

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

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In re: :

The Matter of the : Application Date:  
Application of Ascent : October 21, 2025  
Resources - Utica, LLC :  
for Unit Operation :  
Charley W ATH HR Unit :

- - - - -

UNITIZATION APPLICATION HEARING

- - - - -

Before Hearing Hosts Barbara Richardson &  
Cory Cosby  
All Parties Appearing Remotely  
December 17, 2025, 9:00 a.m.

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Spectrum Reporting LLC  
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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 A. Barrett, Esq.  
(Via videoconference)

ON BEHALF OF ASCENT RESOURCES - UTICA, LLC:

Atencio Hall, PLLC  
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Pittsburgh, PA 15220  
By James Carr, Esq.  
(Via videoconference)

ALSO PRESENT:

Cynthia Marshall (Via videoconference)  
Grant Parker (Via videoconference)  
Jeff Large (Via videoconference)  
Kaylee Miller (Via videoconference)  
Kimberly Vick (Via videoconference)  
Regina Bryant (Via videoconference)  
David Bocanegra (Via videoconference)  
Lindsey Hall-Wiist (Via videoconference)

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P R O C E E D I N G S

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

If you've joined online, please mute your microphone. If you've called in via phone, please use the "mute" feature of your phone. Once the hearing begins, everyone will be muted except for those presenting. If you have called in, you can unmute yourself by pressing "star 6."

Witnesses for the Applicant and anyone wishing to make comments, please wait to be individually called upon by your attorney or by the Division before speaking. Please mute your microphones anytime you're not speaking and when you have finished presenting to avoid any feedback.

I am now asking anyone who would like to make comments, please state your name slowly and clearly for the Division and identify whether you are an unleased mineral owner, working

1 interest owner, or owner with property in the  
2 Charley W ATH HR 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. If you  
6 joined us via WebEx, please unmute yourself now  
7 and tell us your name if you wish to make  
8 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 Mr. Cosby.

17 MR. COSBY: Today is Wednesday,  
18 December 17th, 2025. And we are here on the  
19 matter of the application of Ascent  
20 Resources-Utica LLC, for the unit operation of the  
21 Charley W ATH HR unit. This hearing before the  
22 Ohio Department of Natural Resources Division of  
23 Oil and Gas Resource Management is convened  
24 pursuant to Ohio Revised Code 1509.28. My name is

1 Cory Cosby, and I'm a program administrator for  
2 the Division. Also with me today is Program  
3 Administrator Barb Richardson. We are conducting  
4 the hearing today and serve as the Chief's  
5 designees on this matter.

6 On October 21st, 2025, Ascent filed  
7 with the Division an application for unit  
8 operation for a unit designated as the Charley W  
9 ATH HR unit. Ascent filed subsequent revisions to  
10 the application. The unit is proposed to be  
11 located in Harrison County, Ohio. In its  
12 application, Ascent claims to have the rights  
13 through voluntary agreements to approximately  
14 180.545 acres of the desired approximate  
15 254.662-acre unit.

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

1 exceeds additional costs.

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

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

18           The hearing will proceed as follows:  
19 Ascent will present its exhibits and will answer  
20 questions posed by the Division staff. Any  
21 unleased mineral owners, working interest owners,  
22 and those persons with property in the proposed  
23 Charley W ATH HR unit will have the opportunity to  
24 present questions and concerns to Division staff,

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

4 To proceed in an orderly fashion, we  
5 ask that any interested party who speaks here  
6 today pose any questions to the Division, and we  
7 will then ask any questions to Ascent.

8 Additionally, anyone speaking today will be asked  
9 to provide the information to the court reporter.  
10 If you're uncomfortable speaking during the  
11 hearing, we will also accept written comments.

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

14 MR. CARR: Thank you, Mr. Cosby.

15 And good morning everyone. My name is  
16 Jay Carr and I'm an attorney with the law firm of  
17 Atencio Hall. And I'm here this morning behalf of  
18 the Applicant, Ascent Resources-Utica, LLC, to ask  
19 the Division for an order authorizing it to  
20 develop the Charley W ATH HR unit, which I'm  
21 simply going to refer to as the "Charley West"  
22 unit. According to the unit plan attached to  
23 Ascent's application, the Charley West unit is  
24 located in Harrison County and consists of 23

1 different tracts containing approximately  
2 250 acres of land. Ascent intends to develop a  
3 unit from a well pad located near the northeast  
4 corner of the unit by drilling one well  
5 approximately 8,500 feet in completed lateral  
6 length. Although Ascent is the owner of more than  
7 180 acres of land in the unit, it seeks a unit  
8 order because there are several unleased as well  
9 as non-consenting tracts within the unit area.  
10 This morning, we'll hear from three witnesses:  
11 First, a landman; second, a geologist; and third,  
12 a reservoir engineer. Their collective testimony  
13 will establish that Ascent meets all the  
14 requirements or elements for a unit order under  
15 Revised Code Section 1509.28. We therefore ask  
16 the Division to issue and approve Ascent's  
17 application for a unit order. I'd like to call my  
18 first witness this morning: a landman, Mr. Robert  
19 Highsaw.

20 MS. RICHARDSON: Please swear in the  
21 witness.  
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ROBERT HIGHSAW

being first duly sworn, testifies and says as follows:

DIRECT EXAMINATION

BY MR. CARR:

MR. CARR: Good morning, Mr. Highsaw.

A. Good morning.

Q. If you would, before we get into the substance of your testimony, please introduce yourself to the Division. Share a little bit about your professional educational background and as well as what you do for Ascent.

A. Okay. My name is Robert Highsaw. I'm a senior landman at Ascent Resources. I graduated from the University of Oklahoma in 2007 with a BA in History, and I graduated from the University of Oklahoma College of Law in 2010. I've been a landman for approximately 15 years. I've worked in a number of different positions over time, but at Chesapeake Energy, where I worked from 2011 to 2024, I worked in a number of different positions working the Ohio Utica Shale -- the old

1 Chesapeake, Ohio, Utica Shale asset from 2012 to  
2 2019. Then from 2019 to 2023, I worked in the  
3 Eagle Ford Shale asset that Chesapeake Energy had  
4 that they called their Brazos Valley Eagle Ford  
5 asset located in central Texas near College  
6 Station and Bryan. And then, after that, I worked  
7 the Marcellus Shale asset that Chesapeake Energy  
8 still has, located in northern Pennsylvania. But  
9 all in all, I've got about 15 years of industry  
10 experience.

11 Q. And what are your primary job  
12 responsibilities now that you are a senior landman  
13 at Ascent?

14 A. We're responsible for a geographical  
15 area. Typically, most of the senior level landmen  
16 are. My area of responsibility includes this part  
17 of central Harrison County. We're primarily  
18 responsible for the acquisition and the  
19 maintenance of oil and gas interests, usually  
20 leaseholds via leasing and lease acquisitions.  
21 But we have a little bit of involvement in  
22 acquiring other interests in the oil and gas  
23 estate as well. And we help Ascent manage the  
24 development program over all of its assets.

1           On a day-to-day basis, we help manage  
2 leasing negotiations. Sometimes we handle  
3 negotiations ourselves, but many times they're  
4 handled by contract landmen who work for Ascent.  
5 We review title opinions on a near-daily basis  
6 that lay out the ownership of tracts of land for  
7 us. We assign out title curative to brokers to  
8 pursue, to help clarify mineral ownership whenever  
9 there are potential ambiguities or problems. And  
10 then we're also responsible for helping to oversee  
11 unitization efforts in the geographic areas we've  
12 been assigned.

13           Q.           And to confirm, you are the landman  
14 overseeing the unitization application for the  
15 Charley West unit, correct?

16           A.           Correct.

17           Q.           Okay. Mr. Highsaw, I have here on the  
18 screen, Exhibit D to Ascent's application. With  
19 reference to this exhibit, can you generally  
20 describe the Charley West unit, including its  
21 composition, location, and Ascent's general  
22 development plan?

23           A.           Yep. The Charley West is a single-well  
24 planned unit located in central Harrison County.

1 It is made up of 23 tracts. The yellow tracts are  
2 fully consenting and you can see on the map that  
3 those account for just north of 70 percent working  
4 interest that Ascent has in the unit. The hashed  
5 red-and-yellow tracts are partially consenting and  
6 partially unleased. And then the green tracts  
7 that you see above are non-consenting. And those  
8 are owned by a third-party working interest owner.

9 Q. Thank you very much. And let's start  
10 with the non-consenting working interest owner.  
11 I believe there's just one, correct?

12 A. Correct. It's EAP Ohio, LLC, which has  
13 been acquired by EOG Resources.

14 Q. And has Ascent tried to obtain EAP's  
15 consent to the application or possibly work out a  
16 trade in acquiring their acreage?

17 A. We have. We began negotiations last  
18 spring when Encino EAP was still an independent  
19 company, and we continued those negotiations  
20 through their acquisition by EOG. EOG indicated  
21 that their preference was to trade out. And so,  
22 for the past handful of months, we were working on  
23 a trade with them. And just before this hearing  
24 in the last handful of days, we did sign a trade

1 agreement with EOG Resources covering these EAP  
2 leases.

3 Q. Thank you very much. And I presume  
4 it's going to take some time to go through due  
5 diligence and for that transaction to actually  
6 close.

7 A. Yeah, correct. With the timelines  
8 built into the trade agreement, I would not  
9 anticipate this trade closing until at the  
10 earliest, if you're lucky, maybe the end of the  
11 second quarter of 2026. And maybe, more  
12 realistically, the third or fourth quarter of  
13 2026.

14 Q. Thank you very much. Now, you  
15 mentioned that the tracts hatched in yellow and  
16 red are tracts that are partially leased to  
17 Ascent, and then partially unleased. Has Ascent  
18 attempted to identify the mineral owners of those  
19 tracts and negotiate oil and gas leases with them?

20 A. Correct. Yeah. So, we have title  
21 opinions covering every tract in the unit, and  
22 we've identified all of the mineral owners. And,  
23 you know, we've obtained leases from everyone  
24 except one remaining unleased owner who is

1       unleased and owns an interest under all of those  
2       red-and-yellow-crosshatched tracts.

3       Q.           Now, you are detailing Ascent's efforts  
4       to try and lease that one remaining unleased  
5       owner. They are attached to contact log included  
6       as part of the application, correct?

7       A.           Yes, they are documented and included  
8       in the application.

9       Q.           Assuming that the last remaining  
10      unleased mineral owner is still interested in  
11      leasing their mineral rights, will Ascent continue  
12      lease negotiations after today's hearing?

13     A.           Yes, we plan to continue negotiations  
14     after today's hearing, and we are open to entering  
15     into an oil and gas lease on reasonable  
16     fair-market terms for a reasonable amount of time  
17     after this hearing.

18     Q.           Now, on the screen, I see -- it's hard  
19     to see, but at the northern -- in the northern  
20     portion of this map, I see a little green square.  
21     Can you tell me what that green square represents?

22     A.           That green square is the location of  
23     the pad site. The pad site itself is bigger than  
24     that little green square, but that marks the spot.

1 Q. I would hope the pad is actually bigger  
2 than that.

3 A. It is. Well, I just didn't want to  
4 mislead anyone.

5 Q. What's the status of that well pad?  
6 Has it been constructed yet?

7 A. That well pad is built. However, to  
8 accommodate the additional wells that Ascent is  
9 planning on drilling off of this pad next year,  
10 there is a pad expansion that will be occurring  
11 over the wintertime. They plan to get out there  
12 and enlarge the pad, and we've obtained an  
13 agreement with the surface owner permitting that.

14 Q. So it sounds like Ascent has secured  
15 the necessary rights to not only locate the  
16 existing pad that's there, but also to expand it  
17 further, correct?

18 A. Correct.

19 Q. And since this pad is located outside  
20 the unit area, does Ascent have the necessary  
21 subsurface rights from the pad to the unit area?

22 A. We do. We have a subsurface easement.

23 Q. Thank you very much. How many wells in  
24 total will be drilled off that pad?

1 A. Yeah. The plan is to drill three  
2 additional wells on the return to the pad.

3 Q. So how many total will be drilled off?  
4 How many total wells will be off that pad?

5 A. It should be nine. Let me pull up --  
6 Do we have that adjacent wells map? Let me count  
7 the wells really quickly. I believe there are six  
8 producing wells off of that pad right now, and  
9 there are going to be three additional wells.

10 Q. Okay. Thank you. Yeah. You have six  
11 to the east, then the Charley North and the  
12 Charley West. So, okay. So a total of nine  
13 wells. Thank you. Going back to Exhibit D now,  
14 before we leave this exhibit. And I know it's a  
15 little bit hard to see here, but there's a little  
16 bit of a notch or indentation on the western side  
17 of this unit where my cursor is.

18 A. Correct.

19 Q. It's so small it's hard to perceive,  
20 but hopefully people can see it. Can you tell me  
21 why that indentation exists?

22 A. Well, there is an irregularly -- that  
23 is a part of the much larger tax parcel where if  
24 you look to the west, you'll see that the -- it's

1 got the label of the section on it: Section 24,  
2 Township 9N, Range 5W. That is actually a thin,  
3 narrow sliver of that same tax parcel that runs  
4 right along the section line. It's a very  
5 curiously shaped tract of land, but that is indeed  
6 how it's shaped. And that tract of land is owned  
7 on record by ODNR.

8 Q. Okay. And so, because this little  
9 notch is not included in the unit -- I see on this  
10 map -- I'm kind of zooming in here. I see some  
11 distance labeled 400 feet, but if you were to  
12 measure perpendicularly from the wellbore to that  
13 little indentation, what is the approximate  
14 distance there?

15 A. It was around 240-something feet, if  
16 memory serves.

17 Q. Okay. And because of the wellbore  
18 being located closer than 400 feet, will you  
19 include an NPZ? A non-perf zone around that  
20 tract?

21 A. Yes, that's right. That's the plan; it  
22 is to non-perf that. And we would not permit that  
23 portion of the wellbore as being completed.

24 Q. Okay. Thank you very much. And then I

1       assume the Division issues -- last, before we turn  
2       away from this exhibit, assuming the Division  
3       issues are sent requesting an order, when does  
4       Ascent intend to spud this well?

5       A.           The plan would be approximately at the  
6       end of the second quarter of 2026. And we would  
7       drill this well while the rig was on location also  
8       drilling the two Charley North wells that we  
9       represented to the Division last week, which would  
10      be a part of the Charley North unit. Those were  
11      the U-turn wells.

12     Q.           I'd like to conclude just by asking a  
13     few questions regarding the unit plan attached to  
14     Ascent's application. Are you familiar with that  
15     unit plan, including the joint operating agreement  
16     attached thereto?

17     A.           Yes, I am indeed.

18     Q.           Can you tell me how the unit plan  
19     allocates unit costs and production?

20     A.           On a surface acreage basis.

21     Q.           In your experience, and you've worked  
22     with Chesapeake for a number of years in different  
23     basins and different plays, and now with Ascent,  
24     is allocating unit costs of production on a

1 surface acreage basis a customary allocation  
2 method?

3 A. It is customary, especially in shale  
4 plays. As my colleague, Dilyn Delval, will  
5 testify, the unit area for the Utica-Point  
6 Pleasant is indeed a pool as defined by the Ohio  
7 Revised Code, making it appropriate to allocate  
8 expenses and revenue on a surface acreage basis.  
9 And for what it's worth, this is how I've seen it  
10 done in the Eagle Ford Shale in Texas and also the  
11 Marcellus Shale in Pennsylvania.

12 Q. Who is obligated to pay unit costs  
13 under the unit plan?

14 A. The working interest owners.

15 Q. And to be clear, mineral owners do not  
16 pay any cost of the unit expenses, correct?

17 A. Correct.

18 Q. Now, does the operating agreement  
19 attached to that plan include a non-consent  
20 penalty for those working interest owners who are  
21 -- who elect to not participate in a unit  
22 operation or deemed to have elected not to  
23 participate?

24 A. It does.

1 Q. And what is that penalty?

2 A. 500 percent.

3 Q. Again, based on your experience,  
4 education, and training, is a 500 percent  
5 non-consent penalty for working interest owners  
6 just and reasonable, in your opinion?

7 A. It is. It's a common risk penalty that  
8 I've seen in private JOAs in this basin from  
9 pretty much the inception of the Ohio Utica Shale  
10 play. It was commonly used in JOAs that  
11 Chesapeake would negotiate with third parties.  
12 It's something that I've also seen in JOAs in  
13 Texas and Pennsylvania.

14 Q. Thank you, Mr Highsaw.

15 MR. CARR: Those are all the questions  
16 I have for you this morning. The Division may  
17 have a few follow-up questions, however.

18 MS. RICHARDSON: Thank you.

19 Mr. Highsaw, looking at the  
20 application, I noticed that there were some  
21 unknown and undetermined mineral owners. Can you  
22 describe what efforts you've taken to identify  
23 unknown or undetermined mineral owners?

24 THE WITNESS: So, let me get there

1 really quickly. I can give you -- there might be  
2 a few that I could individually speak to without  
3 speaking in general. So let me pull them up. So,  
4 a few of these situations, if you're referring to  
5 Exhibit C, which I think you are, we have -- we  
6 might have ambiguities as to who actually is the  
7 mineral owner. We like it whenever mineral  
8 ownership is nice and clear, but sometimes, due to  
9 Ohio's Dormant Mineral Act or Ohio's Marketable  
10 Title Act, where you have mineral severances that  
11 occurred previously in record title, you may  
12 receive a title opinion from a licensed title  
13 examiner in the state of Ohio that says this is  
14 who we're crediting with the minerals. However,  
15 you know, there is a chance due to the law that  
16 these other parties may have a claim. And on  
17 Exhibit C, we have some parties who may have  
18 claims to some of the minerals.

19 MS. RICHARDSON: Okay. So that's why  
20 it's listed as "unknown."

21 THE WITNESS: Well, let me get to --  
22 which particular tracts are you referring to?

23 MS. RICHARDSON: I was reviewing  
24 Exhibit A and noticed that there is an "unknown"

1 in "Addresses."

2 MR. HIGHSAW: Oh. This was a person  
3 who did sign an oil and gas lease and subsequently  
4 has passed away. And we are lacking information  
5 as to the current whereabouts of her heirs. So  
6 she leased, in this past decade, the oil and gas  
7 lease still active on these tracts for this  
8 person. However, we have not been provided with  
9 and have been unable to locate information  
10 regarding the heirship of this person.

11 MS. RICHARDSON: Okay. If you were to  
12 receive a unitization order, can you describe what  
13 happens to any payments that would be owed to  
14 unknown or undetermined mineral owners under that  
15 order?

16 THE WITNESS: Yes. So, those payments  
17 would be held in suspense if we do not have a  
18 valid address for someone. Those payments are  
19 held in suspense for a bad address. Or whenever  
20 we have potentially unknown parties, such as the  
21 situation where we know that this person owned a  
22 mineral interest, but they're now deceased. And  
23 so, the current owners are unknown to us. Those  
24 would also be in suspense until we've received

1 curative of some sort. We would love to receive a  
2 probate, even if it's from a foreign jurisdiction,  
3 that fully probates this person's assets. But if  
4 we can't receive that, we will also rely upon  
5 affidavits of death and heirship, which lay out  
6 that this person is deceased, this is where they  
7 died, did they die with or without a Last Will and  
8 Testament, these are the people who their heirs in  
9 law are, and these are the current addresses. And  
10 we routinely try to obtain curative like that  
11 whenever we can locate people to obtain it from.

12 MS. RICHARDSON: Okay. Thank you.

13 What is the current average outstanding offer to  
14 the unleased mineral owners in the proposed unit?  
15 The average bonus and the average royalty?

16 THE WITNESS: There's only one current  
17 unleased mineral owner left in the unit, and the  
18 offer to them is \$3000 an acre and 20 percent  
19 gross.

20 MS. RICHARDSON: And I believe you  
21 mentioned earlier that those offers included  
22 surface use?

23 THE WITNESS: It probably does. But  
24 frankly, if they wanted an on-surface lease, that

1 would be something that would be easily  
2 negotiable, because we already have a surface  
3 location for this unit.

4 MS. RICHARDSON: Thank you. And when  
5 will those -- or will that offer expire?

6 THE WITNESS: It will not expire  
7 anytime soon. It won't also be open forever, but  
8 if it took us, you know, months and months still  
9 to finalize an oil and gas lease with this mineral  
10 owner, we would still honor that offer. But it's  
11 a question of reasonableness and how long offers  
12 can remain open. And what's a reasonable amount  
13 of time, I would argue if we can get a deal done  
14 in the next one or two or three months, that's  
15 still reasonable.

16 MS. RICHARDSON: Okay. What is the  
17 accepted offer -- the average accepted offer by  
18 leased mineral owners in the proposed unit? The  
19 average bonus and the royalty?

20 THE WITNESS: Okay, I've got that  
21 number too. So the average bonus -- and this  
22 covers leases for which I had this information  
23 from 2011, 2014, 2019, 2021, 2024, and 2025. So  
24 almost a decade and a half of information and data

1 on it. But over that decade and a half, the  
2 average was \$5,007 per acre. And the average  
3 royalty was 18.54 percent. And the royalty  
4 clauses are a mix of net and gross.

5 MS. RICHARDSON: Thank you. And what's  
6 the difference between the current offer and the  
7 average accepted offers?

8 THE WITNESS: The difference is it's a  
9 couple thousand dollars an acre.

10 MS. RICHARDSON: Okay. Thank you. And  
11 do you believe, in your professional opinion, that  
12 your lease attempts have been reasonable? And if  
13 so, why?

14 THE WITNESS: I do indeed. Well,  
15 whenever I first started working on this unit  
16 earlier this year, Ascent owned about maybe  
17 20-something percent working interest. And over  
18 the course of the year, we were able to increase  
19 our working interest in the unit to about 70  
20 percent. And I would say, based upon the success  
21 that we've had leasing the unit up, except for  
22 this one last owner, that our efforts have been  
23 consistent and reasonable.

24 MS. RICHARDSON: Thank you. Do the

1 leases in the unit authorize drilling into and  
2 producing from the proposed formation?

3 THE WITNESS: They do.

4 MS. RICHARDSON: Thank you. To  
5 establish bonus and royalty amounts and leases,  
6 how are they generally determined?

7 THE WITNESS: It's a mix of a different  
8 bundle of market factors which can sort of  
9 fluctuate over time. I mean, the subsurface  
10 quality of the rock is a consideration. But  
11 competition, price cycles, big increases and  
12 decreases in commodity prices, and then certain  
13 pressures like that have an effect. Also, you've  
14 got to have a meeting of the minds so that the  
15 offers get to be good enough for the mineral owner  
16 to accept it. And it's got to be a low enough  
17 price for us to also want to entertain it and  
18 accept it as well.

19 Just kind of like whenever, you know,  
20 you buy and sell your home or a piece of real  
21 property, there are pretty complicated market  
22 forces that are in play. And we've seen a lot of  
23 that in the housing market with the massive  
24 inflation of home prices just in the past four or

1 five years. And the complex economic forces that  
2 drive markets for real property, and this is just  
3 a different kind of real property, are fascinating  
4 to analyze. But from what we see, those are the  
5 biggest influencers most of the time.

6 MS. RICHARDSON: Thank you for the  
7 explanation. And one last question: I know that  
8 in Exhibit D, you said there is that blue square  
9 indicator on the screen there. You said that was  
10 ODNR property?

11 THE WITNESS: Correct.

12 MS. RICHARDSON: Is that -- and I  
13 wanted to make sure I understood. Is that part of  
14 your application?

15 THE WITNESS: No. That is excluded  
16 from the unit, and it is not a part of this  
17 application.

18 MS. RICHARDSON: Thank you.

19 Mr. Cosby, do you have any questions?

20 MR. COSBY: Yes, I do.

21 First question: I'm actually going to  
22 walk backwards a little bit. Just for some  
23 clarity, you gave us your current average  
24 outstanding offers for unleased mineral owners in

1 the proposed unit. Can you explain -- are these  
2 averages for royalties? Are they based on net or  
3 gross amounts?

4 THE WITNESS: So are you -- okay. Are  
5 you asking about current average offers for bonus  
6 and royalty for all remaining unleased owners in  
7 the unit?

8 MR. COSBY: Yes. The value you gave  
9 for \$3000 for the bonus and 20 percent for  
10 royalty.

11 THE WITNESS: There's only one  
12 remaining unleased owner, but they have an  
13 interest in more than one tract. And so there's  
14 only one offer that's outstanding. And that's  
15 with them, at \$3000 an acre with a 20 percent  
16 gross royalty.

17 MR. COSBY: Gross. Okay. Thank you.  
18 And then with that difference in your outstanding  
19 offer for a lease and the average accepted offers,  
20 can you explain why there is such a difference?

21 THE WITNESS: Over time, I recounted a  
22 lot of the leases in the unit. Some of them were  
23 taken close to 15 years ago. Many were taken in  
24 the 2010s. Some were taken in 2021, 2024, and

1 2025. There's just been a different combination  
2 of market pressures over time. And then  
3 sometimes, for some people, the royalty is more  
4 important to them than the bonus. And you'll see  
5 this a lot with oil and gas leasing. But in  
6 various jurisdictions as the royalty goes up,  
7 oftentimes the bonus will go down. And there's  
8 not a direct correlation, but whenever someone is  
9 oftentimes offered the top-of-the-market royalty  
10 in a given area with a favorable royalty clause  
11 that does not permit deductions for  
12 post-production costs, you'll see that the bonus  
13 offer is usually slightly lower than what the top  
14 of the market is for bonus. Not always, because  
15 every individual negotiation is unique. But if  
16 you look at jurisdictions that have forced  
17 pooling, like Oklahoma, whenever people make an  
18 election under a pooling order in Oklahoma, they  
19 can elect to participate in the well, if they are  
20 a non-consenting interest owner or an unleased  
21 mineral owner, they can participate. Or they can  
22 take different cash and royalty options.

23 And typically, the more upfront cash  
24 you get, the lower the royalty is that you can

1 elect to receive pursuant to the pooling. And so,  
2 there is oftentimes a relationship between the  
3 bonus and the royalty. As the royalty goes up,  
4 sometimes the bonus goes down, because someone  
5 values the production royalties more.

6 MR. COSBY: Thank you. And sorry if  
7 I'm repeating a couple of these, but do you  
8 believe your attempts to commit non-consenting  
9 working interest owners have been reasonable? And  
10 if so, why?

11 THE WITNESS: We have. I mean, we  
12 started negotiating with EAP back in the spring of  
13 this year, and we kept those negotiations up for  
14 all of the rest of the year. And we did finally  
15 reach a trade agreement with them late last week.

16 MR. COSBY: And will you continue your  
17 attempts to commit non-consenting working interest  
18 owners after today's hearing?

19 THE WITNESS: Yes.

20 MR. COSBY: And then one last question,  
21 just again for clarity: You mentioned a trade  
22 agreement your team is working on for this  
23 application. Should we expect a post-hearing  
24 supplement based on that agreement?

1           THE WITNESS: I wouldn't anticipate it,  
2           because I don't anticipate the trade closing  
3           anytime soon. The way that these trades work,  
4           there are timelines built into them. And there's  
5           usually a really healthy due diligence period.  
6           And then based upon the due diligence that you  
7           conduct, you send notices of defects to the other  
8           party. In the trade, you may require them to give  
9           releases of their working interest mortgages. You  
10          may also require them to get any midstream  
11          agreements or contracts that they might have that  
12          are encumbering the acreage released prior to  
13          closing the trade. And all of that is fairly  
14          routine and typical, but it takes a while to  
15          untangle things before the trade is ready to  
16          close.

17                 MR. COSBY: Thank you. No further  
18                 questions.

19                 MS. RICHARDSON: Thank you.

20                 Mr. Carr, please call your next  
21                 witness.

22                 MR. CARR: Thank you very much, Ms.  
23                 Richardson. Our second witness this morning is  
24                 Dilyn Delval.

1 MS. RICHARDSON: Please swear in the  
2 witness.

3 - - - - -

4 DILYN DELVAL

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

7 DIRECT EXAMINATION

8 BY MR. CARR:

9 Q. Good morning, Ms. Delval.

10 A. Good morning.

11 Q. Like your colleague, Mr. Highsaw, I'd  
12 like for you to begin by introducing yourself to  
13 the Division, sharing a little bit about your  
14 educational professional background and what you  
15 do for Ascent.

16 A. My name is Dilyn Delval, and I am a  
17 geologist employed by Ascent Resources. I hold a  
18 Bachelor of Science degree in Geology from  
19 Edinburgh University, and a Master of Science  
20 degree in Geology from the University of North  
21 Dakota. I entered the oil and gas industry in  
22 September of 2018 as a geologist at Ascent, and  
23 all of my operator experience, totaling seven  
24 years, is within the Appalachian Basin.

1           In my current role at Ascent, my time  
2 is primarily spent interpreting and integrating  
3 subsurface data into our workflows. This is most  
4 clearly expressed by creating and maintaining our  
5 subsurface maps for use across a variety of  
6 disciplines, as well as helping quality control  
7 the data used to generate the maps.

8           Additionally, I create geologic  
9 exhibits to provide to the Land Department to help  
10 them verify their geologic accuracy of their  
11 documentation.

12 Q.           Thank you very much. Now, I'd like to  
13 ask you a series of questions about whether the  
14 unitized formation underlying the Charley West  
15 unit is a pool or part of a pool. So to begin,  
16 can you tell me what formations Ascent is seeking  
17 to unitize here?

18 A.           We're seeking to unitize the Utica  
19 Shale formation, which includes the Point Pleasant  
20 Interval.

21 Q.           Thank you. And from a geological  
22 perspective, how would you define the term "pool"?

23 A.           A "pool" is generally understood to be  
24 an area of geologically consistent reservoir

1 properties such as porosity, permeability,  
2 thickness, and rock type that most importantly  
3 share an accumulation of hydrocarbons.

4 Q. Now, it's my understanding that you  
5 completed an evaluation to determine whether the  
6 unitized formation underlying the Charley West  
7 unit, the Utica Formation, which includes the  
8 Point Pleasant, is a pool or part of a pool; is  
9 that correct?

10 A. Yes, I did.

11 Q. Can you walk us through your evaluation  
12 and kind of explain to us what information you  
13 considered to ultimately make your conclusion?

14 A. Yeah. So I reviewed the vertical wells  
15 in this area with a full suite of electric logs in  
16 order to compare reservoir quality from well to  
17 well. I also reviewed the seismic data in this  
18 area, as well as the structure maps relevant to  
19 the Utica Formation.

20 Q. Now, I have here on the screen Exhibit  
21 F to Ascent's application. Can you tell me what  
22 this exhibit is depicting and why it's relevant?

23 A. Yeah. So, Exhibit F is a subsea  
24 structure map of the Point Pleasant Interval

1 around the proposed Charley W ATH HR unit, which  
2 is outlined in blue. The purple crosses are wells  
3 that have penetrated the Point Pleasant in this  
4 area, and this map was created using those control  
5 points. The orange dots were used to create a  
6 two-well cross-sectional line through the Charley  
7 West unit. They mark the location of the two  
8 closest vertical wells to the proposed unit, with  
9 a full suite of electrical logs, and these are  
10 only two of a few vertical wells in the area that  
11 I used during this analysis. And then from the  
12 structure map, looking at the gentle curve of the  
13 contour lines, there is no reason to think that  
14 any structural features would separate the  
15 Utica-Point Pleasant reservoir within the proposed  
16 unit.

17 Q. Thank you very much. And I'm going to  
18 turn now to Exhibit E to the application. And  
19 you've already touched upon this exhibit in your  
20 last remarks, but can you kind of walk us through  
21 this exhibit and, again, kind of tell us why it's  
22 relevant and what it's showing us?

23 A. Exhibit E is a stratigraphic  
24 cross-section of the two closest wells nearest to

1 the Charley West unit, them being the Alpha ATH HR  
2 2P and the Solo SHC HR 1H. The log data curves  
3 displayed in both of the wells are the gamma ray  
4 in the left track and the deeper resistivity in  
5 the right track. As seen on this exhibit, the log  
6 data demonstrates that the Utica Formation  
7 stratigraphy is -- excuse me, is very consistent  
8 and does not significantly change near the  
9 proposed unit. Geologic properties such as the  
10 thickness and the resistivity are laterally  
11 consistent throughout the proposed unit.

12 Q. So based on your evaluation, including  
13 looking at this whole suite of logs for the Alpha  
14 ATH HR well and the Solo SHC HR well, is it your  
15 opinion that the unit formation underlying the  
16 Charley West unit is a pool or part of a pool?

17 A. Yes. I believe the unitized formation  
18 is a pool or part of a pool.

19 Q. Now, your colleague, Mr. Highsaw,  
20 testified earlier about the unit plan and how it  
21 allocates unit production on a surface acreage  
22 basis. Based on your evaluation of the unit  
23 transformation, and based on your education and  
24 training, is a surface acreage allocation an

1 appropriate way to allocate production as well as  
2 unit expenses?

3 A. Yeah, because the relative thickness  
4 and the reservoir qualities of the Utica and Point  
5 Pleasant are expected to be consistent across the  
6 Charley West unit. As we saw in Exhibit E, there  
7 are no substantial variations expected across the  
8 proposed unit, and therefore there would be no  
9 geologic reason to allocate production using a  
10 method other than surface acreage.

11 Q. And Mr. Highsaw also testified about  
12 the non-consent penalty in the operating agreement  
13 attached to Ascent's proposed unit plan. He  
14 testified that the non-consent penalty is 500  
15 percent for non-consenting working interest  
16 owners. In your opinion, based on your training  
17 and experience, is a 500 percent non-consent  
18 penalty just and reasonable?

19 A. Yeah. There's always inherent risk  
20 when drilling a well, whether that be unexpected  
21 drilling hazards or mechanical issues. So I  
22 believe it is just and reasonable for the working  
23 interest partners to help assume that risk.

24 Q. Thank you, Ms. Delval.

1                   MR. CARR: Those are all the questions  
2 I have this morning. The Division may have a few  
3 questions.

4                   MS. RICHARDSON: Thank you.

5                   Ms. Delval, what is the anticipated  
6 true vertical depth of the horizontal portion of  
7 the wellbore?

8                   THE WITNESS: The anticipating landing  
9 TVD in the unit is estimated to be 8,576 feet.

10                  MS. RICHARDSON: Thank you. What is  
11 the anticipated true vertical depth of the top of  
12 the Utica, the Point Pleasant, and the Trenton?

13                  THE WITNESS: The Utica is 8,300 --  
14 sorry, 8,395 feet TVD. The Point Pleasant is  
15 8,517 feet TVD. And then the Trenton, or the base  
16 of the Utica, is 8,638 feet TVD.

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

19                  THE WITNESS: So, most of the  
20 hydrocarbon production will come from the Point  
21 Pleasant, but we would expect a small amount of  
22 production to come from the upper Utica over the  
23 lifetime of this well.

24                  MS. RICHARDSON: Thank you.

1 Mr. Cosby, do you have any questions?

2 MR. COSBY: No, I do not. Thank you.

3 MS. RICHARDSON: Thank you.

4 Mr. Carr, please call your next  
5 witness.

6 MR. CARR: Thank you very much,  
7 Ms. Richardson. Our last witness this morning is  
8 Matt Padgham.

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

11 - - - - -

12 MATT PADGHAM

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

15 DIRECT EXAMINATION

16 BY MR. CARR:

17 Q. Mr. Padgham, I'd like you, if you  
18 would, please introduce yourself to the Division  
19 and share a little bit about your educational  
20 professional background and what you do for Ascent  
21 on a day-to-day basis.

22 A. Sure. My name is Matt Padgham. I'm a  
23 reservoir engineering advisor at Ascent Resources.  
24 Prior to entering the industry, I obtained a

1 Mechanical Engineering degree from Oklahoma State  
2 University. Upon completion of that, I entered  
3 the industry where I've been a practicing  
4 reservoir engineer for approximately 15 years,  
5 working at a handful of different companies  
6 including ConocoPhillips, Lynn Energy, Chaparral  
7 Energy, Citizen Energy, and then, most recently,  
8 here at Ascent. Collectively, I've worked for  
9 Ascent for almost four years. I have experience  
10 across a number of different basins, including  
11 most recently here, at the Appalachian Basin with  
12 Ascent.

13 Q. And can you explain or share with us  
14 what your primary job responsibilities are as a  
15 reservoir engineer at Ascent?

16 A. Sure. My responsibilities include  
17 really anything to do with well performance  
18 analysis. That includes decline curve analysis,  
19 reservoir simulation, and volumetrics. But that  
20 also expands to include the cataloging and  
21 evaluation of our producing and undeveloped  
22 reserves. And then lastly, it also includes  
23 involvement with any acquisition and divestiture  
24 work.

1 Q. Thank you very much. Now, I would like  
2 to ask you a series of questions, but at this time  
3 I want to ask about the volume of production we  
4 could expect to see under two different operating  
5 scenarios.

6 The first operating environment is  
7 called the "unitized" case, and that is where the  
8 Division issues Ascent the requested unit order,  
9 and Ascent proceeds to drill the well to total  
10 measured depth as reflected in its application.  
11 And the second operation, I'm going to call the  
12 non-unitized case. And that is where the  
13 Division does not issue Ascent the requested  
14 order, but Ascent nonetheless tries to develop  
15 the Charley West unit to the best of its ability  
16 on a voluntary basis.

17 Now, it's my understanding that you  
18 forecasted or estimated production under both  
19 operating scenarios; is that correct?

20 A. Yes, that is correct.

21 Q. Can you tell me about your process?  
22 How did you go about forecasting production under  
23 those two operating scenarios?

24 A. So, we characterize the area with a

1 type curve or a type well, which is a lateral  
2 length normalized average of what we deem to be  
3 analogous offsets. Here we would define  
4 "analogous" as wells with similar completions,  
5 similar rock properties, and generally similar  
6 expected performance.

7 Q. Now, I have on the screen an exhibit.  
8 It depicts the Charley West unit location and some  
9 wells in a nearby area. Are these the wells that  
10 you included within your type curve?

11 A. That is correct.

12 Q. And these are a listing of those wells  
13 by API number, well name, production start date,  
14 et cetera, correct?

15 A. Correct.

16 Q. So let's talk about your estimates.  
17 Let's start with the -- let's begin with the  
18 unitized case. What volume of recovery could we  
19 expect to see under the unitized case?

20 A. In the entire scenario there at the  
21 top, we estimate approximately 11.16 BCFe.

22 Q. And just for the audience's benefit,  
23 can you tell me what the acronym BCFe stands for?

24 A. Yeah, that would be billion cubic feet

1 equivalent of natural gas.

2 Q. Thank you very much. And what about  
3 the non-unitized scenario? What volume of  
4 recovery could we expect to see under that  
5 operating scenario?

6 A. Due to the location of the  
7 non-consenting parcels, we would be unable to  
8 drill the well as depicted. So the estimated  
9 recovery would be zero.

10 Q. So, the difference of recovery is that  
11 11.16 BCFe you testify to under the unitized case,  
12 correct?

13 A. That is correct.

14 Q. Now, is this -- is 11.16 BCFe a  
15 substantial amount of production, in your  
16 experience?

17 A. It is. We would categorize anything  
18 over one BCFe as significant, internally.

19 Q. So in your opinion, is a unit order  
20 reasonably necessary to increase substantially the  
21 volume production from the Charley West unit area?

22 A. It is.

23 Q. Now, your colleague, Mr. Highsaw,  
24 testified earlier about that small indentation on

1 the western boundary of the unit area. And  
2 there's going to be an NPZ, or non-perf zone  
3 around that track. Does your volume of -- does  
4 your estimate include that NPZ?

5 A. It does. We included approximately a  
6 417-foot NPZ to reflect that.

7 Q. Thank you very much. So let's talk  
8 about the value of recovery under both operating  
9 scenarios. So, what is the value of that 11-plus  
10 BCFe under the unitized case?

11 A. So, we have two different value  
12 depictions there. One is PV0. The other is PV10.  
13 PV0 would be the undiscounted summation of all  
14 future cash inflows and outflows. So, operating  
15 cost, capital costs, and revenue from hydrocarbon  
16 streams. And then the PV10 would be that same PV0  
17 column discounted at 10 percent to reflect the  
18 time value of money. Isolating just to the PV10,  
19 we estimate the value of those reserves to be  
20 approximately \$10.45 million.

21 Q. And even I, as an attorney, can do the  
22 simple math, because there is no recovery under  
23 the non-unitized case. The value is also zero,  
24 correct?

1 A. Correct.

2 Q. All right. So in your opinion, it does  
3 devalue the additional recovery that Ascent would  
4 enjoy under -- or obtain under the unitized case.  
5 Does that exceed the additional cost that Ascent  
6 would incur to develop that resource?

7 A. It does.

8 Q. And how do you know that? Is that  
9 supported by the fact that the PV10 value is  
10 positive?

11 A. Correct. Yes, that is correct.

12 Q. Now, you talked about how PV0 and PV10  
13 takes into account all the cash inflows and then  
14 subtracts from that all the cash outflows. And  
15 just for clarity, both cash outflows would include  
16 the cost to drill the well, equip it, operate it,  
17 and ultimately plug the well and abandon it and  
18 reclaim the surface. Is that correct?

19 A. That is correct.

20 Q. All right. I like to -- and briefly,  
21 just discussing the unit plan attached to Ascent's  
22 application, Mr. Highsaw testified about the  
23 non-consent penalty for non-consenting working  
24 owners, and how it is 500 percent. Based on your

1 experience, and you testified that you've worked  
2 in different basins and different plays, is a 500  
3 percent non-consent penalty just and reasonable in  
4 your opinion?

5 A. I believe so. It adequately penalizes  
6 the parties who are unwilling to participate in  
7 both the mechanical drilling and completion risk,  
8 as was testified to earlier, but also unwilling to  
9 participate in the commodity price risk involved  
10 as well.

11 Q. Thank you very much, Mr. Padgham.

12 MR. CARR: Those are all the questions  
13 I have for today.

14 MS. RICHARDSON: Thank you.

15 I have a few questions. What is the  
16 estimated economic life of the well in years?

17 THE WITNESS: We limit the life at 50  
18 years.

19 MS. RICHARDSON: Thank you. What price  
20 was included in the strip price again?

21 THE WITNESS: We utilized an  
22 October 9th-dated strip price that we honor for  
23 the first four years and then hold flat at that  
24 fourth year number. In this instance, that fourth

1 year number was \$3.83 per MCF of gas and \$61.75  
2 per barrel of oil.

3 MS. RICHARDSON: Thank you. When do  
4 you estimate you will recover the cost of  
5 drilling, testing, and completing the wells at one  
6 times, one-and-a-half, two, and three?

7 THE WITNESS: Yeah, our estimates are:  
8 For one times payout, that would be 2.6 years.  
9 One-and-a-half times payout would be 4.6 years.  
10 Two times payout would be 8.3 years. And then  
11 lastly, three times payout would be 25.2 years.

12 MS. RICHARDSON: Thank you. It was  
13 mentioned earlier that the pad has not been built,  
14 but you plan on expanding it in 2026. And there  
15 was a total of nine wells, but the application  
16 says that you are proposing one well; is that  
17 correct?

18 THE WITNESS: That is correct. There  
19 are six existing wells on the pad. And then we  
20 plan to return to drill three additional wells at  
21 the same time for a total of nine wells. And so,  
22 in our pad cost estimates, we've included both the  
23 historic actual costs plus the estimated cost to  
24 expand the pad to facilitate the three additional

1 wells. And then those costs will be shared evenly  
2 across all nine wells.

3 MS. RICHARDSON: Thank you. What  
4 amount was included in plugging and restoration  
5 costs in your economic calculations?

6 THE WITNESS: That estimate is \$250,000  
7 per well.

8 MS. RICHARDSON: And that's including  
9 the restoration as well?

10 THE WITNESS: That is correct.

11 MS. RICHARDSON: Okay. Great. What is  
12 the estimated BCFe per thousand feet?

13 THE WITNESS: For this application,  
14 it's 1.31 BCFe per thousand foot of lateral.

15 MS. RICHARDSON: Thank you. What is  
16 the estimated recovery factor in the area?

17 THE WITNESS: For this unit, it would  
18 calculate to a 43 percent recovery factor.

19 MS. RICHARDSON: Okay. And there right  
20 now are no existing wells, correct?

21 THE WITNESS: No existing wells within  
22 the unit. That is correct.

23 MS. RICHARDSON: Thank you.

24 Mr. Cosby, do you have you have any

1 questions?

2 MR. COSBY: Yes, I have one question.  
3 Have you factored in the cost of shutdowns of  
4 existing wells due to simultaneous operations they  
5 have? And if no, why not?

6 THE WITNESS: No, we have not. Those  
7 costs would be applicable to those wells. And so  
8 they're not reflected in this application.

9 MR. COSBY: Thank you. That is all I  
10 have.

11 MS. RICHARDSON: Thank you.

12 Once again, if you would like to make  
13 comments, I am going to first take all your names  
14 and note whether you're an unleased mineral owner,  
15 working interest owner, or owner with property in  
16 the unit. Only one person may speak at a time to  
17 properly record the hearing, and please mute your  
18 microphone once you have delivered your comments  
19 or questions to avoid any feedback. Additionally,  
20 anyone speaking today will be asked to provide  
21 their information to the court reporter. If  
22 you're uncomfortable speaking during the hearing,  
23 we will also accept written comments.

24 If you've joined us via WebEx and would

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

3 Hearing none.

4 If anyone has 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 Mr. Cosby, do you have any additional  
9 questions for the Applicant?

10 MR. COSBY: No, I do not. Thank you.

11 MS. RICHARDSON: Does the Applicant  
12 have any closing remarks?

13 MR. CARR: Yes, we do. Just two  
14 housekeeping items. Really, three. First, we  
15 will file a post-hearing supplement to reflect the  
16 NPZ on Exhibit D, the well map, just for clarity  
17 and the record. I wanted to mention that to the  
18 Division.

19 Second, some of my questions that I  
20 asked Mr. Padgham were whether his economic  
21 calculations included NPZ. And by the word  
22 "included," I really meant to say, did he take  
23 that into account. And if I could just bring  
24 Mr. Padgham back on quickly, I'd like him to

1       testify for the record that when I asked him did  
2       he include the NPZ, the meaning was he took that  
3       into account in his economic calculations. Is  
4       that correct, Mr. Padgham?

5               MR. PADGHAM: That is correct. Yeah.  
6       Adjacent to that ODNR tract with the setback  
7       requirements there, we have included an NPZ such  
8       that we can assure that we are not draining that  
9       portion.

10              MR. CARR: And then lastly, I see  
11       Milleson sent a comment to the Division while this  
12       hearing was taking place, asking about possible  
13       drainage of tracts. I'm not sure if he(sic) has a  
14       direct interest in that tract, but nevertheless,  
15       as Mr. Padgham just testified, there will be an  
16       NPZ around that tract, around that portion of the  
17       wellbore. Ascent's development plan complies with  
18       all state spacing and setback requirements. And  
19       so, to the extent that there is any drainage, if  
20       any, I would say that and submit that the rule of  
21       capture would apply. But otherwise, we intend to  
22       comply with all state setback and spacing  
23       requirements.

24              MS. RICHARDSON: Thank you, I

1 appreciate that.

2 Thank you. The hearing is now  
3 concluded.

4 - - - - -

5 Thereupon, the foregoing proceedings  
6 concluded at 10:00 a.m.

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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, Jack M. Casey, a Notary Public in and for  
4 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 January 7, 2026.

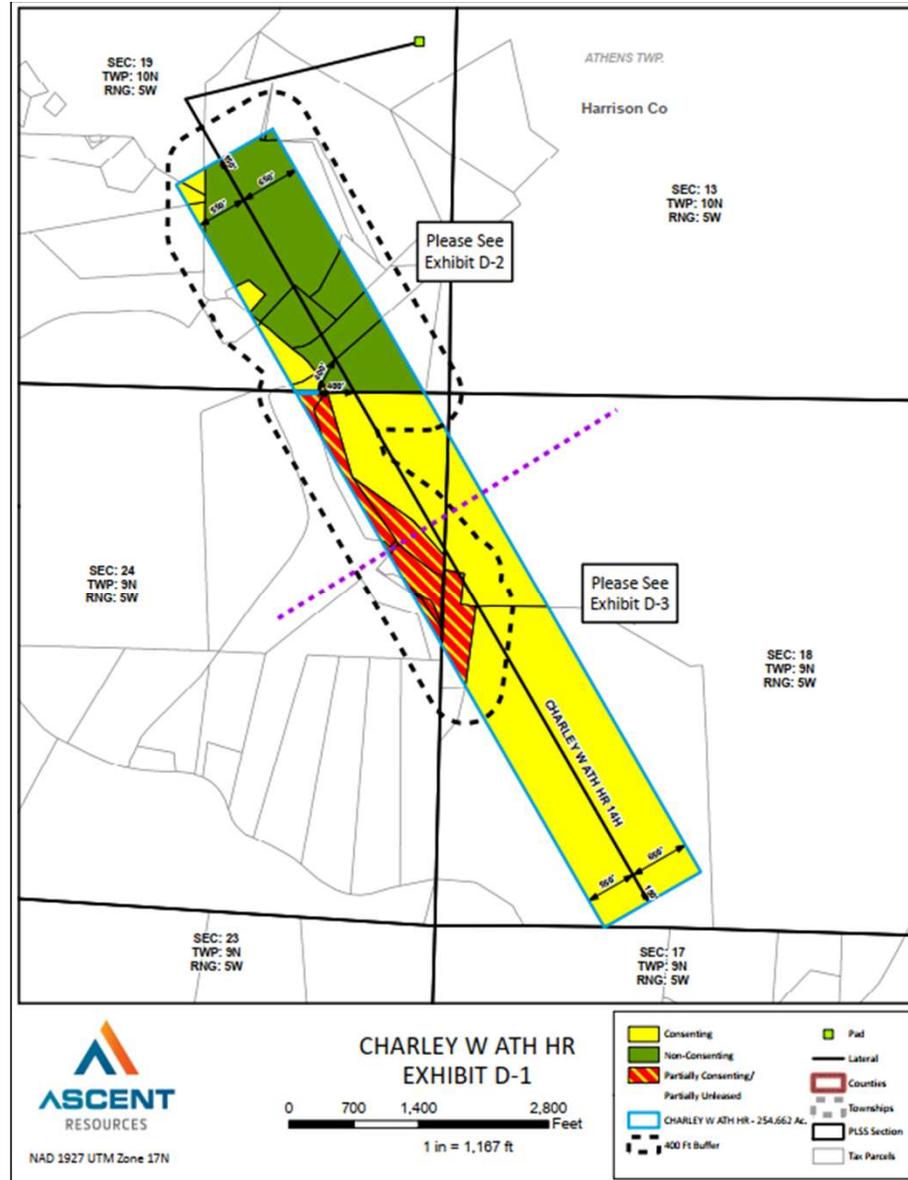
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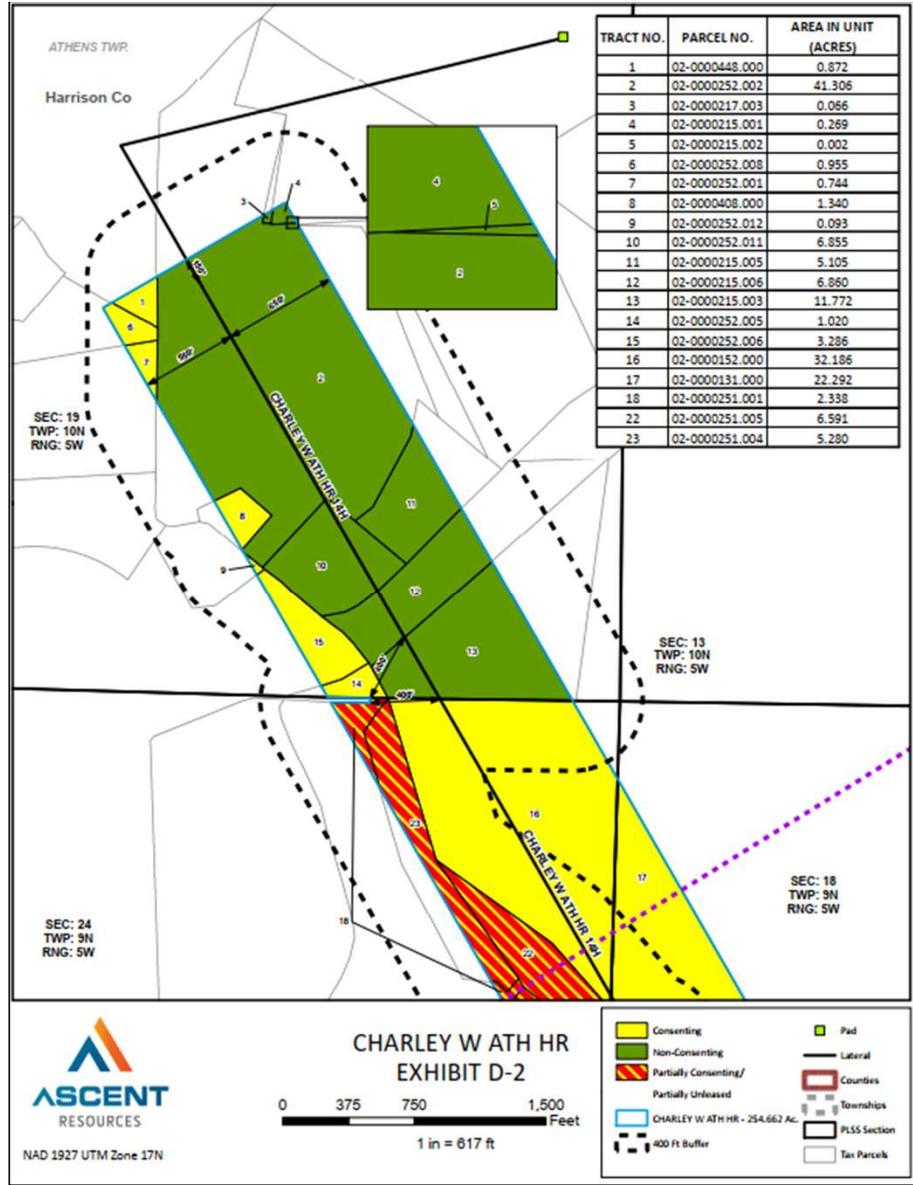
20 \_\_\_\_\_  
21 Jack M. Casey, Notary Public - State of Ohio  
22 My commission expires November 24, 2030.  
23  
24



**CHARLEY WATH HRUNIT**

**Wednesday, December 17, 2025**







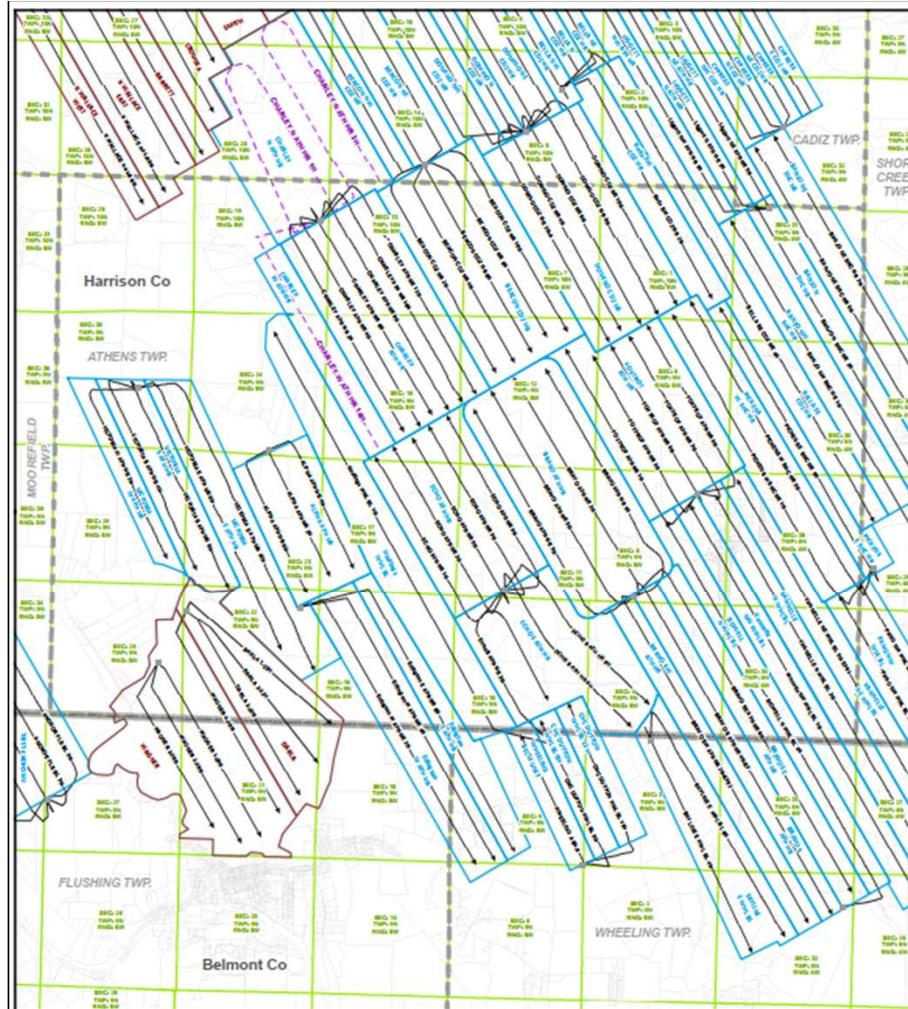


TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)	EXHIBIT
1	02-0000448.000	0.872	D-2
2	02-0000252.002	41.306	D-2
3	02-0000217.003	0.066	D-2
4	02-0000215.001	0.269	D-2
5	02-0000215.002	0.002	D-2
6	02-0000252.008	0.955	D-2
7	02-0000252.001	0.744	D-2
8	02-0000408.000	1.340	D-2
9	02-0000252.012	0.093	D-2
10	02-0000252.011	6.855	D-2
11	02-0000215.005	5.105	D-2
12	02-0000215.006	6.860	D-2
13	02-0000215.003	11.772	D-2
14	02-0000252.005	1.020	D-2
15	02-0000252.006	3.286	D-2
16	02-0000152.000	32.186	D-2/D-3
17	02-0000131.000	22.292	D-2/D-3
18	02-0000251.001	2.338	D-2/D-3
19a	02-0000263.000	94.537	D-3
19b	02-0000263.000	6.519	D-3
20	02-0000129.000	0.002	D-3
21	02-0000251.002	4.372	D-3
22	02-0000251.005	6.591	D-2/D-3
23	02-0000251.004	5.280	D-2
TOTALS:		254.662	



NAD 1927 UTM Zone 17N

CHARLEY W ATH HR  
MAP TABLE



CHARLEY W ATH HR  
ADJACENT UNITS MAP

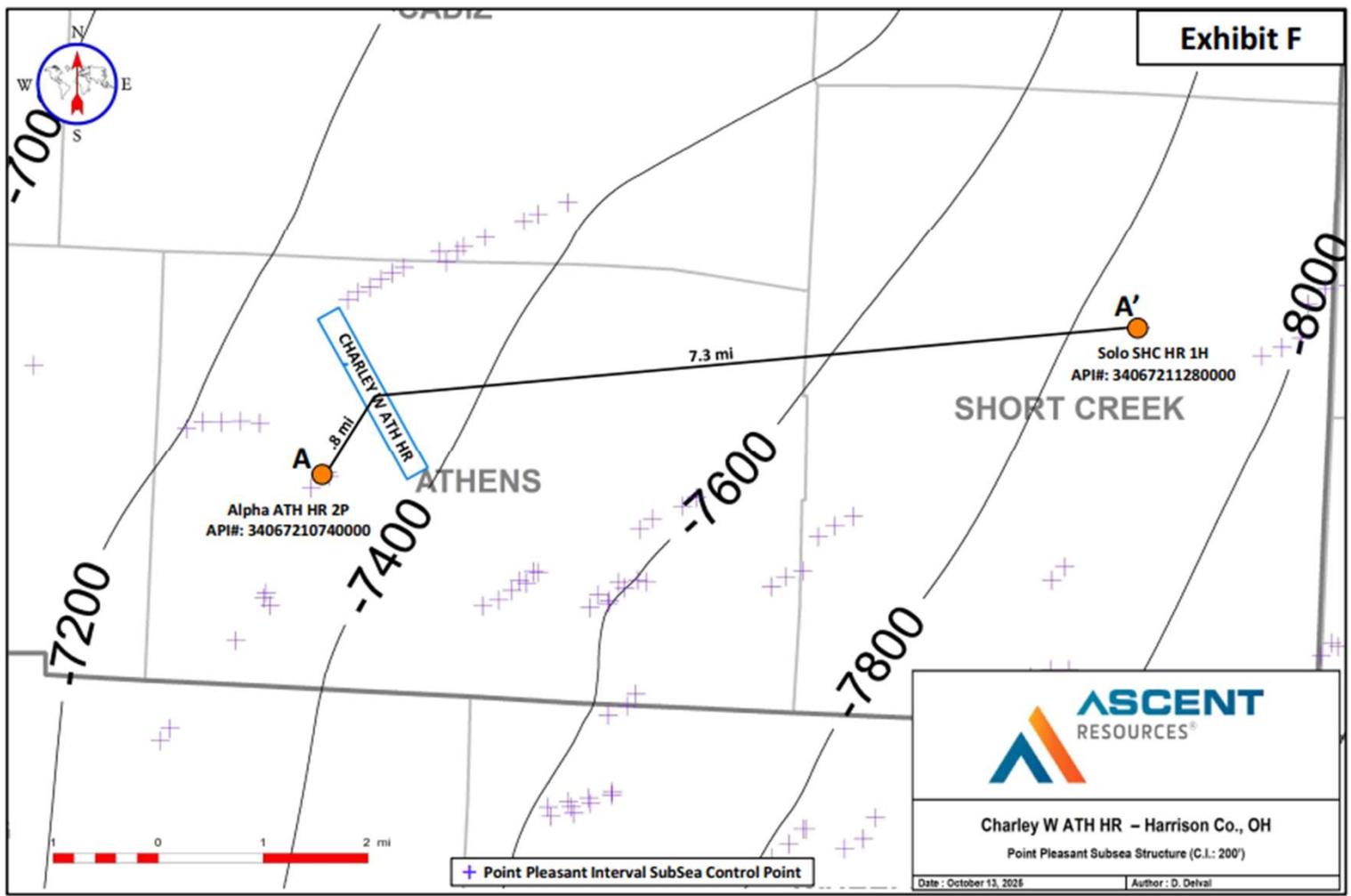


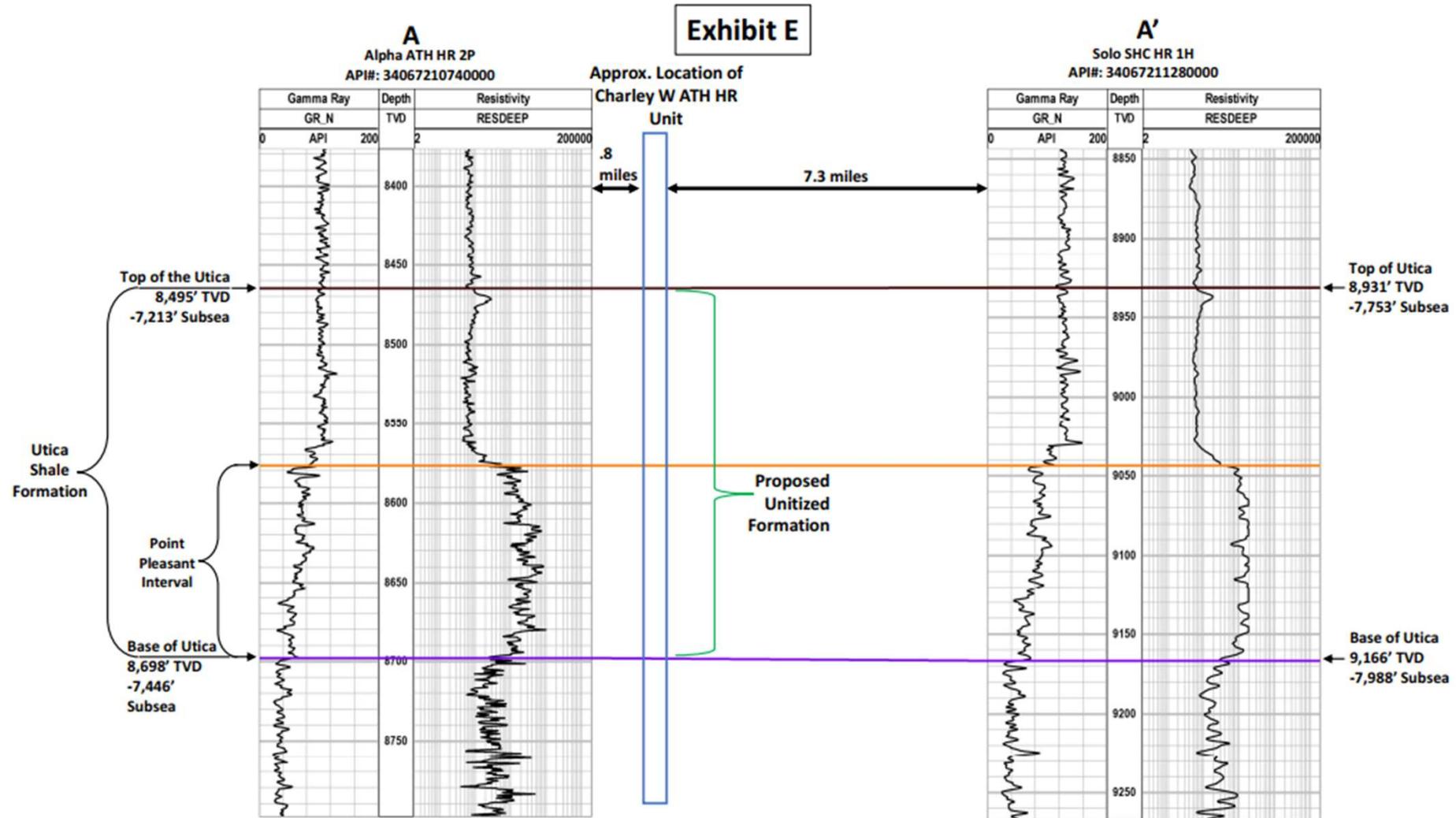
NAD 1927 UTM Zone 17N

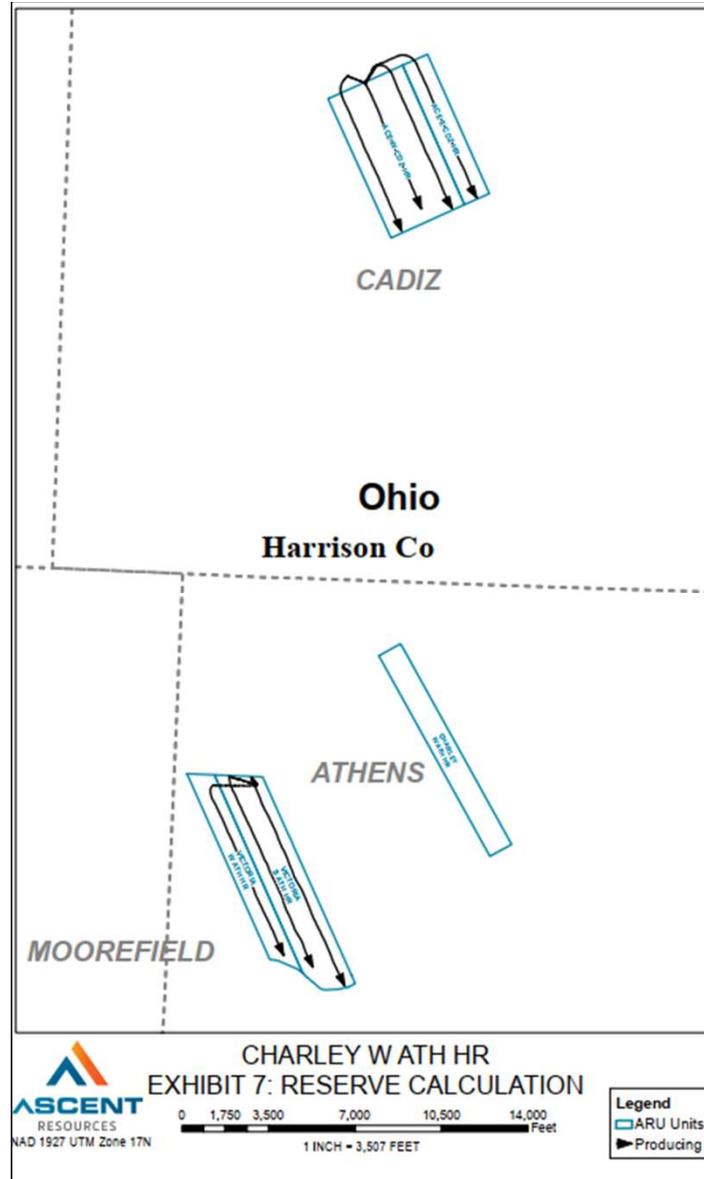
0 3,450 6,900 13,800 Feet

1 in = 4,375 ft

- Working Units
- Non-Applicant Units
- Townships
- PLSS Section
- Counties
- Tax Parcels
- Ped
- Producing Laterals
- Proposed Laterals









### CHARLEY W ATH HR Unit - Reserve Calculation Wells

API NO.	WELL NAME	LATERAL LENGTH (ft.)	PROD. START DATE	DISTANCE FROM UNIT (mi.)
34067213450000	ACE E CDZ HR 8H	5,706	06-Jul-15	3.4
34067210820100	ACE W CDZ HR 4H	4,775	25-Oct-13	3.1
34067213440000	ACE W CDZ HR 2H	5,527	24-Jun-15	3.1
34067213460000	ACE W CDZ HR 6H	5,707	26-Jun-15	3.1
34067215810000	VICTORIA S ATH HR 6H	8,706	20-Oct-19	1.2
34067215790000	VICTORIA W ATH HR 2H	6,944	13-Nov-19	1.5
34067215800000	VICTORIA S ATH HR 4H	7,822	13-Nov-19	1.2



Unitized Scenario									
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MMS)	Capital Costs (MMS)	Undiscounted Value of Estimated Recovery (MMS)	PV0 (MMS)	PV10 (MMS)	Estimated Gross Recovery (BCFe)	Supplement
CHARLEY W ATH HR 14H	8,533	20,040	23.23	7.64	53.63	22.18	10.45	11.16	<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
<b>Total:</b>	8,533	20,040	23.23	7.64	53.63	22.18	10.45	11.16	<input type="checkbox"/>

Non-Unitized Scenario									
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MMS)	Capital Costs (MMS)	Undiscounted Value of Estimated Recovery (MMS)	PV0 (MMS)	PV10 (MMS)	Estimated Gross Recovery (BCFe)	Supplement
CHARLEY W ATH HR 14H	0	0	0	0	0	0	0	0	<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
<b>Total:</b>	0	0	0	0	0	0	0	0	<input type="checkbox"/>

Difference									
Well Name	Lateral Length (ft)	Measured Depth (ft)	Operating Costs (MMS)	Capital Costs (MMS)	Undiscounted Value of Estimated Recovery (MMS)	PV0 (MMS)	PV10 (MMS)	Estimated Gross Recovery (BCFe)	Supplement
CHARLEY W ATH HR 14H	8,533	20,040	23.23	7.64	53.63	22.18	10.45	11.16	<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>
<b>Total:</b>	8,533	20,040	23.23	7.64	53.63	22.18	10.45	11.16	<input type="checkbox"/>