I see there are multiple metrics of
24 value shown here for the 23.8 BCFe. But I would

1 like to ask you specifically what that PV10 value
2 is?

3 A. Yes. That's \$11.8 million.

4 Q. And given that that value is positive
5 and not only positive but significant, does the
6 value of the estimated additional hydrocarbons
7 produced, due to the issuance of the order, exceed
8 the estimated additional cost needed to produce
9 them?

10 A. Yes.

11 Q. Would you please explain how well pad
12 costs have been factored into these numbers?

13 A. Yes. So we have an estimate from our
14 planning team. And that full estimate was split
15 evenly among the five planned wells.

16 Q. And both of your colleagues talked
17 earlier about the operating agreement's
18 non-consent penalty. Do you believe that's a
19 reasonable non-consent penalty? And if so, why?

20 A. Yes, I do. And then, adding to what
21 Mr. Wolfe described about the capital risks, the
22 working interest parties must also bear the risk
23 profile of commodity prices as well as well
24 performance.

1 Q. Thank you very much, Mr. Sauer.

2 MR. HYLTON: Nothing further for me at
3 this time.

4 MS. RICHARDSON: Thank you.

5 Mr. Sauer, what is the estimated
6 economic life of the well in years?

7 THE WITNESS: We anticipate more than
8 50 years.

9 MS. RICHARDSON: And again, what price
10 was used in the economic calculations?

11 THE WITNESS: For the gas price, we
12 used \$3.50 to life and an oil price of \$60 flat to
13 life.

14 MS. RICHARDSON: Thank you. When do
15 you estimate you will recover the costs of
16 drilling, testing, and completing the wells at
17 one, one and a half, two, and three?

18 THE WITNESS: At one time, we
19 anticipate about 2.1 years. At one-and-a-half
20 times, we anticipate 2.9. At two times, we
21 anticipate 4.1 years. And at three times, we
22 anticipate 13.1 years.

23 MS. RICHARDSON: Thank you. Now I know
24 you're proposing one well. So how many total will

1 be drilled from the pad?

2 THE REPORTER: Excuse me. I'm sorry to
3 interrupt.

4 Mr. Sauer, could you repeat the
5 one-and-a-half-times anticipated payout?

6 THE WITNESS: Sure. One-and-a-half
7 times, we anticipate 2.9 years.

8 MS. RICHARDSON: Okay. So my question
9 is, how many total wells will be drilled from the
10 pad? I know we have one proposed well.

11 THE WITNESS: Right. So we anticipate
12 five planned wells on this trip.

13 MS. RICHARDSON: Okay. What amount was
14 included for plugging and restoration costs in
15 your economic calculations?

16 THE WITNESS: \$250,000 per well.

17 MS. RICHARDSON: Thank you. What is
18 the estimated BCFe per 1,000 feet?

19 THE WITNESS: We estimate 1.51 BCFe per
20 1,000 feet.

21 MS. RICHARDSON: What is the estimated
22 recovery factor in the area?

23 THE WITNESS: Approximately 30 to 35
24 percent.

1 MS. RICHARDSON: That's all the
2 questions I have.

3 Ms. Barrett, do you have any questions?

4 MS. BARRETT: Yes, I do.

5 - - - - -

6 CROSS-EXAMINATION

7 BY MS. BARRETT:

8 Q. In reviewing the hearing exhibits, it
9 looks like there were only four wells used to
10 estimate the economic calculations. Can you
11 explain why those four wells were used?

12 A. Those wells are used because they are
13 the nearest wells to our proposed wells. And they
14 have a similar completion design to what we
15 anticipate pumping on this -- on these wells.

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

18 MS. RICHARDSON: Thank you.

19 Toward the end of this hearing, we have
20 two individuals that would like to make comments.
21 But before we get to them, I need to go ahead and
22 ask if there is anyone else that would like to ask
23 questions or make comments.

24 So if you have joined us via WebEx and

1 would like to make comments, please unmute
2 yourself and state your name.

3 Hearing none.

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

7 Hearing none.

8 So with that, I want to ask if Eric
9 Moore is still there.

10 MR. MOORE: Yes, I'm here. Thank you,
11 Mrs. Richardson.

12 MS. RICHARDSON: Thank you. Mr. Moore,
13 as a reminder, we ask that any interested party
14 who speaks here today pose any questions to the
15 Division and we will then ask any questions to the
16 Applicant.

17 Please swear in Mr. Moore.

18 - - - - -

19 Eric Moore, having been duly sworn,
20 testifies and says as follows.

21 MS. RICHARDSON: Please proceed with
22 your questions or comments.

23 MR. MOORE: First question would be to
24 the State, I guess. I'm just a landowner in this

1 unit -- or several of these Holiday units.

2 And so my question is, assuming that
3 all the paperwork is turned in and everything is
4 up to par, what is the timeline that the state
5 takes before issuing a permit to Expand to go
6 ahead and start drilling?

7 MS. BARRETT: Yeah. So just in terms
8 of background, after this hearing, the Division
9 has 60 days to issue an order on this application.
10 And then there is a separate permitting process
11 that also occurs. So roughly three months, give
12 or take, would be the fastest; however, there are
13 deadlines to do certain things that would be set
14 forth in any order that would be issued. So the
15 operator would need to comply with any of those.

16 MR. MOORE: Okay. Based on the
17 information that has been provided, do you see any
18 reason that deadline would be unachievable at this
19 point? Or does it seem like we should be able to
20 get that going within that 90-day time frame?

21 MS. BARRETT: So if there are any
22 deficiencies or issues with the application, we
23 communicate those to the Applicant. There are no
24 outstanding issues that have been communicated to

1 the Applicant at this point.

2 MR. MOORE: Very good. My next
3 question is for Mr. Wolfe.

4 MS. BARRETT: Okay. Please proceed.

5 MR. MOORE: Mr. Wolfe, I know you
6 mentioned the Utica-Point Pleasant layers, but is
7 there any reason to think that Marcellus could be
8 a possibility for this pad and this -- in this
9 area?

10 MS. BARRETT: So one caveat, Mr. Wolfe,
11 before you answer, is that I know that we're here
12 for purposes of this application, so I'm not going
13 to require an answer. But to the extent that you
14 can answer, or want to answer, Mr. Moore, you can.

15 MR. WOLFE: And so I'm okay with
16 providing the answer. I do know that there are
17 several companies that have recently talked about,
18 in their earnings reports, that they are extending
19 their Marcellus plays into Ohio.

20 And we do operate Marcellus wells that
21 are in Monroe County closer to the Ohio River. So
22 it's still TBD, to be determined, as far as
23 potential for productivity. We are getting
24 towards the edge of the depositional portion of

1 the basin. So I think that additional science
2 will have to be done before, I think, anyone would
3 be able to positively weigh in on that.

4 MR. MOORE: I appreciate that. The
5 other part to that question was, I know this unit
6 seems to be heading south -- initially when
7 Gulfport had the pad, they had proposed in their
8 early permitting going north and south. If that
9 happens, would all the acres at that point be one
10 pool? Or are we still going to be separate for
11 those that own property in the south, like myself?

12 MR. HYLTON: Ms. Barrett.

13 MS. BARRETT: Yeah.

14 MR. HYLTON: Very, very gently here --
15 not an objection. But again, like you mentioned,
16 we're here on the Paul Holiday G UP unit, and this
17 is all a bit speculative. So I don't know that I
18 feel comfortable having my witnesses talking about
19 speculative units to the north here and now.

20 MS. BARRETT: Yeah. Understood.

21 Mr. Moore, this application is limited
22 to the application that's in front of the
23 Division. So because it's a hypothetical
24 potential development question, I'm not going to

1 require the answer from the Applicant.

2 MR. MOORE: That's fine. That's all I
3 had, thank you. I wish you well drilling, and I
4 hope it's a gusher.

5 MS. RICHARDSON: Thank you. The next
6 person that wanted to ask a question or make a
7 comment -- first name is Mark?

8 Are you there?

9 MR. LANDEFELD: Yes. Mark Landefeld.

10 MS. RICHARDSON: Oh, Landefeld. Okay,
11 thank you. Let's go ahead and swear you in.

12 Please swear in the witness.

13 - - - - -

14 Mark Landefeld, having been duly sworn,
15 testifies and says as follows.

16 MS. RICHARDSON: Please proceed with
17 your question or comment.

18 MR. LANDEFELD: Okay, yes. I had been
19 contacted by a cousin of mine that said she had
20 received a letter that said they would be part of
21 that unit on the Holiday pad.

22 And my father and my aunt were listed
23 as unknown heirs in that document, and it's been
24 published in a newspaper. I've tried to contact

1 Mr. Barghols by phone and by email to fill out an
2 affidavit of heirship. But I have not received
3 any information back from anyone, so I'm just
4 trying to make contact so that the proper
5 paperwork is filed.

6 MS. BARRETT: Okay. Thank you for your
7 comments, Mr. Landefeld.

8 Applicant, are you willing to stay on
9 the call after the hearing to touch base with him
10 about contact information?

11 MR. BARGHOLS: Yes, absolutely. I saw
12 that after I hopped on the call, Mr. Landefeld
13 called again.

14 So, happy to have a conversation with
15 him and work to get things sorted. Speaks to what
16 we talked about earlier, about unleased or unknown
17 parties and our continued efforts with them after
18 the hearing. So, happy to do that.

19 MS. BARRETT: Okay.

20 And, Mr. Landefeld, if you could just
21 stay on the line after we close the hearing, then
22 you can exchange that information with the
23 Applicant. Thank you.

24 MR. LANDEFELD: Thank you very much.

1 MS. BARRETT: Thank you.

2 MS. RICHARDSON: Ms. Barrett, do you
3 have any additional questions for the Applicant?

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

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

7 MR. HYLTON: We don't. Thank you, the
8 Division, for your time.

9 And, Mr. Moore and Mr. Landefeld, we
10 appreciate your comments.

11 MS. RICHARDSON: Thank you. The
12 hearing is now concluded.

13 - - - - -

14 Thereupon, the foregoing proceedings
15 concluded at 12:11 p.m.

16 - - - - -

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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.

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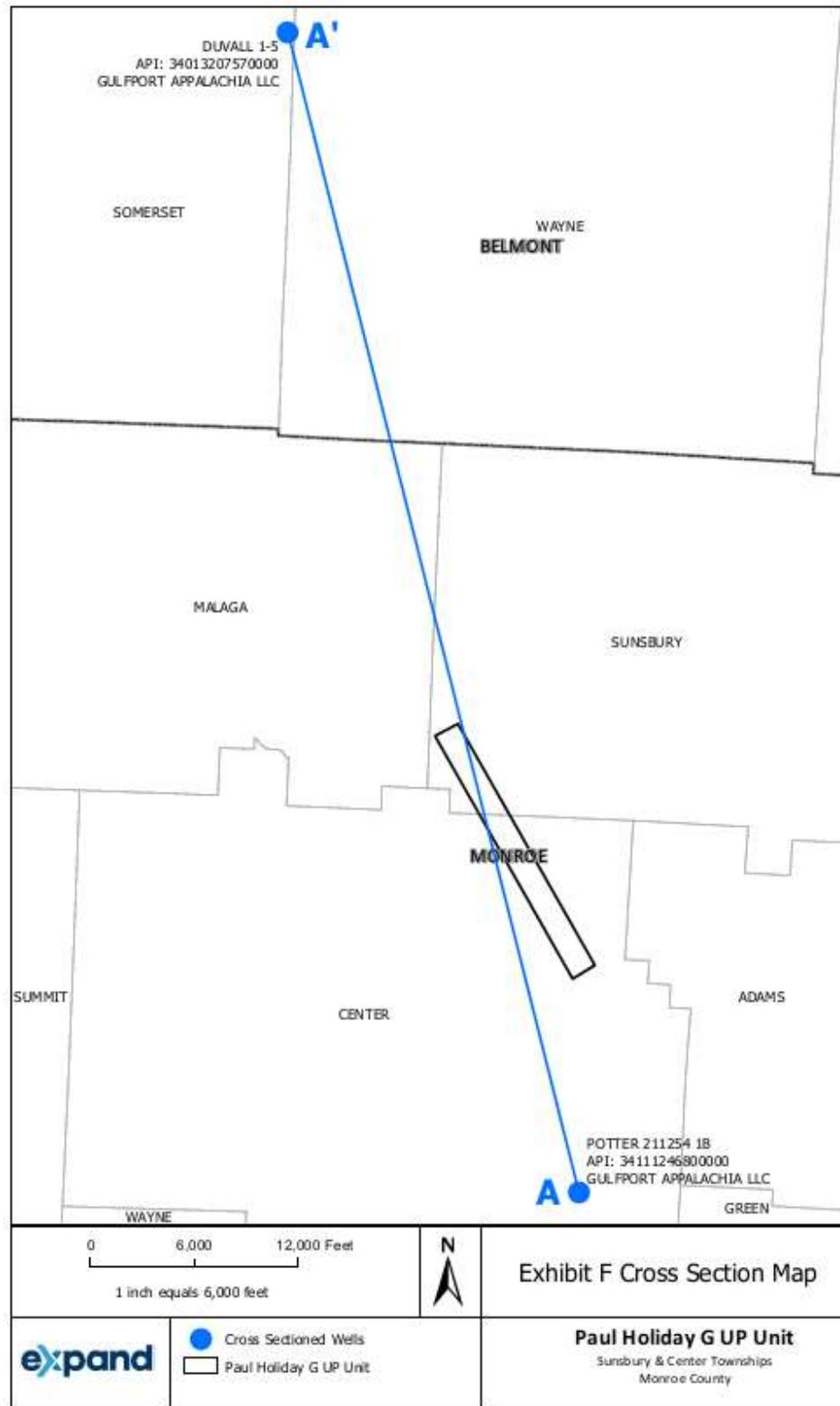
Bridget Mary Hoyer, Notary Public - State of Ohio
My commission expires April 14, 2030.

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

EXPAND OPERATING LLC

PAUL HOLIDAY G UP UNIT

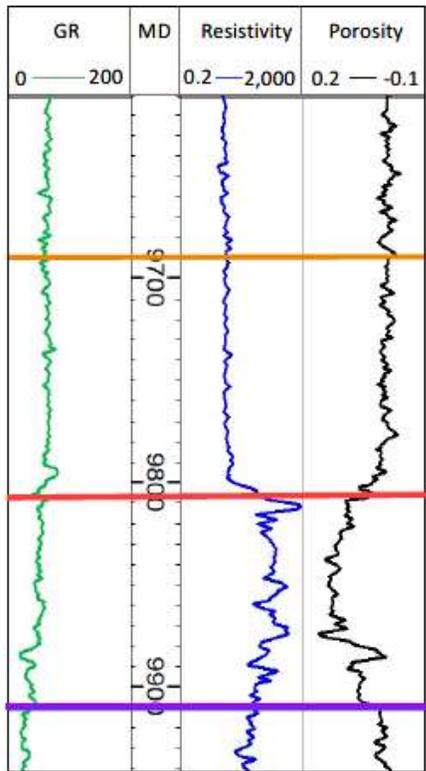
Application for Unit Operations



Geologic Cross-Section Exhibit E – Paul Holiday G UP Unit Monroe County, Ohio

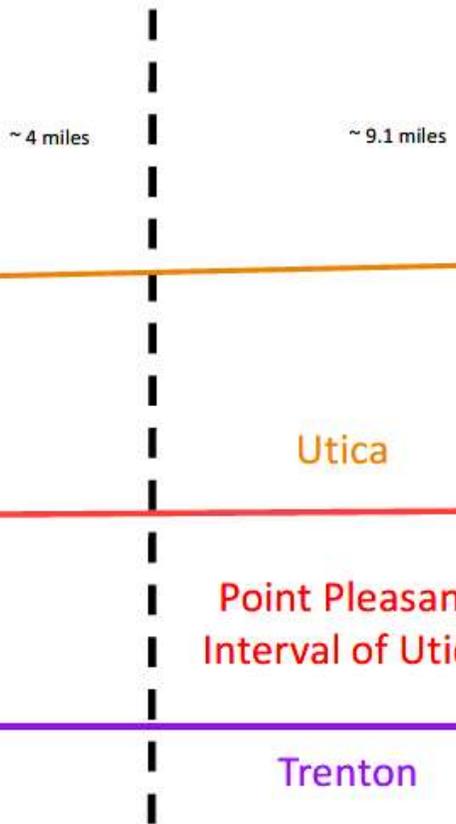
A

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



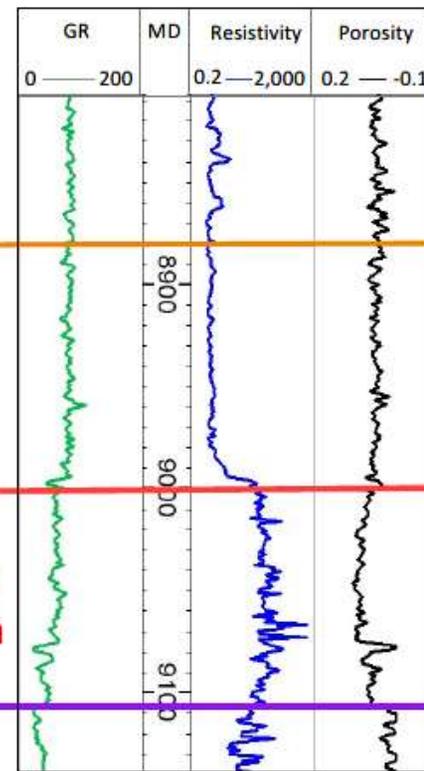
TD = 10,115'

Paul Holiday G UP Unit
EXPAND OPERATING LLC

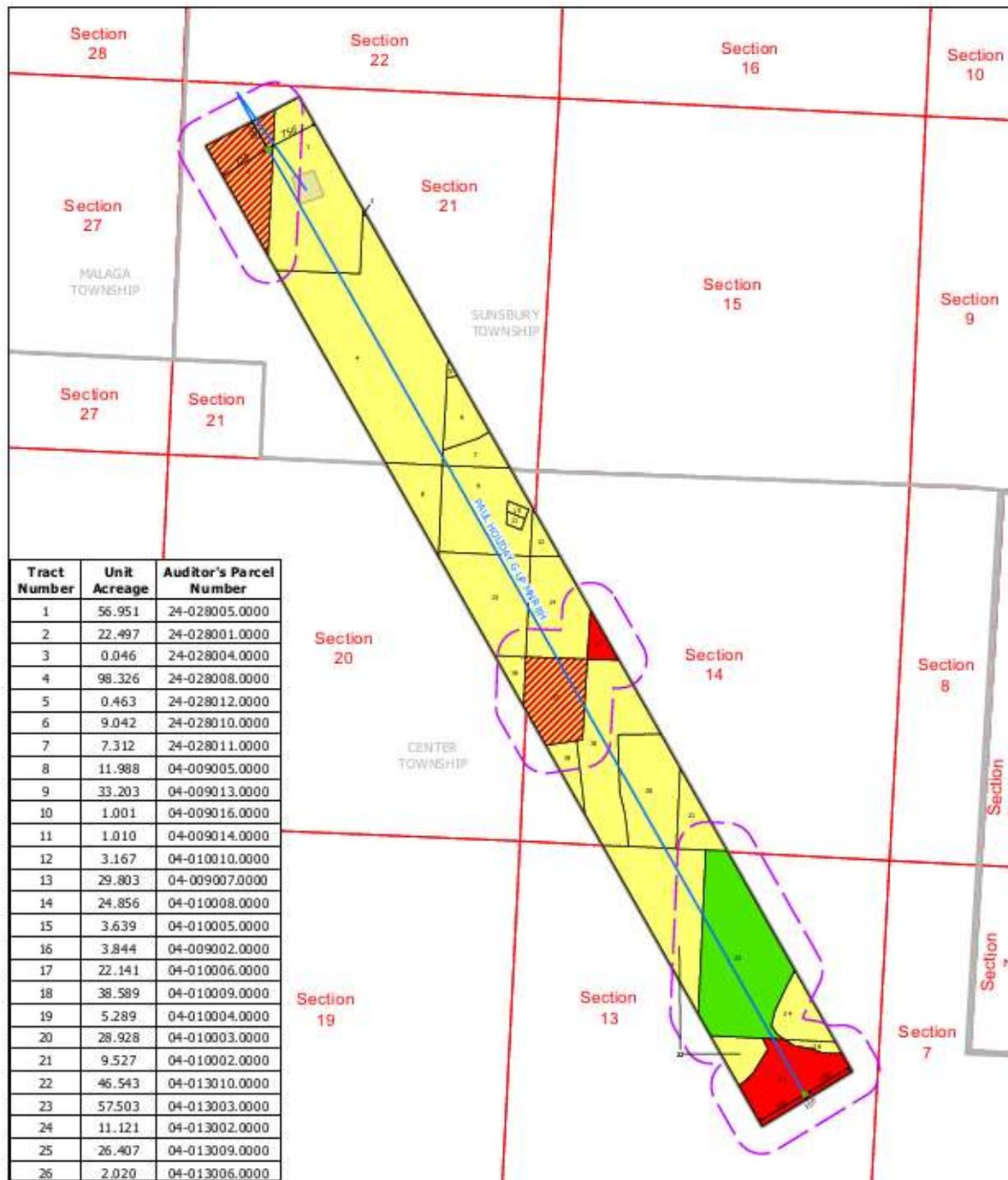


A'

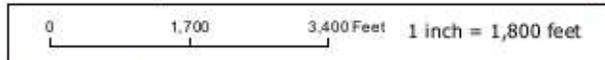
Duvall 1-5 Pilot Hole
API: 34013207570000
Gulfport Appalachia, LLC



TD = 9,185'



Tract Number	Unit Acreage	Auditor's Parcel Number
1	56.951	24-028005.0000
2	22.497	24-028001.0000
3	0.046	24-028004.0000
4	98.326	24-028008.0000
5	0.463	24-028012.0000
6	9.042	24-028010.0000
7	7.312	24-028011.0000
8	11.988	04-009005.0000
9	33.203	04-009013.0000
10	1.001	04-009016.0000
11	1.010	04-009014.0000
12	3.167	04-010010.0000
13	29.803	04-009007.0000
14	24.856	04-010008.0000
15	3.639	04-010005.0000
16	3.844	04-009002.0000
17	22.141	04-010006.0000
18	38.589	04-010009.0000
19	5.289	04-010004.0000
20	28.928	04-010003.0000
21	9.527	04-010002.0000
22	46.543	04-013010.0000
23	57.503	04-013003.0000
24	11.121	04-013002.0000
25	26.407	04-013009.0000
26	2.020	04-013006.0000



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

EXHIBIT D
Paul Holiday G UP Unit
Unit Size: 555.216 Acres
 Center and Sunsbury Townships, Monroe County OH
 Revised 11/6/2025



Section 5. Economic Calculation Summaries *Required*

Unitized Scenario

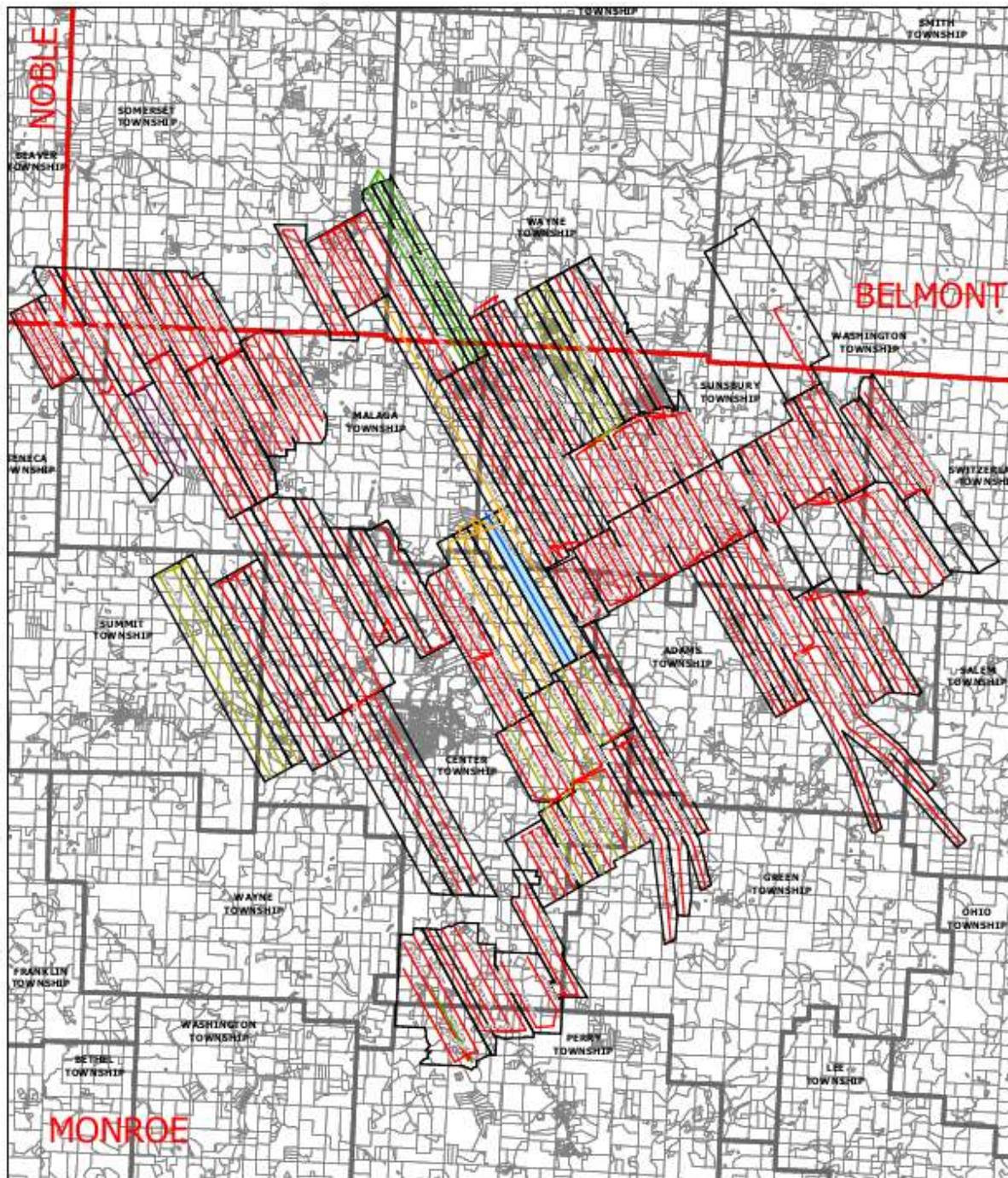
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday G UP MNR 8H	15,763	25,776	\$4.9	\$12.1	\$43.5	\$25.3	\$11.8	23.8
Total:	15,763	25,776	\$4.9	\$12.1	\$43.5	\$25.3	\$11.8	23.8

Non-Unitized Scenario

Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
Paul Holiday G UP MNR 8H	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

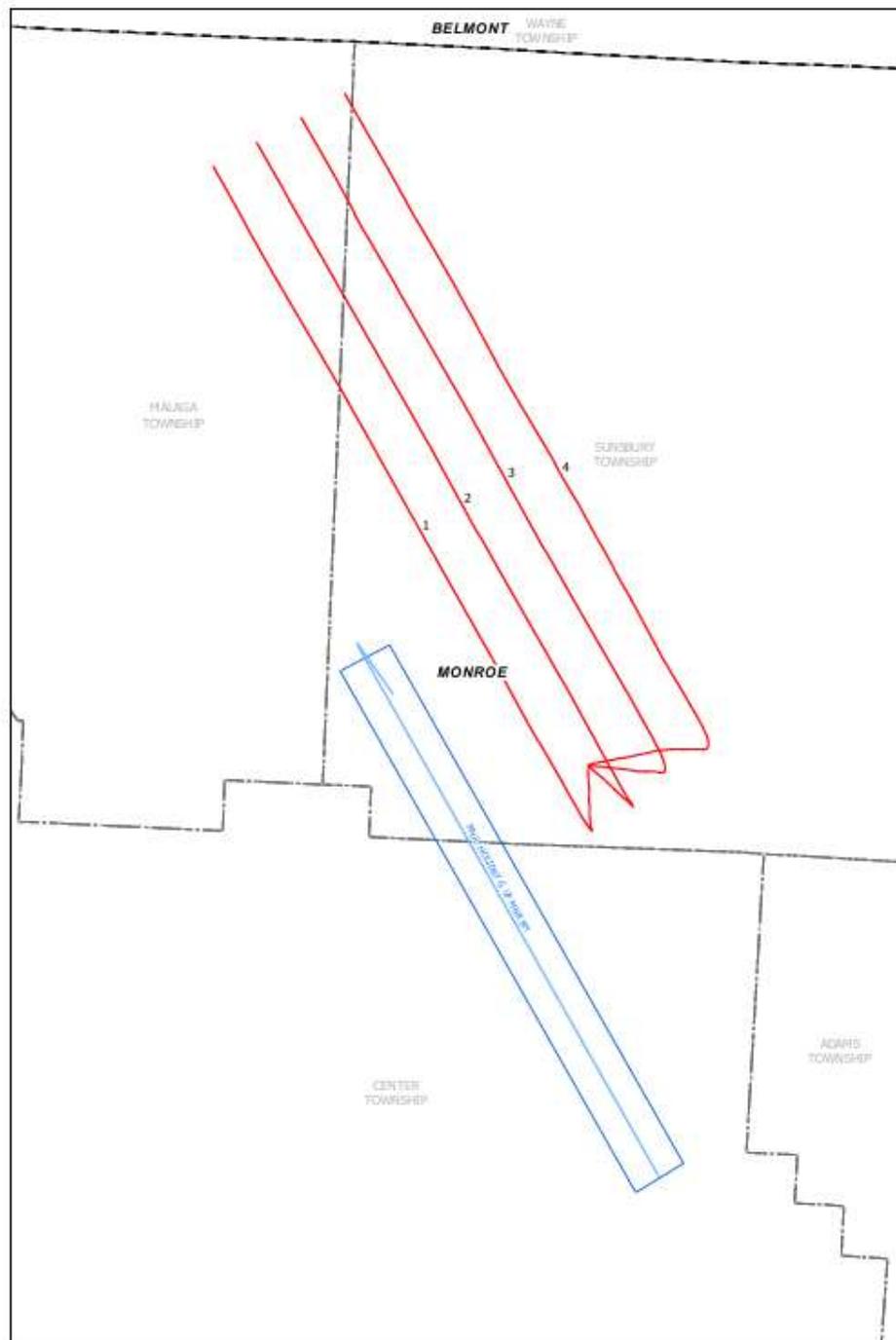
Difference

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 G UP MNR 8H	15,763	25,776	\$4.9	\$12.1	\$43.5	\$25.3	\$11.8	23.8
Total:	15,763	25,776	\$4.9	\$12.1	\$43.5	\$25.3	\$11.8	23.8



<p>0 11,000 22,000 Feet 1 inch = 12,000 feet</p>		<p>N </p>
<p>— Drilling</p>	<p>— Producing</p>	<p>— Subject Wellbore</p>
<p>— Permitted</p>	<p>— Planned</p>	<p>▬ Townships</p>
<p>— Plugged/Abandoned</p>	<p>▬ Unit Boundary</p>	<p>▬ Tax Parcels</p>

Adjacent Units Map
Paul Holiday G UP Unit
 Unit Size: 555.216 Acres
 Center and Sunsbury Townships, Monroe County OH



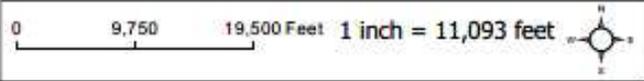
<p>0 2,700 5,400 Feet 1 inch = 3,000 feet</p>	
<p> Township/District Counties </p>	<p> Producing Wellbores Planned Wellbores Unit Boundary </p>

**Reserve Calculations
Paul Holiday G 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	1.060865 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

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