

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

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In re: :
The Matter of the :
Application of EAP :
Ohio, LLC for Unit : Application Date:
Operation : June 24, 2025
:
Sunfish GY CEN East :
Unit :

- - - - -

UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Host Cynthia Marshall
All Parties Appearing Remotely
August 20, 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-3
Columbus, OH 43229
By Jennifer Barrett, Esq.
(Via videoconference)

ON BEHALF OF EAP OHIO, LLC:

Bricker Graydon, LLP
100 South Third Street
Columbus, OH 43215
By Jenae Allert, Esq.
(Via teleconference)

ALSO PRESENT:

Barbara Richardson (Via videoconference)
Cory Cosby (Via videoconference)
Jeff Large (Via videoconference)
Megan Zemke (Via videoconference)
Matt Schaefer (Via videoconference)
Matt Canich (Via videoconference)
Abe Zayed (Via videoconference)
June Lunney (Via videoconference)
Larry Kleiman (Via videoconference)
Mary Kleiman (Via videoconference)
Connie Winkler (Via videoconference)
Tim Struble (Via videoconference)
Beth Wehr (Via videoconference)

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(PDF exhibits attached to the transcript.)

1 interest owner, or an owner with property in the
2 Sunfish GY CEN East 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 is 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 Wednesday, August 20th, 2025.
19 And we are here on the matter of the application
20 of EAP Ohio, LLC, for unit operation of the
21 Sunfish GY CEN East. This hearing before the Ohio
22 Department of Natural Resources, Division of Oil
23 and Gas Resources Management, is convened pursuant
24 to Ohio Revised Code Section 1509.28.

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

6 On June 24th, 2025, EAP filed with the
7 Division an application for unit operations for a
8 unit designated as a Sunfish GY CEN East. EAP
9 filed subsequent revisions to the application.
10 The unit is proposed to be located in Guernsey
11 County, Ohio. In its application, EAP claims to
12 have the mineral rights through voluntary
13 agreements to approximately 915.35683309 acres of
14 the desired approximate 1,093.55655300-acre unit.

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

1 Neither the Chief nor any of us here
2 today have made any decisions on EAP'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 EAP 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 Sunfish GY CEN East 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 EAP. Additionally,
7 anyone speaking today will be asked to provide
8 their information to the court reporter. If you
9 are uncomfortable speaking during the hearing, we
10 will also accept written comments.

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

13 MS. ALLERT: Thank you and good
14 afternoon. My name is Jenae Allert. And I'm an
15 attorney with Bricker Graydon, here on behalf of
16 the Applicant, EAP Ohio, LLC. EAP is here today
17 with a request for the Division to grant an order
18 for unit operations for the Sunfish GY CEN East
19 unit, or for short, the "Sunfish East" unit. The
20 proposed unit is located in Cambridge and Center
21 Township of Guernsey County, Ohio.

22 As you will hear today from our
23 witnesses, EAP, EAP's parent company EOG Resources
24 Inc., along with the consenting working interest

1 owners, are the "owners," as that term is defined
2 in Ohio Revised Code Section 1509.28, of
3 approximately 83 percent of the acreage in the
4 proposed Sunfish East unit. This exceeds the 65
5 percent threshold set by ORC Section 1509.28.

6 As can be seen from Exhibit D to the
7 application, which is now on the screen, and as
8 the witnesses will explain, the proposed Sunfish
9 East unit consists of 276 tracts totaling
10 approximately 1,093.556553 acres.

11 It proposes to drill three horizontal
12 wells from a pad site located in the central part
13 of the unit, drilling one lateral in a
14 northwesterly direction and two laterals in a
15 southeasterly direction. The lateral portion of
16 these wells will each extend horizontally through
17 the unit for approximately 1,994 [sic] feet for
18 the 5H, 16,890 feet for the 10H, and 15,643 feet
19 for the 210H lateral.

20 EAP seeks an order for unit operation
21 from the Division due to unleased tracts as well
22 as non-consenting tracts in the unit. In support
23 of its application, the Applicant will call Matt
24 Buckles, a land specialist; Randy Daniels, a

1 geoscience operations advisor; and Michael Casto,
2 a reservoir engineer. Each will testify that the
3 application meets the requirements for granting an
4 order for unit operations under ORC 1509.28.

5 With that, we call our first witness,
6 Matt Buckles.

7 - - - - -

8 MATT BUCKLES

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

11 DIRECT EXAMINATION

12 BY MS. ALLERT:

13 Q. Good afternoon. Can you please state
14 your name for the record as well as your place of
15 employment.

16 A. My name is Matt Buckles. And I work
17 for EOG Resources, Inc., or EOG.

18 Q. And what is your position at EOG?

19 A. Land specialist.

20 Q. Can you please describe for us your
21 educational background?

22 A. Sure. I have an undergraduate degree
23 from Purdue University and an MBA from the
24 University of Oklahoma.

1 Q. And can you also provide for us your
2 professional experience in the oil and gas
3 industry?

4 A. For the last six and a half years I
5 worked for Encino Energy. And prior to that, I
6 worked with Chesapeake Energy as well as Ascent
7 Resources. And as of August of this year, I began
8 work as a land specialist for EOG.

9 Q. Are you a member of any professional
10 associations?

11 A. Yes. I'm a member of the American
12 Association of Professional Landmen, or AAPL.

13 Q. Are there any continuing education
14 requirements in order to maintain your membership?

15 A. Yes. To maintain my CPL designation,
16 I'm required to obtain 50 continuing education
17 credits every five years.

18 Q. Can you describe for us some of your
19 work and responsibilities as a land specialist
20 with EOG?

21 A. Yes. As a land specialist at EOG, I
22 help facilitate the development of the Utica Shale
23 asset and manage all aspects of landwork,
24 including but not limited to lease acquisitions,

1 title review, leasehold trade agreements, and
2 development planning.

3 Q. Thank you. Did you assist with
4 preparing the application for unitization of the
5 Sunfish East unit?

6 A. Yes.

7 Q. Looking at Exhibit D, I would like to
8 turn your attention to the color-coded map on the
9 slide. Can you please describe for us what this
10 color-coded map entails?

11 A. Yes. This map shows all 276 parcels
12 that are included in the Sunfish East unit that
13 are each identified by a specific tax parcel
14 number and given a tract number.

15 It also categorizes each parcel by its
16 status within the unit. For example, yellow
17 parcels are leased and consenting, green parcels
18 are non-consenting, crosshatched yellow and red
19 are partially unleased and partially consenting,
20 crosshatched yellow and green are partially
21 non-consenting and partially consenting, and red
22 parcels are unleased. The black dotted lines
23 illustrate the 400-foot setback required by Ohio
24 law.

1 And lastly, the map shows the planned
2 surface location and the three planned wells that
3 EAP plans to drill and produce from the
4 Utica-Point Pleasant pool.

5 Q. And can you tell us what the size of
6 the Sunfish East unit is?

7 A. The Sunfish East unit is approximately
8 1,093.55655 acres.

9 Q. You mentioned that there will be three
10 wells drilled in this unit. How many wells will
11 be drilled from the pad site in total?

12 A. At this time we have five wells
13 planned, with two wells drilling north off of the
14 pad and three wells to the south.

15 Q. As far as the pad site, what gives EAP
16 the right to drill and operate wells from this pad
17 site?

18 A. EAP has a surface use agreement with
19 the pad site owner.

20 Q. And what is the basis for the shape of
21 the unit boundary?

22 A. The unit boundary has been designed to
23 abut already-formed producing units to the south.

24 Q. And looking at the laterals that are

1 proposed in the Sunfish East unit, can you please
2 provide for us the expected length if the
3 unitization order is granted?

4 A. Yes. I believe they are
5 approximately -- for the northern well, the 5H is
6 approximately 11,990 feet. For the 10H lateral,
7 which is the western southbound lateral, it's
8 approximately 16,890 feet. And for the remaining
9 well, the 210H, that would be approximately 15,643
10 feet.

11 Q. And for those measurements that you
12 just provided, do those take into account and also
13 comply with Ohio's statutory setback?

14 A. Yes.

15 Q. What is your expected timeline for
16 development?

17 A. We will drill and complete the wells in
18 compliance with the time frame specified in the
19 Chief's Order if an order is issued.

20 Q. What percent of the unit is currently
21 in a consenting status?

22 A. Approximately 83.704 percent of the
23 unit is committed to unit operations.

24 Q. And who are the working interest owners

1 that make up that consenting percentage?

2 A. In addition to EAP Ohio, LLC, and EOG
3 Resources, Inc., we also have Ironhead Resources
4 II, LLC; Wallace Family Partnership, LP; and
5 Collins Utica, LLC.

6 Q. You mentioned earlier, the tract
7 categories that are green designate working
8 interest owners. Have you listed those
9 non-consenting working interest owners in the
10 application?

11 A. Yes. I have listed them on Exhibit A.

12 Q. And what percentage of the Sunfish East
13 unit remains in a non-consenting status?

14 A. Approximately 6.95 percent.

15 Q. And what is the status of your efforts
16 to commit the non-consenting working interest
17 owners listed in Exhibit A?

18 A. Over the course of several months, we
19 have offered non-consenting owners the opportunity
20 to sell, trade, or otherwise commit their acres to
21 the unit. For those parties listed in the
22 application and as outlined in Exhibit G, we have
23 ongoing efforts to commit the non-consenting
24 leasehold owners.

1 Q. As far as the tracts that are red,
2 which means unleased, can you please provide for
3 us the percentage of the unit that is made up of
4 unleased interest?

5 A. Yes. That is approximately
6 9.34 percent.

7 Q. And how many acres in the unit does the
8 unleased interest account for?

9 A. It currently comprises approximately
10 102 mineral acres.

11 Q. Can you describe generally for us the
12 efforts that you have made to lease the owners of
13 the unleased tracts?

14 A. Yes. We make efforts to lease all of
15 the unleased interests. And those efforts are
16 listed in Exhibit G of the application. Generally
17 speaking, we make phone calls, send mailings, and
18 have in-person meetings to try to reach mutually
19 agreeable lease terms.

20 Q. Since the filing of the initial
21 application, have you continued your efforts to
22 lease the unleased mineral owners as well as
23 commit the non-consenting working interest owners?

24 A. Yes. And in fact, we have come to

1 terms with an additional 8 percent of the interest
2 that was initially listed as non-consenting or
3 unleased in the application. And that increase
4 was reflected in our most recent supplement to our
5 application.

6 Q. Thank you. I would like to turn to
7 another item that was included in the application
8 and that is the unit plan. Are you familiar with
9 this document?

10 A. Yes.

11 Q. And can you please tell us the purpose
12 of the document?

13 A. It's twofold; one, it helps define the
14 rights of the parties in the unit, and it also
15 combines the oil and gas rights as if the unit was
16 done under one lease.

17 Q. And under the unit plan, how will
18 royalties and expenses be allocated in the unit?

19 A. On a surface acreage basis.

20 Q. And is that allocation methodology
21 common in Ohio operations such as the ones
22 proposed today?

23 A. Yes.

24 Q. Who pays the unit expenses?

1 A. The participating working interest
2 owners.

3 Q. Do the royalty owners pay unit expenses
4 under the terms of the unit plan?

5 A. No.

6 Q. Did you include a joint operating
7 agreement, or JOA, in the application?

8 A. Yes.

9 Q. Does the JOA contain a mechanism for
10 proposing operations to non-operator working
11 interest owners?

12 A. Yes, it does.

13 Q. Can you please explain that mechanism
14 to us?

15 A. Sure. Under Article 6 to the JOA, it
16 provides that a proposal will be sent by the
17 operator to the non-operating working interest
18 owners. The proposal will contain the proposed
19 location of the initial well and an AFE setting
20 for the estimated costs to drill and complete the
21 initial well.

22 Q. Are there non-consent penalties
23 contained in the JOA, to the extent a party elects
24 to not participate in unit operations?

1 A. Yes.

2 Q. Given your history and experience in
3 the oil and gas industry as well as your
4 experience in the Utica play, do you believe the
5 non-consent penalties as set forth in the JOA to
6 be just and reasonable?

7 A. Yes.

8 Q. Thank you.

9 MS. ALLERT: No further questions.

10 MS. MARSHALL: Thank you.

11 Ms. Barrett, do you have any questions?

12 MS. BARRETT: Yes, I do.

13 - - - - -

14 CROSS-EXAMINATION

15 BY MS. BARRETT:

16 Q. Could you please describe the efforts
17 you have taken to identify the unknown or
18 undetermined mineral owners in the proposed unit?

19 A. Yes. We have continued to work
20 heirships, which involves utilizing online
21 resources like ancestry or online digital
22 recorders' offices or probate courts throughout
23 the U.S., as well as connecting with individuals
24 that we have identified and trying to understand

1 other parts of family trees associated with the
2 same. And we are continuing those efforts today.

3 Q. Okay. And if you were to receive a
4 unitization order, can you please describe what
5 would happen to any payments owed to unknown or
6 undetermined mineral owners under the order?

7 A. So initially we would keep those funds
8 in suspense while we continue to identify and
9 distribute the royalties to these owners on an
10 ongoing basis.

11 Q. What is the current average outstanding
12 offer to the unleased mineral owners in the
13 proposed unit?

14 A. It looks like it is approximately
15 \$5,000 an acre and a 20-percent royalty.

16 Q. Is that average royalty based on a
17 gross or net amount?

18 A. I believe for all the outstanding
19 offers, that is based on a gross amount.

20 Q. Okay. And do those offers include
21 surface use?

22 A. It's a combination of both. But most
23 do allow surface operations.

24 Q. When will those offers expire?

1 A. The offers are still valid and do not
2 have a specific expiration date. And we are going
3 to continue negotiating with the landowners to the
4 extent that it's fruitful, even beyond an
5 acceptable Chief's Order.

6 Q. What is the average offer that was
7 accepted by the leased mineral owners in the
8 proposed unit?

9 A. So that is approximately \$3,625 an acre
10 and 17.74 percent royalty, which is a mix of net
11 and gross.

12 Q. And can you please explain the
13 difference between the current outstanding offer
14 and the average offer that was accepted?

15 A. So a lot of that is due to just the
16 time frame. We have been leasing in this area for
17 a handful of years now, and the closer we get to
18 development, it seems that the outstanding offers
19 are increasing as other third parties are becoming
20 part of -- to try and become part of our
21 operations.

22 Q. Do you believe your lease attempts have
23 been reasonable?

24 A. We do.

1 Q. Okay. Can you explain why?

2 A. Sure. So in some cases, we have
3 reached out over a handful of years with owners,
4 and that extends even through today. And beyond
5 this hearing today, we are going to continue
6 working with owners. And outside of that, within
7 this area, we have negotiated thousands of leases
8 with other landowners and also acquisitions with
9 third parties. That would suggest that we are
10 operating within the market terms.

11 Q. And will you continue attempts to lease
12 the unleased mineral owners after a unitization
13 order is issued, if one is issued?

14 A. Yes.

15 Q. Do you believe your attempts to commit
16 the non-consenting working interest owners have
17 been reasonable?

18 A. Yes.

19 Q. And why?

20 A. Similar to the unleased owners, we have
21 been working with a lot of these companies or
22 individuals for a handful of years in this area,
23 as well as other areas within the basin. And we
24 are going to continue working with them and

1 contact them after this hearing today.

2 Q. Do the leases in the unit authorize
3 drilling into and producing from the proposed
4 unitized formations?

5 A. Yes.

6 Q. And to establish bonus and royalty
7 amounts in leases, how are those generally
8 determined?

9 A. Those are initially determined when we
10 enter a new area by our subsurface teams. And
11 over time that evolves based on the preferences of
12 individual landowners for specific parameters that
13 they want to be considered in their lease as well
14 as competition over time within any given area.

15 Q. Okay. Thank you.

16 MS. BARRETT: No further questions from
17 me.

18 THE WITNESS: Thank you.

19 MS. MARSHALL: Okay. Thank you.

20 Ms. Allert, please call your next
21 witness.

22 MS. ALLERT: Thank you.

23 Next we call Mr. Randy Daniels.

24 MS. MARSHALL: Please swear in the

1 witness.

2

- - - - -

3

RANDY DANIELS

4

being first duly sworn, testifies and says as

5

follows:

6

DIRECT EXAMINATION

7

BY MS. ALLERT:

8

Q. Can you please introduce yourself and

9

provide your place of employment.

10

A. Sure. My name is Randy Daniels. And

11

I'm employed by EOG Resources.

12

Q. What is your position at EOG?

13

A. My title is geoscience operations

14

advisor.

15

Q. Can you please describe for us your

16

education that led to your position at EOG?

17

A. Sure. I hold two degrees. I have a

18

bachelor's in geology from the University of

19

Houston, and I also have a master's in geology

20

from the University of Houston. I graduated in

21

2010.

22

Q. Can you please describe your

23

professional experience and your work history?

24

A. Yeah. I have over 14 years of

1 petroleum industry experience as a geologist. My
2 first eight years were spent at Marathon Oil
3 Corporation. At Marathon, I worked multiple
4 basins across the U.S., from the Anadarko, Eagle
5 Ford, Delaware, Permian, and Williston Basins.

6 Most recently I was employed by Encino
7 Energy for the last seven years as an operations
8 geology manager, where I led a team in well
9 planning and geosteering operations in the
10 Appalachian Basin. And then as of August of this
11 year, I have joined EOG.

12 Q. Can you describe your work as a
13 geoscience operations advisor at EOG?

14 A. Yeah. I am one of the geologists
15 responsible for the geological information
16 necessary to produce well permits and drilling
17 plans for the development and drilling of the
18 Utica-Point Pleasant asset owned or operated by
19 EOG.

20 To accomplish this, my daily activities
21 include geologic mapping, well log analysis,
22 geologic risk assessment using seismic data, well
23 prognosis generation, horizontal well planning,
24 and the real-time geosteering of all of our

1 horizontal wells to ensure each is accurately
2 placed within the intended geologic target zone.

3 Q. Thank you. I would like to turn now to
4 the specifics of the Sunfish East unit and ask,
5 are you familiar with the application for
6 unitization, including the geology exhibits that
7 were included in the application?

8 A. Yes, I am.

9 Q. Can you please describe what the term
10 "unitized formation" means with respect to the
11 Sunfish East unit?

12 A. Sure. So the unitized formation is
13 described as a depth of 50 feet above the top of
14 the Utica Shale to 50 feet below the base of the
15 Point Pleasant formation.

16 Q. Did you perform an analysis to
17 determine if the unitized formation is a pool or
18 part of a pool, as required for unitization under
19 Ohio law?

20 A. Yes.

21 (Technical difficulties.)

22 THE REPORTER: Sorry. I'm not picking
23 up --

24 MS. ALLERT: I'm sorry. We had some

1 technical difficulties, but we are back on.

2 THE REPORTER: Okay. Would you please
3 start back, Ms. Allert, at "Did you perform an
4 analysis to determine if the unitized formation is
5 a pool or part of a pool?"

6 MS. ALLERT: Yes.

7 Q. Did you perform an analysis to
8 determine if the unitized formation is a pool or
9 part of a pool, as required for unitization under
10 Ohio law?

11 A. Yes, I did.

12 Q. Are you aware that the word "pool" has
13 a specific meaning for purposes of the Sunfish
14 East application under Ohio law?

15 A. Yes.

16 Q. And what does it mean to say that the
17 unitized formation is a part of a pool under Ohio
18 law?

19 A. So a pool is an underground reservoir
20 containing a common accumulation of oil or gas or
21 both but does not include a gas storage reservoir.
22 So each zone of a geological structure that is
23 completely separated from any other zone in the
24 same structure may contain a separate pool.

1 Q. And is that the definition used for
2 purposes of your geologic analysis of the Sunfish
3 East unit?

4 A. Yes, it is.

5 Q. What is some of the information that
6 you analyzed to determine whether the unitized
7 formation is a pool or part of a pool?

8 A. So I reviewed available core reports,
9 mud logs, and electric log data from nearby pilot
10 wells.

11 Q. We now have on the screen Exhibit F.
12 Can you please describe what this exhibit shows
13 and why is it relevant to your geologic analysis?

14 A. Sure. So this map shows the Sunfish
15 East unit in yellow and the three nearby pilot
16 wells, the blue circles, that were used as part of
17 that analysis to describe the pool underneath the
18 Sunfish unit.

19 Q. Turning now to Exhibit E, which was
20 also included in the application, can you please
21 explain for us what this exhibit is and how it
22 relates to your geologic analysis?

23 A. So this is the cross-section of the
24 three pilot wells adjacent to the Sunfish unit,

1 which is in the middle of the cross-section.

2 The data in the cross-section and the
3 geologic mapping show the Utica-Point Pleasant
4 pool underlies the entire Sunfish unit and is of
5 the same approximate thickness and reservoir
6 quality throughout the unit area. The
7 accumulation of oil and gas extends in all
8 directions from this unit. And the rock
9 properties such as lithology, porosity, and fluid
10 type are similar throughout the entire unit and
11 constitute a common source of supply. This is
12 shown by the gamma ray, resistivity, and porosity
13 logs on the cross-sections. All three logs show
14 very similar characteristics in all three wells.

15 Q. Can you explain for us how gamma ray
16 works and why that is relevant?

17 A. Sure. So the gamma-ray log records the
18 amount of natural gamma radiation emitted by the
19 rocks surrounding the borehole. The gamma-ray log
20 is used to help correlate different formations and
21 derive lithology. For example, we can determine
22 sandstones from shales from carbonates.

23 Q. And how is that reflected on your
24 exhibit?

1 A. So the gamma-ray log is the far left
2 curve on all three wells. And as you can see, the
3 three curves are almost perfect overlays of one
4 another. So we have very similar log response in
5 the gamma-ray curve.

6 Q. And what do the pilot well gamma-ray
7 graphs tell us about the Sunfish East unit if
8 anything?

9 A. So I would expect the gamma-ray
10 signature of the Utica-Point Pleasant formation
11 underlying the Sunfish East unit to be consistent
12 with these pilot wells.

13 Q. Turning to resistivity, can you explain
14 what that is and how it works and also why is it
15 relevant?

16 A. Sure. So this is the middle curve of
17 the resistivity log that measures electrical
18 resistivity of the formation. It is used to
19 determine fluid types and distinguish between
20 water, oil, or gas. Water-bearing formations
21 typically have lower resistivity, while
22 oil-bearing formations will have a higher
23 resistivity.

24 Q. And can you point it out for us on the

1 slide?

2 A. Yeah. That is the middle curve.

3 Q. Thank you. As far as the resistivity
4 graphs in your pilot wells, what do they tell us
5 about the Sunfish East unit if anything?

6 A. Again, the resistivity log in the
7 middle on all three wells is almost a perfect
8 overlay of each other. So it is indicating that
9 there is uniform hydrocarbon saturation across the
10 unit.

11 Q. Can you please explain to us what
12 porosity is and why that is relevant?

13 A. So porosity of a rock is a measure of
14 storage space or empty space within the rock. And
15 it is one of the logs used to estimate the volume
16 of oil and gas storage in a formation.

17 Q. And what about bulk density? Can you
18 explain that to us and how that is depicted on the
19 slide?

20 A. Sure. So this is the third curve to
21 the right. Density-porosity tells us just how
22 tight the rock is or how dense the rock is and
23 gives us an idea of storage space.

24 And again, when you look at all three

1 log responses across these three pilot holes, they
2 are almost identical. So what this is telling us
3 is that we have a uniform amount of storage across
4 the unit.

5 Q. Did you use the data and analysis as
6 you just described to form a professional opinion
7 about whether the unitized formation as described
8 in the Sunfish East application is a pool or part
9 of a pool?

10 A. Yes.

11 Q. And what is your professional opinion?

12 A. The unitized formation is part of a
13 pool.

14 Q. Is there a uniform thickness across the
15 unitized formation underlying the Sunfish East
16 unit?

17 A. Yes, there is.

18 Q. Can you please provide for us the
19 thickness of the Utica-Point Pleasant interval as
20 it underlies the Sunfish East unit?

21 A. It is 245 feet thick.

22 Q. And what is the height of your target
23 zone for the wellbores proposed?

24 A. Our target zone will be roughly 15

1 feet.

2 Q. Given your opinion that the unitized
3 formation is part of a pool and has uniform
4 thickness across the unit, in your professional
5 opinion, would it be appropriate to allocate unit
6 expenses and payments of the proceeds of oil and
7 gas production from the unit on a surface acreage
8 basis?

9 A. Yes.

10 Q. In your experience, is it common to
11 allocate payments on a surface acreage basis for
12 unit operations in the Utica-Point Pleasant Shale?

13 A. Yes, it is.

14 Q. Thank you.

15 MS. ALLERT: No further questions.

16 MS. MARSHALL: Thank you.

17 Mr. Daniels, I have a few questions.

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

20 THE WITNESS: We plan to land these
21 wellbores at a depth of 6,750.

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

1 THE WITNESS: So the top of the Utica
2 is expected at 6,545 feet, the Point Pleasant at
3 6,671 feet, and then the Trenton at 6,790 feet.

4 MS. MARSHALL: Thank you. Do you
5 expect production from outside the Point Pleasant?

6 THE WITNESS: There is potential from
7 the lower part of the Utica as well, but none from
8 the Trenton Limestone.

9 MS. MARSHALL: Okay. Thank you.

10 Ms. Barrett, do you have any questions?

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

12 MS. MARSHALL: Ms. Allert, please call
13 your next witness.

14 MS. ALLERT: Thank you. Our next
15 witness we would like to call is Mr. Michael
16 Casto.

17 - - - - -

18 MICHAEL "WES" CASTO

19 being first duly sworn, testifies and says as
20 follows:

21 DIRECT EXAMINATION

22 BY MS. ALLERT:

23 Q. Good afternoon. Can you please state
24 your name for the record and provide your place of

1 employment.

2 A. Yes. My name is Michael Casto; I go by
3 Wes Casto. And I'm a petroleum engineering
4 consultant. My business is called Casto Petroleum
5 Engineering. And I'm working as a contractor for
6 EOG Resources, Inc., which is the successor in
7 interest to EAP Ohio, LLC.

8 Q. Can you please describe for us your
9 education that led you to becoming a petroleum
10 engineering consultant?

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

13 Q. And can you also describe your
14 professional and work experience since receiving
15 your engineering degree?

16 A. Yes. So prior to starting Casto
17 Petroleum Engineering in 2015, I worked for Wright
18 and Company Petroleum Consultants doing similar
19 types of projects. And prior to that, I worked
20 for Chevron in drilling and completions.

21 And I have been a licensed professional
22 engineer in Ohio since 2015. And I have testified
23 as the reservoir engineer in numerous ODNR
24 unitization hearings for several operators. And I

1 have also testified as a petroleum engineering
2 expert in many other legal matters.

3 Q. And what are some of the roles and
4 responsibilities that you cover as a petroleum
5 engineering consultant?

6 A. I specialize in reservoir engineering
7 in the Utica and Marcellus Shales. And I perform
8 reserve reports, mineral appraisals, acquisition
9 and divestiture evaluations, and other types of
10 analysis for many clients throughout the
11 Appalachian Basin.

12 Q. Turning now to the Sunfish East unit,
13 did you assist in preparing the application for
14 unitization?

15 A. I did.

16 Q. I understand that as part of that
17 preparation, you analyzed the potential recovery
18 of oil and gas from the Sunfish East unit and the
19 associated economics of the unit under two
20 scenarios.

21 The first scenario is where the
22 Sunfish East unit would be drilled without a unit
23 order. The second scenario was if a well was
24 drilled with the benefit of an order for unit

1 operations from the Division; is that correct?

2 A. That's right.

3 Q. First, I would like to talk about how
4 the well configurations would be in each scenario,
5 and that will help us understand the economic
6 analysis. Looking at Exhibit D, are you familiar
7 with this map?

8 A. Yes.

9 Q. Does this map accurately depict the
10 configuration of the wells that were the basis of
11 your operational and economic analysis?

12 A. Yes.

13 Q. If unit operations are approved, would
14 the operator produce from the entire length of
15 each lateral?

16 A. Yes.

17 Q. If EAP does not receive an order
18 authorizing unit operations, what would be the
19 configuration and extent of each of the laterals?

20 A. So the 5H would be reduced to 409 feet.
21 The 10H lateral will be reduced to 3,274 feet.
22 And the 210H lateral would be reduced to 0 feet.

23 Q. And would EAP drill these wells without
24 an order for unit operations?

1 A. No. They would not.

2 Q. And why is that?

3 A. That is because each lateral would no
4 longer compete with other internal prospects with
5 respect to PV10 and other economic metrics. And
6 as the economics table will show, the present
7 value of each of the three wells would be greatly
8 affected if they could not be unitized.

9 Q. Turning now to the economics and
10 recovery in both the unitized and non-unitized
11 scenarios as you have analyzed. Now on the
12 screen, we have Section 5, which is the economics
13 table. Is this an accurate depiction of the
14 analysis that you performed?

15 A. Yes, it is.

16 Q. And using this table, "the Economic
17 Summary," what is the difference in lateral length
18 between the unitized and non-unitized scenarios?

19 A. The difference is 11,585 feet for the
20 5H lateral; 13,616 feet for the 10H lateral; and
21 15,643 feet for the 210H lateral.

22 Q. In making your calculations, what did
23 you look at to estimate potential recovery from
24 the Sunfish East unit?

1 A. I looked at production from and the
2 configuration of nearby wells.

3 Q. And turning now to the map; is this an
4 accurate exhibit that shows the wells that you use
5 in your analysis?

6 A. Yes.

7 Q. Can you explain why you selected these
8 wells for purposes of estimating recovery as well
9 as economics for the Sunfish wells?

10 A. I used those wells due to their similar
11 geologic characteristics and their proximity to
12 the proposed Sunfish East wells.

13 Q. And looking now at the table that lists
14 those same wells, does the information on this
15 table relate to the numbered analog wells that you
16 were just describing?

17 A. Yes.

18 Q. Turning back to Section 5, which is the
19 economics table. We have discussed the lateral
20 lengths, but I would like to also talk about the
21 other information that is included in the table.
22 Can you explain what operating costs are and give
23 some examples of operating costs?

24 A. Sure. So lease operating expenses are

1 the day-to-day costs incurred by the wells after
2 production begins. And these include variable
3 oil-gas processing and transportation, water
4 transportation, as well as fixed monthly costs in
5 terms of dollars per well, per month.

6 Q. And as far as the calculation for the
7 values that are set out in the economic summary,
8 can you tell us what strip pricing you used?

9 A. Yeah. The price case that was used
10 here is the May of 2025 SEC pricing. And that was
11 used to calculate oil and gas and NGL revenues.

12 Q. As far as looking at the other columns
13 in the table, one of them is "Capital Costs." Can
14 you please tell us what was included in the
15 capital costs?

16 A. So that would include costs related to
17 land, drilling, completions, flowback, facilities,
18 plugging and abandonment, and reclamation.

19 Q. One of the columns is labeled PV0, and
20 another column is labeled PV10. Can you tell us
21 what those terms mean?

22 A. Yes. So present value is inclusive of
23 operating and capital costs that can be
24 represented at different discount rates to account

1 for the time value of money.

2 So PV0 would mean a 0 percent discount
3 rate, or discounted cash flow. And PV10 is the
4 net present value at a 10 percent discounted rate.

5 Q. Are the PV numbers that you provided in
6 your analysis net of reasonably expected capital
7 costs and operating expenses?

8 A. Yes, they are.

9 Q. Another column you have labeled is
10 "Estimated Growth Recovery." Can you please tell
11 us what that is?

12 A. Yes. That is the estimated volume of
13 oil and gas expected to be recovered in terms of
14 BCFe, which stands for billion cubic feet
15 equivalent.

16 Q. Under your unitized scenario the
17 Division has asked you, and you have done this:
18 An estimate for recovery volumes, revenue,
19 expenses, costs, and value of production. Can you
20 please tell us what those numbers are for the
21 unitized scenario?

22 A. Yes. For the unitized scenario, the
23 expected production volumes are 26.7 BCFe. The
24 undiscounted gross revenue is \$207.8 million;

1 expenses are \$61.2 million; capital costs are
2 \$34.8 million; the PV0 is \$74.6 million; and the
3 PV10 is \$36.7 million.

4 Q. And can you tell us how those same
5 numbers change in the second table from the top,
6 and that is the non-unitized scenario?

7 A. Yes. So the volume of production
8 decreases substantially due to the reduced lateral
9 length. The production volumes are 2.1 BCFe; the
10 discounted gross revenue is \$16.0 million; The
11 operating expenses are \$5.7 million; capital costs
12 are \$7.7 million; PV0 is negative \$0.4 million;
13 and the PV10 is negative \$1.9 million.

14 Q. Is it your professional opinion and
15 testimony here today, that a unit order is
16 reasonably necessary to increase substantially the
17 ultimate recovery of oil and gas in the Sunfish
18 East unit?

19 A. Yes. I estimate that EOG will recover
20 an additional 24.6 BCFe of oil and gas with an
21 order for unit operations.

22 Q. Is it your professional opinion and
23 testimony here today, that the value of the
24 estimated additional recovery of oil and gas

1 exceeds the estimated additional cost of the
2 proposed unit operations?

3 A. Yes. If you compare the economic
4 figures in the table, there is an additional
5 \$191.8 million realized on an undiscounted gross
6 revenue basis, an additional \$75 million on a PV0
7 basis, and an additional \$38.6 million on a PV10
8 basis if unitized.

9 Q. Thank you.

10 MS. ALLERT: No further questions.

11 THE WITNESS: Thank you.

12 MS. MARSHALL: Thank you.

13 Ms. Barrett, do you have any questions?

14 MS. BARRETT: Yes, I do.

15 - - - - -

16 CROSS-EXAMINATION

17 BY MS. BARRETT:

18 Q. What is the estimated economic life of
19 the wells in years?

20 A. At least 50 years.

21 Q. What is the estimated payout of the
22 wells at 1, 1.5, 2, and 3 times, please?

23 A. So 1 times is 1.2 years; 1.5 times is
24 2.7 years; 2 times is 5.6 years; and 3 times is

1 23.5 years.

2 Q. How are pad costs accounted for in your
3 calculations?

4 A. They were divided equally amongst all
5 the wells expected to be developed from the pad.

6 Q. Did you use estimated pad costs in your
7 calculations?

8 A. That's right.

9 Q. What amount was included for plugging
10 and restoration costs per well?

11 A. \$330,000 per well.

12 Q. What is the estimated BCFe per 1,000
13 feet?

14 A. That is 0.6 BCFe per 1,000.

15 Q. What is the estimated recovery factor
16 in the area?

17 A. 13 percent for oil and 18 percent for
18 gas.

19 Q. Okay. Thank you.

20 MS. BARRETT: No further questions from
21 me.

22 THE WITNESS: Thank you.

23 MS. MARSHALL: Once again, if you would
24 like to make comments, I'm first going to take all

1 of your names and note whether you are an unleased
2 mineral owner, working interest owner, or an owner
3 with property in the unit.

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

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

15 Hearing none.

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

19 Hearing none.

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

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

23 MS. MARSHALL: Does the Applicant have
24 any closing remarks?

1 MS. ALLERT: We do not. Thank you for
2 everybody's time today.

3 MS. MARSHALL: Thank you, everyone.

4 The hearing is now concluded.

5 - - - - -

6 Thereupon, the foregoing proceedings
7 concluded at 3:17 p.m.

8 - - - - -

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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 September 11, 2025.

17
18
19 

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

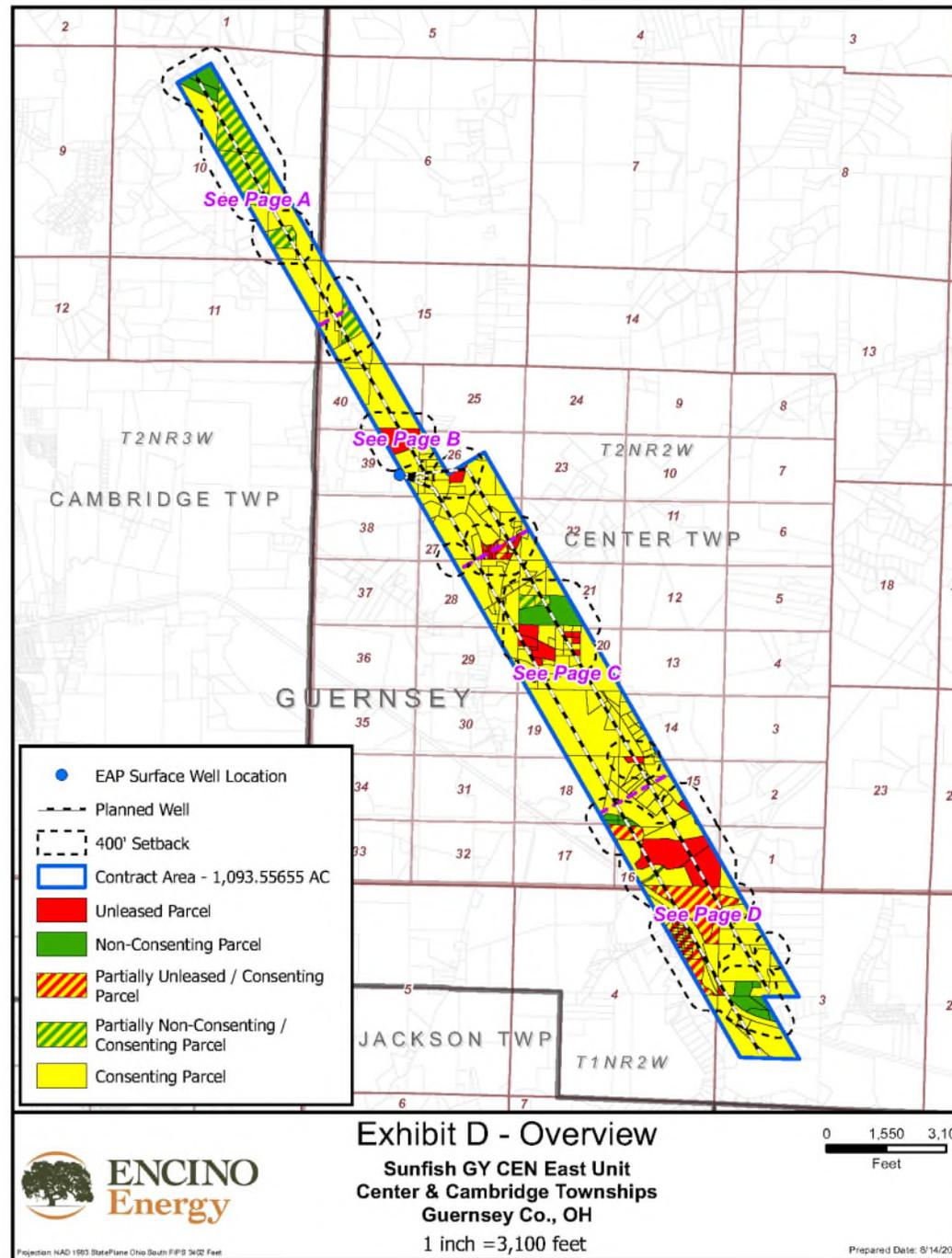
Sunfish GY CEN East

August 20, 2025

Jenae C. Allert

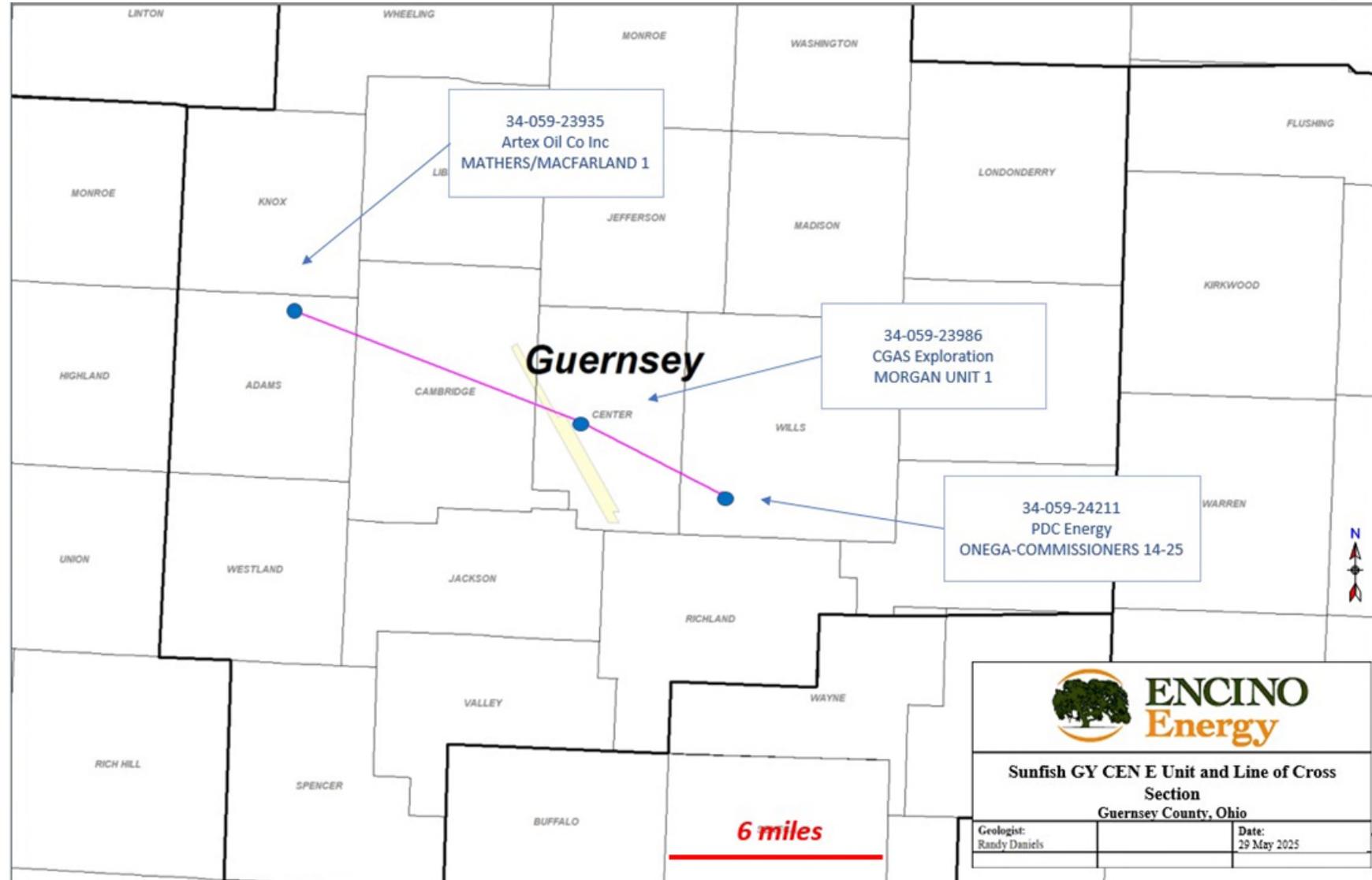


Sunfish GY CEN East Exhibit "D"

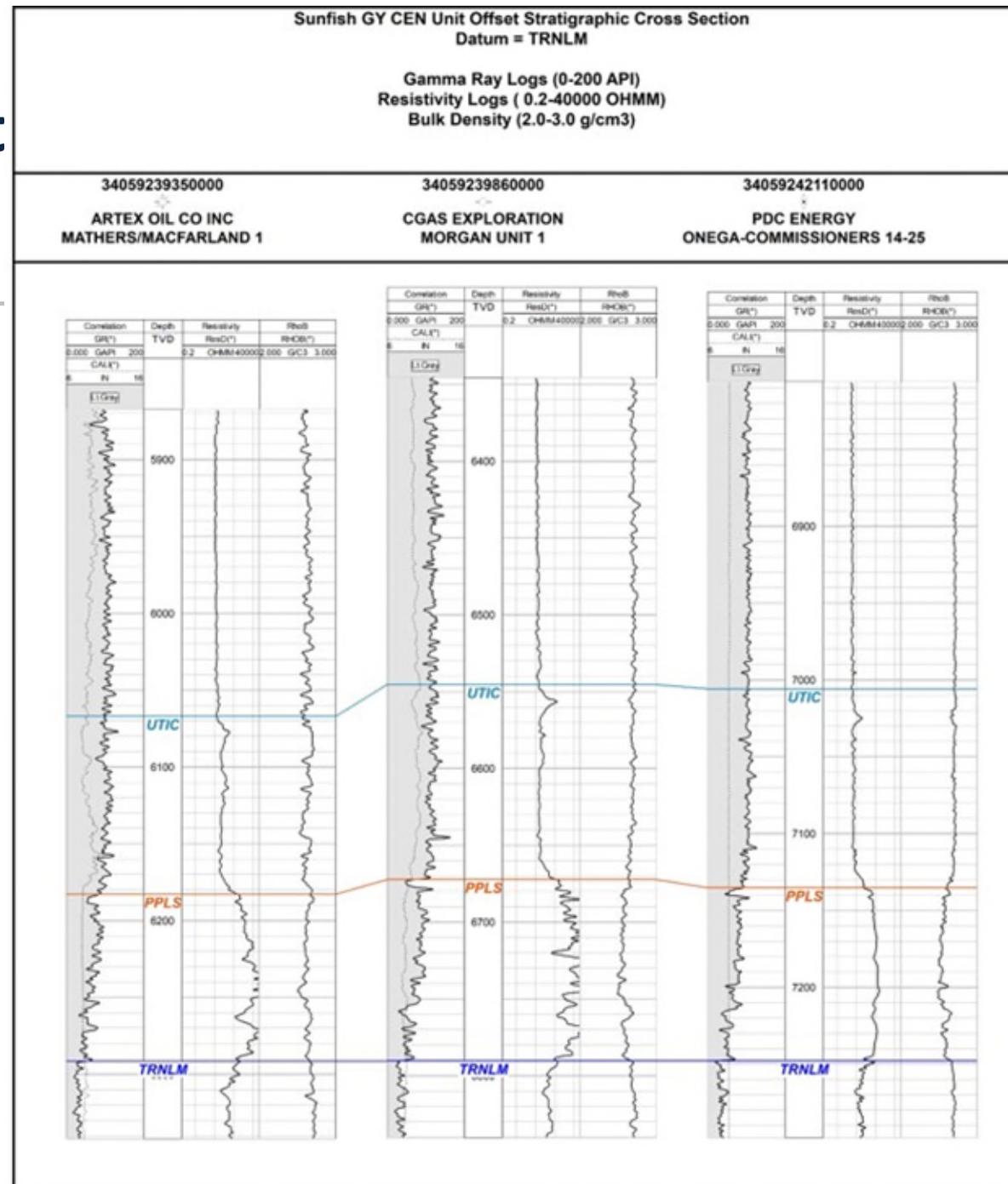


Sunfish GY CEN East

Exhibit "F"



Sunfish GY CEN East Exhibit "E"



Sunfish GY CEN East Economic Summary

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)
SUNFISH GY CEN 5H	11,994	18,879	16.8	9.5	56.0	19.7	9.8	7.2
SUNFISH GY CEN 10H	16,890	23,775	23.0	13.1	78.8	28.6	14.0	10.1
SUNFISH GY CEN 210H	15,643	22,528	21.4	12.2	73.0	26.3	12.9	9.4
Total:	44,527	65,182	61.2	34.8	207.8	74.6	36.7	26.7

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)
SUNFISH GY CEN 5H	409	7,294	0.6	2.9	1.3	-2.5	-2.3	0.2
SUNFISH GY CEN 10H	3,274	10,159	5.1	4.8	14.7	2.1	0.4	1.9
SUNFISH GY CEN 210H	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Total:	3,683	17,453	5.7	7.7	16.0	-0.4	-1.9	2.1

Difference

Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MM\$)	Capital Costs (MM\$)	Undiscounted Value of Estimated Recovery (MM\$)	PV0 (MM\$)	PV10 (MM\$)	Estimated Gross Recovery (BCFe)
SUNFISH GY CEN 5H	11,585	11,585	16.2	6.6	54.7	22.2	12.1	7.0
SUNFISH GY CEN 10H	13,616	13,616	17.9	8.3	64.1	26.5	13.6	8.2
SUNFISH GY CEN 210H	15,643	22,528	21.4	12.2	73.0	26.3	12.9	9.4
Total:	40,844	47,729	55.5	27.1	191.8	75.0	38.6	24.6

Sunfish GY CEN East Adjacent Units

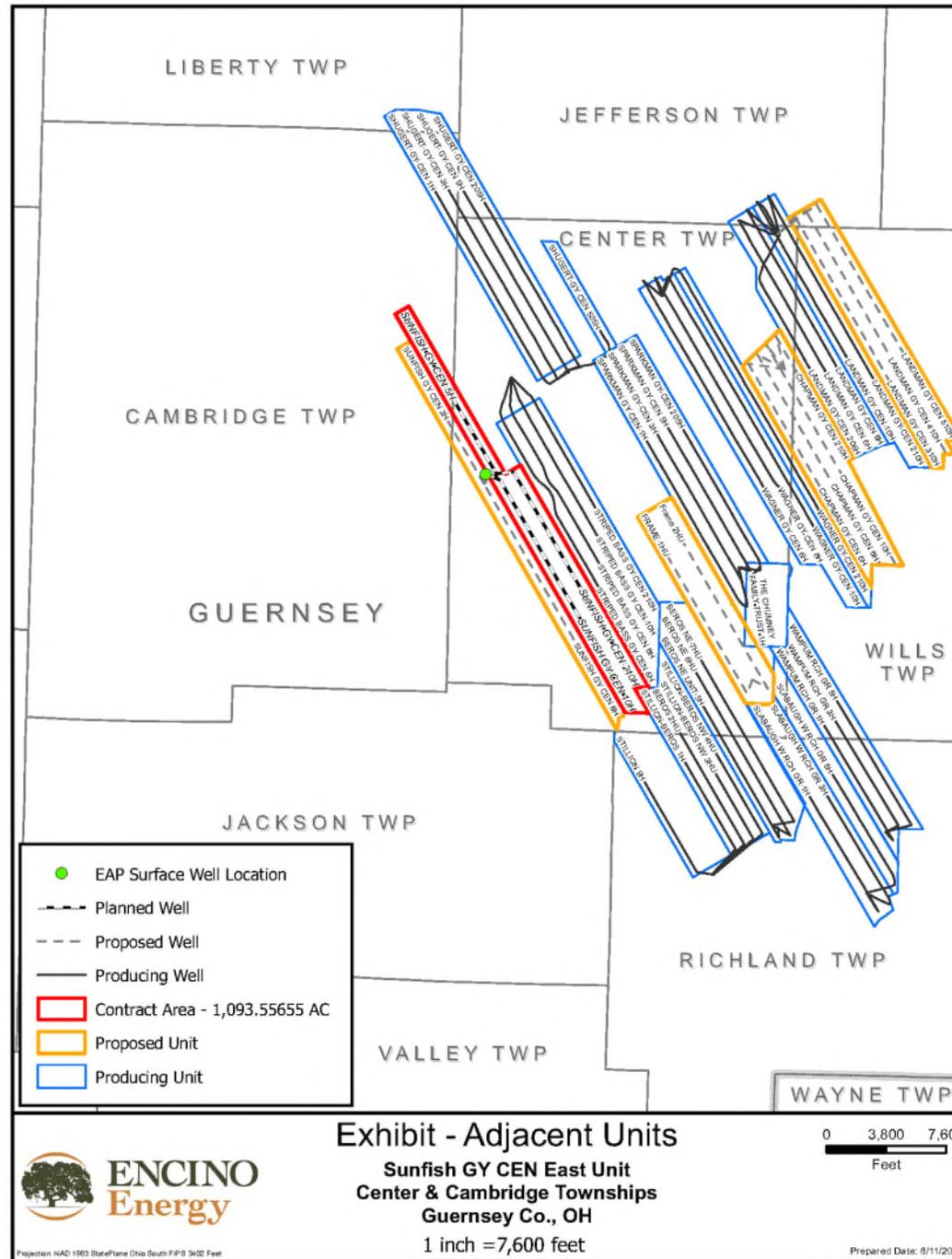
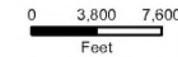
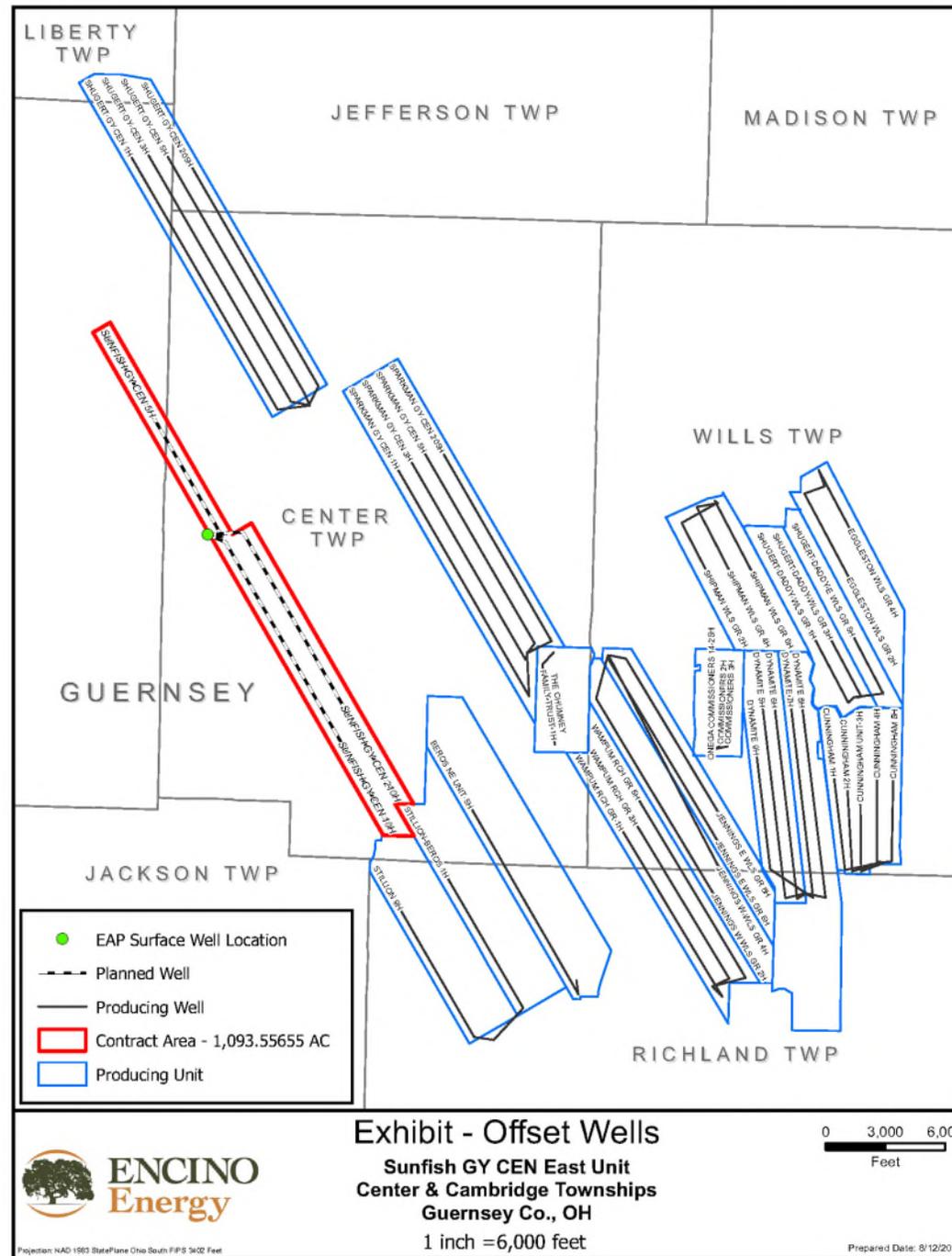


Exhibit - Adjacent Units
Sunfish GY CEN East Unit
Center & Cambridge Townships
Guernsey Co., OH
1 inch = 7,600 feet



Prepared Date: 8/11/2025

Sunfish GY CEN East Offset Wells



Sunfish GY CEN East Offset Wells



Well Name	API Number	Start Date	Lateral Length (Ft)	Distance from Unit (Mi)
BEROS NE UNIT 5H	34059245870000	2/1/2022	14,446	0.01
COMMISSIONERS 2H	34059243050000	12/1/2013	4,170	0.05
COMMISSIONERS 3H	34059243040000	12/1/2013	4,328	0.05
CUNNINGHAM 1H	34059246140000	7/1/2023	8,443	0.08
CUNNINGHAM 2H	34059246150000	7/1/2023	7,882	0.08
CUNNINGHAM 4H	34059246160000	7/1/2023	7,564	0.08
CUNNINGHAM 5H	34059246170000	7/1/2023	7,538	0.08
CUNNINGHAM UNIT 3H	34059245770000	7/1/2020	7,957	0.08
DYNAMITE 5H	34059246440000	6/1/2024	11,665	0.06
DYNAMITE 6H	34059246450000	6/1/2024	11,989	0.07
DYNAMITE 7H	34059245320000	5/1/2019	12,324	0.07
DYNAMITE 8H	34059245330000	5/1/2019	12,300	0.07
DYNAMITE 9H	34059246460000	6/1/2024	4,014	0.06
EGGLESTON WLS GR 2H	34059244540000	12/1/2015	9,569	0.08
EGGLESTON WLS GR 4H	34059244530000	12/1/2015	7,812	0.09
JENNINGS E WLS GR 6H	34059245920000	10/1/2022	15,446	0.04
JENNINGS E WLS GR 8H	34059245930000	10/1/2022	13,843	0.04
JENNINGS W WLS GR 2H	34059245900000	10/1/2022	16,393	0.04
JENNINGS W WLS GR 4H	34059245910000	10/1/2022	2,157	0.04
ONEGA COMMISSIONERS 14-25	34059242110100	11/1/2012	3,763	0.05
SHIPMAN WLS GR 2H	34059244670000	6/1/2018	6,506	0.06
SHIPMAN WLS GR 4H	34059244680000	6/1/2018	7,346	0.07
SHIPMAN WLS GR 6H	34059244690000	4/1/2017	7,845	0.07
SHUGERT DADDY E WLS GR 5H	34059243140000	9/1/2014	9,358	0.08
SHUGERT DADDY WLS GR 1H	34059243340000	9/1/2014	9,421	0.07
SHUGERT DADDY WLS GR 3H	34059243350000	9/1/2014	8,940	0.07
SHUGERT GY CEN 1H	34059246510000	7/1/2024	6,641	0.02
SHUGERT GY CEN 205H	34059246540000	7/1/2024	8,478	0.02
SHUGERT GY CEN 3H	34059246520000	7/1/2024	19,175	0.02
SHUGERT GY CEN 5H	34059246530000	7/1/2024	18,607	0.02
SPARKMAN GY CEN 1H	34059246410000	4/1/2024	15,719	0.03
SPARKMAN GY CEN 205H	34059246430000	4/1/2024	15,790	0.03
SPARKMAN GY CEN 3H	34059246400000	4/1/2024	15,692	0.03
SPARKMAN GY CEN 5H	34059246420000	4/1/2024	15,744	0.03
STILLION 9H	34059246200000	4/1/2023	9,768	0.00
STILLION-BEROS 1H	34059246110000	4/1/2023	11,787	0.00
THE CHUMNEY FAMILY TRUST 1H	34059242190100	11/1/2012	3,922	0.03
WAMPUM RCH GR 1H	34059246210000	3/1/2023	14,005	0.03
WAMPUM RCH GR 3H	34059246220000	3/1/2023	13,196	0.03
WAMPUM RCH GR 5H	34059246230000	3/1/2023	12,721	0.03

Thank You

Bricker 
Graydon