

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

In re the Matter of the Application of	:	
Gulfport Energy Corporation, for	:	
Unit Operation	:	Application Date: May 19, 2015
	:	Supplement Date: July 30, 2015
<u>George Southeast Unit</u>	:	

SUPPLEMENT TO APPLICATION

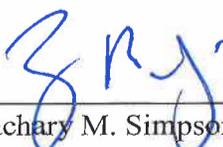
On May 19, 2015, Gulfport Energy Corporation (“Gulfport”) filed an application with the Ohio Department of Natural Resources Division of Oil and Gas Resources Management (the “Division”) for unit operation of the George Southeast Unit located in Belmont County, Ohio (the “Unitization Application”). Gulfport files this Supplement to Application to reflect the following changes:

- Gulfport has secured additional leasehold interest within the unit.
- To identify certain parties potentially claiming an interest under the Ohio Dormant Minerals Act.
- To correct certain typographical errors in the application.

To reflect these changes, Gulfport has attached revised versions or new forms of the following exhibits to the Unitization Application:

- Revised Unitization Application.
- Revised Exhibits A, A-2, A-3 and A-4 to the Unit Operating Agreement.
- Revised Prepared Testimony of Michael Buckner.
- Revised Exhibits MB-1 and MB-2 to the Prepared Testimony of Michael Buckner.
- Revised Prepared Testimony of Steve Baldwin.
- Revised Prepared Testimony of David Ferguson.
- New Exhibit DF-1.4 to the Prepared Testimony of David Ferguson.
- Revised Exhibits DF-1.1, DF-2, DF-3 and DF-4 to the Prepared Testimony of David Ferguson.
- Revised Exhibit 6 and Exhibit 6.1.
- New Affidavit of Fact – Gulfport’s agreement with Rice Energy.
- New Affidavit of Fact – Gulfport’s agreement with Murray Energy.

Respectfully submitted,



Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May Avenue, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant

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

In re the Matter of the Application of	:	
Gulfport Energy Corporation, for	:	
Unit Operation	:	Application Date: May 19, 2015
	:	Supplement Date: July 30, 2015
<u>George Southeast Unit</u>	:	

**APPLICATION OF GULFPORT ENERGY CORPORATION
FOR UNIT OPERATION**

Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May Avenue, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant

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Exhibit 6 Working Interest Owner Approval

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

In re the Matter of the Application of	:	
Gulfport Energy Corporation, for	:	
Unit Operation	:	Application Date: May 19, 2015
	:	July 30, 2015
<u>George Southeast Unit</u>	:	

APPLICATION

Pursuant to Ohio Revised Code Section 1509.28, Gulfport Energy Corporation (“Gulfport”), hereby respectfully requests the Chief of the Ohio Department of Natural Resources’ Division of Oil and Gas Resources Management (“Division”) to issue an order authorizing Gulfport to operate the Unitized Formation and applicable land area in Belmont County, Ohio (hereinafter, the “George Southeast Unit”) as a unit according to the Unit Plan attached hereto and as more fully described herein. Gulfport makes this request for the purpose of substantially increasing the ultimate recovery of oil and natural gas, including related liquids, from the Unitized Formation, and to protect the correlative rights of unit owners, consistent with the public policy of Ohio to conserve and develop the state’s natural resources and prevent waste.

I.
APPLICANT INFORMATION

Gulfport Energy Corporation, is a corporation organized under the laws of the State of Delaware. Gulfport has its principal office in Oklahoma City, Oklahoma and is registered in good standing as an “owner” with the Division.

Gulfport designates to receive service, and respectfully requests that all orders, correspondence, pleadings and documents from the Division and other persons concerning this filing be served upon, the following:

Zachary M. Simpson – Corporate Counsel
David Ferguson – Landman
Gulfport Energy Corporation
14313 N. May, Suite 100
Oklahoma City, Oklahoma 73134
Tel. (405) 848-8807
E-mail: zsimpson@gulfportenergy.com
dferguson@gulfportenergy.com

II. PROJECT DESCRIPTION

The George Southeast Unit is located in Belmont County, Ohio, and consists of fifty (50) separate tracts of land. See Exhibits A-1, A-2, A-3 and A-4 of the Unit Operating Agreement (showing the plat and tract participations, respectively). The total land area in the George Southeast Unit is approximately 486.075 acres. Gulfport has the right to drill on and produce from approximately 473.277 acres of the proposed unit through its leasehold interest and joint venture agreement with Rice Drilling D., LLC – i.e., approximately ninety-seven percent (97.3670%) of the unit area, which is well above the sixty-five percent (65%) threshold required by Ohio Revised Code § 1509.28.¹ As more specifically described herein, Gulfport seeks authority to drill and complete one or more horizontal wells in the Unitized Formation from a single well pad located to the south of the George Southeast Unit to efficiently test, develop, and operate the Unitized Formation for oil, natural gas, and related liquids production.

Gulfport's plan for unit operations (the "Unit Plan") is attached to this Application and consists of the Unit Agreement, attached as Exhibit 1; and the Unit Operating Agreement, attached as Exhibit 2. Among other things, the Unit Plan allocates unit production and expenses based upon each tract's surface acreage participation in the unit; includes a carry provision for those unit participants unable to meet their financial obligations, the amount of which is based upon the risks of and costs related to the project; and conforms to industry standards for the drilling and operating of horizontal wells generally used by the Applicant with other interest owners.

III. TESTIMONY

The following pre-filed testimony has been attached to the Application supporting the George Southeast Unit's formation: (i) testimony from a Geologist establishing that the Unitized Formation is part of a pool and supporting the Unit Plan's recommended allocation of unit production and expenses on a surface acreage basis;² (ii) testimony from a Reservoir Engineer establishing that unitization is reasonably necessary to increase substantially the recovery of oil and gas, and that the value of the estimated additional resource recovery from unit operations exceeds its additional costs;³ and (iii) testimony from an operational Landman with firsthand

¹ See Prepared Direct Testimony of David Ferguson at 2-3, attached as Exhibit 5.

² See Prepared Direct Testimony of Michael Buckner, attached as Exhibit 3.

³ See Prepared Direct Testimony of Steve Baldwin, attached as Exhibit 4.

knowledge of Gulfport's Ohio development who describes the project generally, the Unit Plan, efforts to lease unleased owners, and the approvals received for unit development.⁴

IV.
THE CHIEF SHOULD GRANT THIS APPLICATION

A. Legal Standard

Ohio Revised Code § 1509.28 requires the Chief of the Division to issue an order providing for the unit operation of a pool – or a part thereof – if it is reasonably necessary to increase substantially the ultimate recovery of oil and gas, and the value of the estimated additional resource recovery from the unit's operations exceeds its additional costs. See Ohio Rev. Code § 1509.28(A).

The Chief's order must be on terms and conditions that are just and reasonable and prescribe a plan for unit operations that includes the following:

- (1) a description of the unit area;
- (2) a statement of the nature of the contemplated operations;
- (3) an allocation of production from the unit area not used in unit operations, or otherwise lost, to the separately owned tracts;
- (4) a provision addressing credits and charges to be made for the investment in wells, tanks, pumps, and other equipment contributed to unit operations by owners in the unit;
- (5) a provision addressing how unit operation expenses shall be determined and charged to the separately owned tracts in the unit, and how they will be paid;
- (6) a provision, if necessary, for carrying someone unable to meet their financial obligations in connection with the unit;
- (7) a provision for the supervision and conduct of unit operations in which each person has a vote with a value corresponding to the percentage of unit operations expenses chargeable against that person's interest;
- (8) the time when operations shall commence and the manner in which, and circumstances under which, unit operations will terminate; and
- (9) such other provisions appropriate for engaging in unit operation and for the protection or adjustment of correlative rights.

See Ohio Rev. Code § 1509.28(A). The Chief's order becomes effective once approved in writing by those working-interest owners who will be responsible for paying at least sixty-five percent of the costs of the unit's operations and by royalty and unleased fee-owners of sixty-five percent of the unit's acreage. Once effective, production that is "allocated to a separately owned

⁴ See Prepared Direct Testimony of David Ferguson, attached as Exhibit 5.

tract shall be deemed, for all purposes, to have been actually produced from such tract, and all operations *** [conducted] upon any portion of the unit area shall be deemed for all purposes the conduct of such operations and production from any lease or contract for lands any portion of which is included in the unit area.” Ohio Rev. Code § 1509.28.

B. Gulfport’s Application Meets this Standard

i. *The Unitized Formation is Part of a Pool*

The “Unitized Formation” consists of the subsurface portion of the Unit Area (i.e., the lands shown on Exhibit A-1 and identified in Exhibits A-2, A-3 and A-4 to the Unit Operating Agreement) at a depth located from fifty feet above the top of the Utica Shale to fifty feet below the base of the Point Pleasant formation, and frequently referred to as the Utica/Point Pleasant formation. The evidence presented in this Application establishes that the Unitized Formation is part of a pool and thus an appropriate subject of unit operation under Ohio Rev. Code § 1509.28.⁵ Additionally, that evidence establishes that the Unitized Formation is likely to be reasonably uniformly distributed throughout the Unit Area – and thus that it is reasonable for the Unit Plan to allocate unit production and expenses to separately owned tracts on a surface acreage basis.⁶

ii. *Unit Operations Are Reasonably Necessary to Increase Substantially the Ultimate Recovery of Oil and Gas*

The evidence presented in this Application establishes that unit operations are reasonably necessary to increase substantially the ultimate recovery of oil and gas from the lands making up the George Southeast Unit. The Unit Plan contemplates the potential drilling of approximately two horizontal wells from a single well pad, with laterals averaging in length approximately 10,100 feet, and with the potential for additional unit wells in the event they are necessary to fully recover the resource.⁷ Gulfport estimates that the ultimate recovery from this unit development could be as much as 36 billion cubic feet (Bcf) of natural gas from the Unitized Formation.⁸ Absent unit development, that recovery would be substantially less: First, the evidence shows that it is unlikely that vertical development of the unit would ever take place because it is likely to be uneconomic – resulting in potentially no resource recovery from the Unitized Formation.⁹

⁵ A “pool” is defined under Ohio law as “an underground reservoir containing a common accumulation of oil or gas, or both, but does not include a gas storage reservoir.” Ohio Rev. Code § 1509.01(E). See also Exhibit 3 at 2-3.

⁶ Exhibit 3 at 3-5.

⁷ See, e.g., Exhibit 5 at 4-5.

⁸ See, e.g., Exhibit 4 at 3-6. We emphasize that these are only estimates, and like the rest of the estimates set forth in this Application, they should be treated as simply estimates based upon the best information available at the time.

⁹ *Id.* at 4-6.

Second, simply relying on shorter horizontal laterals to develop the Unitized Formation underlying the George Southeast Unit would be uneconomical. Oil and gas recovery from horizontal drilling methods is directly related to the length of the lateral – limit a lateral’s length and you limit its ultimate recovery. Here, in absence of unit operations being granted, the unleased and uncommitted tracts would prevent the development of all wells in the unit area and lead to stranding of reserves.¹⁰

The evidence thus shows that the contemplated unit operations are reasonably necessary to allow for, much less increase substantially, the recovery of oil and gas from the Unitized Formation.¹¹

iii. *The Value of Additional Recovery Exceeds Its Additional Costs*

As set forth in Steve Baldwin’s testimony, Gulfport estimates that the net present value of the recovery, when compared to an uneconomical or total inability to develop the land area comprising the George Southeast Unit at present, is likely to be approximately \$18 million.¹² Thus, the evidence establishes that the value of the estimated recovery exceeds the estimated additional costs incident to conducting unit operations.

iv. *The Unit Plan Meets the Requirements of Ohio Revised Code § 1509.28*

The Unit Plan proposed by Gulfport meets the requirements set forth in Ohio Revised Code § 1509.28. The unit area is described in the Unit Agreement at Article 1, as well as on Exhibits A-1, A-2, A-3 and A-4 to the Unit Operating Agreement. The nature of the contemplated unit operations can be found generally in the Unit Agreement at Article 3, with greater specificity throughout the Unit Agreement and Unit Operating Agreement.¹³ Unit production and unit expenses are allocated on a surface acreage basis as set forth in the Unit Agreement at Articles 3 through 5 (generally), except where otherwise allocated by the Unit Operating Agreement.¹⁴ Payment of unit expenses is addressed generally in Article 3 of the Unit Agreement.¹⁵ No provision for credits and charges related to contributions made by owners in the unit area regarding wells, tanks, pumps and other equipment for unit operations are addressed in the Unit Operating

¹⁰ *Id.* at 4-6.

¹¹ *Id.* at 5-7.

¹² *Id.* at 7.

¹³ See also, e.g., Exhibit 5 at 6-10.

¹⁴ *Id.* at 7-10.

¹⁵ *Id.*

Agreement because none are contemplated.¹⁶ The Unit Plan provides for various carries in the event a participant is unable to meet its financial obligations related to the unit – see, e.g., Article VI of the Unit Operating Agreement.¹⁷ Voting provisions related to the supervision and conduct of unit operations are set forth in Article XV of the Unit Operating Agreement, with each person having a vote that has a value corresponding to the percentage of unit expenses chargeable against that person’s interest.¹⁸ Commencement and termination of operations are addressed in Articles 11 and 12 of the Unit Agreement.

V. APPROVALS

As of the filing of this Application, the Unit Plan has been agreed to or approved by approximately ninety-seven percent (97.3670%) of Working Interest Owners. See Exhibit 5 at 2-4, and Exhibit 6. Said approval exceeds the statutory minimum requirements set forth in Ohio Revised Code § 1509.28.

VI. HEARING

Ohio Revised Code § 1509.28 requires the Chief to hold a hearing to consider this Application, when requested by sixty-five percent (65%) of the owners of the land area underlying the proposed unit. Ohio Rev. Code § 1509.28(A). That threshold level is met here. Accordingly, Gulfport respectfully requests that the Division schedule a hearing at an available hearing room located at the Division’s Columbus complex for the September 2015 unitization docket, to consider the Application filed herein.

VII. CONCLUSION

Ohio Revised Code § 1509.28 requires the Chief of the Division to issue an order for the unit operation of a pool – or a part thereof – if it is reasonably necessary to increase substantially the recovery of oil and gas, and the value of the estimated additional recovery from the unit’s operations exceeds its additional costs. Gulfport respectfully submits that the Application meets this standard, and that the terms and conditions of the Unit Plan are just and reasonable and satisfy the requirements of Ohio Revised Code § 1509.28(B). Gulfport therefore asks the Chief to

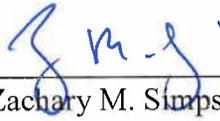
¹⁶ *Id.* at 10.

¹⁷ *Id.* at 10-13.

¹⁸ *Id.* at 11-13.

issue an order authorizing Gulfport to operate the George Southeast Unit according to the Unit Plan attached hereto.

Respectfully submitted,



Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May Avenue, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant

AFFIDAVIT OF FACT

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

The undersigned, being first duly sworn according to the law, makes this Affidavit and deposes and says that:

1. Affiant, David Ferguson, is employed by Gulfport Energy Corporation (“Gulfport”) as a Landman. Affiant’s job responsibilities include the acquisition of leases or overseeing lease acquisition in certain areas of Ohio, including Belmont County, Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant’s knowledge and belief.
2. The Affiant has reviewed the Development Agreement between Gulfport and Rice Drilling D LLC (“Rice”), dated October 14, 2013 (the “Development Agreement”).
3. The Affiant states that the Development Agreement provides Gulfport with the authority to execute all necessary documents associated with the George Southeast Unitization Application on behalf of Rice.

Further Affiant sayeth naught.

Dated this 30th day of July,
2015.



David Ferguson, Affiant
Landman
Gulfport Energy Corporation

AFFIDAVIT OF FACT

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

The undersigned, being first duly sworn according to the law, makes this Affidavit and deposes and says that:

1. Affiant, David Ferguson, is employed by Gulfport Energy Corporation (“Gulfport”) as a Landman. Affiant’s job responsibilities include the acquisition of leases or overseeing lease acquisition in certain areas of Ohio, including Belmont County, Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant’s knowledge and belief.
2. The Affiant has reviewed the Exploration Agreement between Gulfport and Murray Energy Corporation (“Murray”), dated February 26, 2014 (the “Exploration Agreement”), where Murray leased certain oil and gas mineral interests to Gulfport.
3. The Affiant states that the Exploration Agreement covers Murray’s interest in the George Southeast Unit and that Gulfport retains the executive rights to develop said interest.

Further Affiant sayeth naught.

Dated this 30th day of July,
2015.



David Ferguson, Affiant
Landman
Gulfport Energy Corporation

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
)
COUNTY OF Canadian) SS

The foregoing instrument was sworn to before me, a Notary Public in and for the State of Oklahoma, and subscribed in my presence this 30th day of July, 2015, by David Ferguson, known to me or satisfactorily proven to be the Affiant in the foregoing instrument, who acknowledged the above statements to be true as Affiant verily believes.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

9/3/18
#02014969

Karen Kay Terry
Notary Public
KAREN KAY TERRY
Printed Name of Notary

(SEAL)



AFFIDAVIT OF EFFORTS TO LEASE

STATE OF OHIO)
) SS
COUNTY OF BELMONT)

Tax Parcel # 43-00369.005, 43-00369.006, 43-00369.007

Township of Washington

The undersigned, being first duly sworn according to the law, makes this Affidavit and deposes and says that:

1. Affiant, David Ferguson, is employed by Gulfport Energy Corporation ("Gulfport") as a Landman. Affiant's job responsibilities include the acquisition of leases in certain areas of Ohio, including Belmont County, Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant's knowledge and belief.
2. The oil and gas interest in the above-referenced parcel of land is owned by:
William I. Carle, Deceased (60%)- Negotiations
William E. Carle (10%)- Negotiations
Thomas W. Carle (10%)- Leased PLM
Michael G. Carle (10%)- Negotiations
Susan L. Carle (10%)- Negotiations

As to William I. Carle, deceased (wife Anna Carle- 60%):
Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

3. On February 13th, 2015, our landman called Mr. Carle and he was in a nursing home called Aldersgate in North Carolina. He was very confused by the lease documents and said that he has never heard of the other heirs or the property in question. He confirmed that he had a valid lease packet said his attorney was looking it over for him.
4. On March 19th, 2015, our landman called the nursing home and left a message with a nurse's aid for him to call back.
5. On March 27th, 2015, our landman reached out to relatives of William Carle, Patricia and Thomas Carle, and sent them an outline of the heirs in order to gain any potential contact information for POA for William I. Carle. The heirs said that they had never heard of him, nor did they know if he was married or had any living children.
6. On May 14th, 2015, our landman called Aldersgate and spoke to Bernadette, a nurse's aid who takes calls on behalf of Mr. Carle. She told our landman that he could not talk at the moment and would return the call. Our landman also mailed a certified packet containing parcel and contact information via USPS to Mr. Carle in Aldersgate this day.

7. On June 5th, 2015, our landman was notified of William I. Carle's death. He is survived by wife, Anna, who is in poor health and lives in the nursing home. The Carle's son, Michael, contacted our landman from his home in Murrel's Inlet, South Carolina, to let us know that he will serve as the point of contact for his mother and siblings moving forward.
8. On June 15th, 2015, our landman mailed all generated lease packets to Michael Carle in South Carolina for his review. Also included were lease documents for his mother, Anna.
9. On July 1st, 2015, Michael Carle contacted our landman to confirm receipt of all lease documents.
10. On July 9th, 2015, Michael Carle e-mailed our landman with a list of concerns regarding the leases. He said that his attorney will be helping him negotiate.
11. On July 11th, 2015, our landman spoke with Michael and answered all of his concerns about the lease documents, including bonus payment and royalty percentages. At this time, Michael asked that our landman send updated lease documents to the siblings for their review.
12. On July 22nd, 2015, our landman mailed updated lease packets to all remaining heirs as well as electronic copies for their review.
13. On July 26th, 2015, Michael Carle let our landman know that he would be meeting with his siblings to discuss all documents.

As to William E. Carle:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

14. On February 13th, 2015, our landman visited William E. Carle at his home in Cambridge, OH. His wife, Joanne, was very sick and in the hospital. Mr. Carle is blind and did not want to discuss the lease documents without his wife.
15. On February 30th, 2015, our landman spoke with Joanne Carle, as she returned from the hospital. She referred us to her attorney, William Bennett.
16. On March 1st, 2015, our landman e-mailed all lease documents to Mr. Bennett for review.
17. On March 6th, 2015, our landman followed up with Mr. Bennett but did not hear from him.
18. On March 11th, 2015, our landman followed up with both Mr. Bennett and Joanne Carle. Neither returned the calls.
19. On March 17th, 2015, our landman called Mr. Bennett's office to follow up and did not hear from him.
20. On March 18th, 2015, Mr. Bennett called our landman claiming to never have received the documents. Our landman sent all documents to him again.
21. On March 19th, 2015, Mr. Bennett called our landman and said the lease is ready to get signed by his clients.

22. On March 20th, 2015, our landman called Joanne Carle to get lease signed, but Joanne said that she was confused and wanted more time to talk with her attorney.
23. On March 23rd, 2015, our landman spoke with Joanne Carle, who agreed to meet at their home to discuss the lease.
24. On March 26th, 2015, our landman met with William and Joanne Carle at their home and reviewed the lease. They wanted to speak with their son and attorney once more before signing.
25. On March 30th, our landman spoke with Joanne Carle to set meeting to get lease signed, but Joanne said she still needed to speak with her attorney.
26. On April 6th, 2015, William Bennett spoke with our landman and asked that language is added to the OOP stating that his clients are not financially responsible should title be unclear. This request was then submitted for approval.
27. On April 30th, 2015, our landman followed up with Mr. Bennett and let them know we are awaiting approval for their added language.
28. On May 13th, 2015, Mr. Bennett e-mailed our landman the language he wishes to have added to the lease before his clients sign. Our landman sent this request through proper channels for approval.
29. On June 5th, 2015, our landman was notified of William I. Carle's death. He is survived by wife, Anna, who is in poor health and lives in the nursing home. The Carle's son, Michael, contacted our landman from his home in Murrel's Inlet, South Carolina, to let us know that he will serve as the point of contact for his mother and siblings (William E. Carle, brother) moving forward.
30. On June 15th, 2015, our landman mailed a generated lease packet for William E. Carle to brother Michael Carle in South Carolina for his review.
31. On July 1st, 2015, lease packet for William E. Carle was received by brother Michael.
32. On July 9th, 2015, lease terms were discussed and negotiated on behalf of William E. Carle by brother Michael.
33. On July 22nd, 2015, updated lease packet was mailed to William E. Carle's residence as well as an electronic copy for his review.
34. On July 26th, 2015, Michael Carle let our landman know that he would be meeting with his siblings to discuss all documents.

As to Michael G. Carle:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

35. On March 3rd, 2015, our landman identified Michael Carle's and sent a letter of interest via certified USPS.
36. On March 9th, 2015, our landman confirmed that Mr. Carle received and signed for the letter but did not return contact.

37. On March 27th, 2015, our landman sent another letter expressing Gulfport's interest via certified mail.
38. On April 10th, 2015, our landman confirmed that Michael Carle received and signed for certified letter and did not contact us in any way.
39. On April 28th, 2015, our landman sent a certified letter to Michael Carle with all contact information and lease information enclosed, asking him to call.
40. On May 2nd, 2015, our landman confirmed that the letter was received and signed for by Michael Carle.
41. On May 14th, 2015, our landman mailed all generated lease documents certified to Michael Carle via USPS.
42. On June 5th, 2015, our landman received a call from Michael Carle for notice of William I. Carle's death. He is survived by wife, Anna, who is in poor health and lives in the nursing home. Michael Carle declared himself point of contact for his mother and siblings at this time.
43. On June 15th, 2015, our landman mailed all generated lease packets to Michael Carle in South Carolina for his review.
44. On July 1st, 2015, Michael Carle contacted our landman to confirm receipt of all lease documents.
45. On July 9th, 2015, Michael Carle e-mailed our landman with a list of concerns regarding the leases. He said that his attorney will be helping him negotiate.
46. On July 11th, 2015, our landman spoke with Michael and answered all of his concerns about the lease documents, including bonus payment amounts and royalty percentages. At this time, Michael asked that our landman send updated lease documents to the siblings for their review.
47. On July 26th, 2015, Michael contacted our landman inquiring about the status of all mailed lease packets to siblings. Our landman sent Michael all relevant Tracking Numbers for reference. At this time, Michael told our landman that he would be meeting with his siblings to discuss all documents.

As to Susan Carle:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

48. On March 3rd, 2015, our landman identified Susan Carle's and mailed letter of interest via USPS certified mail. No return contact was made and mail was not returned.
49. On March 27th, 2015, our landman sent a certified letter of interest to Susan Carle's address in Sunbury, OH asking for returned contact.
50. On April 10th, 2015, certified letter was returned to our landman and labeled "undeliverable." Other heirs claimed they did not know of Susan Carle or any contact for her. Our landman requested Westlaw Next reports, yielding several

numbers for women with the same name, none of whom claimed to have any connection to the parcel.

51. On April 28th, 2015, another letter containing all contact and parcel information was sent to Susan Carle at Sunbury, OH address.
52. On May 13th, 2015, certified mail was returned to our landman, as it was "unclaimed" by recipient. Our landman searched obituary documents, none of which record of any deaths by women of this name.
53. On June 5th, 2015, our landman was notified of William I. Carle's death. He is survived by wife, Anna, who is in poor health and lives in the nursing home. The Carle's son, Michael, contacted our landman from his home in Murrel's Inlet, South Carolina, to let us know that he will serve as the point of contact for his mother and siblings (Susan Carle, sister) moving forward.
54. On June 15th, 2015, our landman mailed a generated lease packet for Susan Carle to her brother, Michael, for review.
55. On July 1st, 2015, lease packet for Susan Carle was received by brother Michael.
56. On July 9th, 2015, lease terms were discussed and negotiated on behalf of Susan Carle by brother Michael.
57. On July 22nd, 2015, updated lease packet was mailed to Susan Carle, as well as an electronic copy for her review.
58. On July 26th, 2015, Michael Carle e-mailed our landman to say that he will be meeting with his siblings to discuss all documents.

Further Affiant sayeth naught.

Dated this 30th day of July,
2015.


David Ferguson, Affiant
Landman
Gulfport Energy Corporation

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
)
COUNTY OF Canadian) SS

The foregoing instrument was sworn to before me, a Notary Public in and for the State of Oklahoma, and subscribed in my presence this 30th day of July, 2015, by David Ferguson, known to me or satisfactorily proven to be the Affiant in the foregoing instrument, who acknowledged the above statements to be true as Affiant verily believes.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

9/3/18
#02014969

Karen Kay Terry
Notary Public

KAREN KAY TERRY
Printed Name of Notary

(SEAL)



AFFIDAVIT OF EFFORTS TO LEASE

STATE OF OHIO)
) SS
COUNTY OF BELMONT)

Tax Parcel # 43-00345.000

Township of Washington

The undersigned, being first duly sworn according to the law, makes this Affidavit and deposes and says that:

- 1. Affiant, David Ferguson, is employed by Gulfport Energy Corporation ("Gulfport") as a Landman. Affiant's job responsibilities include the acquisition of leases in certain areas of Ohio, including Belmont County, Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant's knowledge and belief.

- 2. The oil and gas interest in the above-referenced parcel of land is owned by:

Evelyn Jean Niebergall (1/20 interest)- Negotiations
Shirley McFall (1/40 interest)- Negotiations
Carolyn Smith (1/40 interest)- Negotiations
Gerry McPeek (1/20 interest)- Negotiations
Billy Rayl (1/160 interest)- Working to Locate
Eddie Rayl, Jr. (1/160 interest)- Working to Locate
Heir(s) of Randy Rayl, deceased. (1/80 interest)- Working to Locate
Wayne Rayl (1/80 interest)- Working to Locate
Jayne Stone (1/80 interest)- Negotiations
Phil Jenewein (1/80 interest)- Negotiations
Robert Jenewein (1/80 interest)- Negotiations
Barbara Boynton (1/80 interest)- Negotiations
Cheryl Spinnie (1/80 interest)- Negotiations

As to Evelyn Jean Niebergall:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

- 3. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
4. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. Niebergall.
5. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. Niebergall to her address.
6. On May 4th, 2015, Donna Currie, daughter of Evelyn Niebergall, called our landman and discussed protection lease. Ms. Currie also offered to provide contact information for other heirs.

7. On May 8th, 2015, Donna Currie e-mailed our landman with questions about the lease, and our landman thoroughly explained the documents.
8. On May 12th, 2015, our landman spoke with Donna Currie, who said that she was checking her personal records for phone numbers of heirs.
9. On May 13th, 2015, Donna Currie e-mailed our landman with other parcels that she would like Gulfport to make offers for. She also said that is still looking for valid numbers, as many of the heirs have moved away and lost contact. Ms. Currie told our landman that she is receptive to leasing but would like to speak with the other heirs before signing.
10. On May 14th, 2015, our landman generated lease packet documents for Ms. Currie to review on behalf of her mother, Evelyn.
11. On June 5th, 2015, Donna Currie contacted our landman with concerns about the bonus payment, as some heirs have very fractional bonus amounts and she would like more money for signing.
12. On June 19th, 2015, our landman contacted Donna Currie and explained that while the bonus payment might be fractional, the payment reflects their ownership percentages.
13. On July 22nd, 2015, our landman still had not heard from Ms. Currie, so another e-mail was sent to follow up.
14. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Shirley McFall:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

15. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
16. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. McFall.
17. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. McFall to her address.
18. On May 12th, 2015, our landman confirmed that certified letter to Ms. McFall was received and signed for.
19. On May 21st, 2015, Shirley McFall called our landman and gave her contact information. Our landman mailed lease packet to Ms. McFall's residence.
20. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
21. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.

22. On July 22nd, 2015, our landman still had not heard from Ms. Currie, so another e-mail was sent to follow up.
23. On July 24th, 2015, approval for flat payment of \$100 per heir was obtained. Our landman called Ms. Currie to let her know and left a message.
24. On July 27th, 2015, our landman called Shirley McFall to let her know of the flat payment approval, as Donna Currie has not returned any calls or e-mails.

As to Carolyn Smith:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

25. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
26. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. Smith.
27. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. Smith to her address: 206 Claiborne Way, Sewell, NJ 08080.
28. On May 12th, 2015, our landman confirmed that certified letter to Ms. Smith was received and signed for.
29. On May 21st, 2015, Carolyn Smith called our landman to exchange contact information. A lease packet was then sent to her for review.
30. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
31. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
32. On July 22nd, 2015, our landman still had not heard from Ms. Currie, so another e-mail was sent to follow up.
33. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Gerry McPeek:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

34. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
35. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. McPeek.
36. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. McPeek to her address.

37. On May 12th, 2015, our landman confirmed that certified letter to Ms. McPeek was received and signed for. No return contact has yet been made.
38. On May 14th, 2015, Gerry McPeek called our landman but when they returned the call, she was not available.
39. On May 19th, 2015, Gerry McPeek and our landman spoke at length on the phone. Mr. McPeek said that the Rayl's are the only party that cannot be contacted/located. A lease packet was sent to Mr. McPeek for his review.
40. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
41. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
42. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Billy Rayl:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

43. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
44. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and did not find a valid address for Mr. Rayl.
45. On May 13th, 2015, our landman spoke with Donna Currie, who said she may have valid contact information for Mr. Rayl.
46. On May 19th, 2015, Gerry McPeek told our landman that the Rayl's are the only party that cannot be contacted/located. Mr. McPeek told our landman that the Rayl's are consistently in legal trouble and may live in Nebraska.

As to Eddie Rayl, Jr.

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

47. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
48. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and did not find a valid address for Mr. Rayl.
49. On May 13th, 2015, our landman spoke with Donna Currie, who said she may have valid contact information for Mr. Rayl.
50. On May 19th, 2015, Gerry McPeek told our landman that the Rayl's are the only party that cannot be contacted/located. Mr. McPeek told our landman that the Rayl's are consistently in legal trouble and may live in Nebraska.

As to the Heir(s) of Randy Rayl, deceased.

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

51. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
52. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and did not find a valid address for any of the Rayl heirs.
53. On May 13th, 2015, our landman spoke with Donna Currie, who said she may have valid contact information for the Rayl's.
54. On May 19th, 2015, Gerry McPeek told our landman that the Rayl's are the only party that cannot be contacted/located. Mr. McPeek told our landman that the Rayl's are consistently in legal trouble and may live in Nebraska.

As to the Heir(s) of Wayne Rayl:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

55. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
56. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and did not find a valid address for Wayne Rayl.
57. On May 13th, 2015, our landman spoke with Donna Currie, who said she may have valid contact information for Wayne Rayl.
58. On May 19th, 2015, Gerry McPeek told our landman that the Rayl's are the only party that cannot be contacted/located. Mr. McPeek told our landman that the Rayl's are consistently in legal trouble and may live in Nebraska.

As to Jayne Stone:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

59. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
60. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. Stone.
61. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. Stone to her address.
62. On May 12th, 2015, our landman confirmed that certified letter to Ms. Stone was received and signed for.
63. On May 21st, 2015, Jayne Stone called our landman to exchange contact information. A lease packet was mailed to her residence for review. At this time,

Ms. Stone let our landman know that her brother, Wayne Rayl, was incarcerated and she did not have any contact with him.

64. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
65. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
66. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.
67. On July 27th, 2015, our landman called Jayne Stone in order to discuss the flat payment, as Ms. Currie has not responded to contact attempts.

As to Phil Jenewein:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

68. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
69. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Mr. Jenewein.
70. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Mr. Jenewein to his address.
71. On May 12th, 2015, our landman received the certified letter in return from Mr. Jenewein, as it was labeled "undeliverable."
72. On May 14th, 2015, Mr. Jenewein called our landman as he got the number from Ms. Currie, and said that he wanted to make contact with us but does not prefer phone calls and wants us to send letters with updates for him.
73. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
74. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
75. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Robert Jenewein:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

76. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.

77. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Mr. Jenewein.
78. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Mr. Jenewein to his address.
79. On May 12th, 2015, our landman confirmed that certified letter to Mr. Jenewein was received and signed for. No return contact has yet been made.
80. On June 17th, 2015, lease packet mailed to Robert Jenewein was returned to our landman and labeled as "Undeliverable."
81. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
82. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
83. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Barbara Boynton:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

84. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
85. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. Boynton.
86. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. Boynton to her address.
87. On May 12th, 2015, our landman confirmed that certified letter to Ms. Boynton was received and signed for.
88. On May 21st, 2015, Donna Currie confirmed that Barbara Boynton received her certified letter and that she would like all contact to go through Donna, as she will be following the group. A lease packet was mailed to Ms. Boynton's address.
89. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
90. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
91. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

As to Cheryl Spinnie:

Affiant has personal knowledge of the efforts by Gulfport and its independent contractors (collectively, "Gulfport Representative") to lease the above referenced parcel of land from Mineral Owner. Those efforts are described as follows.

92. On April 17th, 2015, our landman identified the names of the heirs involved in mineral interest and began to locate contact information for each.
93. On April 22nd, 2015, our landman sent Westlaw Next requests for each heir and found a valid address for Ms. Spinnie.
94. On April 27th, 2015, our landman drafted and sent out a certified letter with all parcel and return contact information to Ms. Spinnie to her address.
95. On May 12th, 2015, our landman confirmed that certified letter to Ms. Spinnie was received and signed for.
96. On June 4th, 2015, our landman spoke with Donna Currie, who confirmed that Ms. Spinnie received her mail. A lease packet was then mailed to Ms. Spinnie's address for her review.
97. On June 5th, 2015, Donna Currie (point of contact) called our landman on behalf of all the heirs to say that they would like more money as a flat payment for signing. Our landman explained that they are being paid according to their ownership.
98. On June 19th, 2015, our landman followed up with Donna Currie via e-mail letting her know that we need to move forward with the leases.
99. On July 24th, 2015, obtained approval from operator for flat payment of \$100 to Jenewein heirs for lease execution. Our landman called Donna Currie to let her know and left a voicemail.

Further Affiant sayeth naught.

Dated this 30th day of July,
2015.



David Ferguson, Affiant
Landman
Gulfport Energy Corporation

WORKING INTEREST OWNER
APPROVAL OF
UNIT PLAN FOR THE
GEORGE SOUTHEAST UNIT
WASHINGTON TOWNSHIP
BELMONT COUNTY, OHIO

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, a Unit Plan has been prepared for the testing, development, and operation of certain Tracts identified therein, which Plan consists of an agreement entitled, "Unit Agreement, The George Southeast Unit, Washington Township, Belmont County, Ohio" (the "Unit Agreement"); and an agreement entitled "A.A.P.L. Form 610-1982 Model Form Operating Agreement," also regarding the George Southeast Unit (the "Unit Operating Agreement"); and,

WHEREAS, the undersigned is the owner of a Working Interest in and to one or more of the Tracts identified in said Unit Plan and is authorized, by separate agreement, to file this approval on behalf of the Working Interest controlled by Rice Drilling D., L.L.C., relating to the Tracts described below (hereinafter, the "Owner").

NOW, THEREFORE, the Owner hereby approves the Unit Plan and acknowledges receipt of full and true copies of both the Unit Agreement and Unit Operating Agreement.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date set forth opposite the signature of its representative.

WORKING INTEREST OWNER

TRACT NO. (see attached)

TRACT ACREAGE: 473.277 acres

RELATED WORKING INTEREST PERCENTAGE: 97.3670%

GULFPORT ENERGY CORPORATION

By: David Ferguson
David Ferguson, RL -Landman

Date: 7/30/15

Exhibit 6.1

Working Interest Owners

Attached to and made a part of that certain Unit Operating Agreement dated May 1, 2015 as approved by the Ohio Department of Natural Resources for the George Southeast Unit

TRACT NUMBER	LESSOR	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBER
1	Carol Ann Baker	0.992	43-00003.000
2	Judy Saffell	0.821	43-00012.000
3	American Energy Corporation	0.869	43-00013.000
4	Mark A. Lucas and Delores K. Lucas	1.010	43-00047.000
5	Joey L. Saffell and Tomasina Saffell	4.003	43-00072.000
6	Joey L. Saffell and Tomasina Saffell	2.922	43-00073.000
7	Joey L. Saffell and Tomasina Saffell	9.559	43-00074.000
8	Thomas C. Stubbs and Miriam E. Stubbs	0.918	43-00089.000
9	Robert E. Hutchison	0.415	43-00117.000
10	Trevor H. Moore and Dawnell L. Moore	21.792	43-00128.000
11	VEM Appalachian Minerals LLC	31.922	43-00128.001
12	Eric R. Butterfield and Jessica N. Butterfield	22.817	43-00148.000
13	American Energy Corporation	16.345	43-00148.001
14	Nelson G. Lindsey	0.987	43-00272.000
15	Leroy Lucas and Nina Lee Lucas	6.459	43-00285.000
16	Leroy Lucas and Nina Lee Lucas	1.766	43-00286.000
17	Leroy Lucas and Nina Lee Lucas	7.141	43-00286.000
18	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	0.891	43-00286.001
19	Mark A. Lucas and Delores K. Lucas	9.306	43-00289.000
20	Brian D. Ballentine	23.297	43-00291.000
21	Thomas C. Stubbs and Miriam E. Stubbs	8.270	43-00309.000
22	Thomas C. Stubbs and Miriam E. Stubbs	18.170	43-00310.000
23	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	0.279	43-00310.001
24	Martin H. Mitchell and Loretta J. Mitchell	0.023	43-00310.002
25	Thomas C. Stubbs and Miriam E. Stubbs	0.522	43-00312.000
26	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	0.321	43-00312.001
27	George J. Perkins aka George J. Perkins Jr. and Shirley L. Perkins	13.291	43-00344.000
28	George J. Perkins aka George J. Perkins Jr. and Shirley L. Perkins Evelyn Jean Niebergall (DMA Interest) Shirley McFall (DMA Interest) Carolyn Smith (DMA Interest) Gerry McPeck (DMA Interest) Billy Rayl (DMA Interest) Eddie Rayl, Jr. (DMA Interest) Randy Rayl (DMA Interest) Wayne Rayl (DMA Interest) Jayne Stone (DMA Interest) Phil Jenewein (DMA Interest) Robert Jenewein (DMA Interest) Barbara Boynton (DMA Interest) Cheryl Spinnie (DMA Interest)	33.057	43-00345.000
29	American Energy Corporation Lois R. Kemp and Kenneth R. Kemp (DMA Interest) Naomi J. Poulson Marmie (DMA Interest) Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (DMA Interest) Doris L. White and James White (DMA Interest) Helen Kay Ray (DMA Interest) Carol E. McAllister (DMA Interest) Robert Dale Burgess (DMA Interest) Thomas W. Carle & Patricia Carle (DMA Interest)	0.430	43-00369.006
30	American Energy Corporation Lois R. Kemp and Kenneth R. Kemp (DMA Interest) Naomi J. Poulson Marmie (DMA Interest) Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (DMA Interest) Doris L. White and James White (DMA Interest) Helen Kay Ray (DMA Interest) Carol E. McAllister (DMA Interest) Robert Dale Burgess (DMA Interest) Thomas W. Carle & Patricia Carle (DMA Interest)	1.810	43-00369.007

Working Interest Owners

Attached to and made a part of that certain Unit Operating Agreement dated May 1, 2015 as approved by the Ohio Department of Natural Resources for the George Southeast Unit

TRACT NUMBER	LESSOR	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBER
31	Gary and Carolyn S. Reed Ruth Hogdon and Elliot B. Hogdon Debbie Jarman and Tim Jarman Rodney Reed Maxine Reed Truex Terry Reed and Betty Darline Reed Rick Reed Shane Bradley Reed and Sherry Reed	0.237	43-00375.000
32	Marcia Jo Wells and Steven J. Wells Greg M. Stubbs and Debra L. Stubbs	16.608	43-00376.000
33	Marcia Jo Wells and Steven J. Wells Greg M. Stubbs and Debra L. Stubbs	93.309	43-00377.000
34	Elaine R. Saffell	12.237	43-00388.000
35	Martin H. Mitchell and Loretta J. Mitchell	44.895	43-00393.000
36	The Ohio Valley Coal Company Varro Energy (DMA Interest) Howard E. Perkins and Reuben Perkins (DMA Interest)	0.565	43-00429.000
37	VEM Appalachian Minerals LLC	1.064	43-00454.000
38	Thomas C. Stubbs and Miriam E. Stubbs	0.394	43-00506.000
39	The Ohio Valley Coal Company Varro Energy (DMA Interest) Howard E. Perkins and Reuben Perkins (DMA Interest)	22.942	43-00515.000
40	Gene Deaton and Carolyn Deaton	3.108	43-00696.000
41	Gene Deaton and Carolyn Deaton	15.460	43-00713.000
42	Dale A. Jonard	12.182	43-00727.000
43	Gene Deaton and Carolyn Deaton	6.153	43-00728.000
44	David A. Morris and Nancy K. Morris	1.603	43-00749.000
45	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	0.020	43-60001.000
46	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	0.101	43-60002.000
47	Consolidated Land Company	1.162	43-00752.000
48	American Energy Corporation Lois R. Kemp and Kenneth R. Kemp (DMA Interest) Naomi J. Poulson Marmie (DMA Interest) Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (DMA Interest) Doris L. White and James White (DMA Interest) Helen Kay Ray (DMA Interest) Carol E. McAllister (DMA Interest) Robert Dale Burgess (DMA Interest) Thomas W. Carle & Patricia Carle (DMA Interest)	0.002	43-00369.005
50	Thomas C. Stubbs and Miriam E. Stubbs	0.830	43-00311.000
		473.277	

EXHIBIT "A"

Attached to and made a part of that certain Unit Operating Agreement
dated May 1, 2015, as approved by the
Ohio Department of Natural Resources for the George Southeast Unit

1. Description of lands subject to this Agreement:

The Contract Area is the Unit shown on Exhibit "A-1" attached hereto.

2. Restrictions, if any, as to depths, formations or substances:

This Agreement shall cover the Unit Area from fifty feet above the top of the Utica Shale formation to fifty feet below the base of the Point Pleasant (as more particularly defined in Article 1 of the Unit Agreement).

3. Parties to agreement with addresses for notice purposes:

Gulfport Energy Corporation
14313 N. May Ave., Suite 100
Oklahoma City, Oklahoma 73134
Attention: Bill Eischeid, Land Manager

The names and addresses of the remaining parties set forth in Exhibit "A-3" and Exhibit "A-4" attached hereto.

4. Percentages or fractional interests of parties to this agreement:

OPERATOR	<u>Working Interest</u>
Gulfport Energy Corporation	53.031373%*
NON OPERATOR	
Rice Drilling D LLC	42.520077%
Murray Energy Corporation	1.815563%
Uncommitted WI Owners Also see Exhibit A-4 for potential DMA interest	0.000000%
Unleased Mineral Owners Also see Exhibit A-3 for potential DMA interest	2.630870%*
TOTAL:	100.000000%

5. Oil and Gas Leases and/or Oil and Gas Interests subject to this agreement:

See Exhibit "A-2"

*It is understood by the Parties that the working interests listed above are estimates and are subject to change based upon the verification of title, additional leasehold acquired within the Contract Area, and/or the participation or non-participation of unleased mineral interests and/or third parties. The Parties' interests shall be adjusted to reflect the actual interest owned by the Parties in the Contract Area.

End of Exhibit "A"

Exhibit "A-2"
Leases Within the Contract Area

Attached to and made a part of that certain Unit Operating Agreement dated May 1, 2015 as approved by the Ohio Department of Natural Resources for the George Southeast Unit

TRACT NUMBER	GULFPORT LEASE ID NUMBER	LESSOR/OWNER	LEASED? Y/N	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	TOWNSHIP	COUNTY	STATE	COMMITTED WORKING INTEREST (NET ACRES)	GULFPORT WORKING INTEREST	RICE WORKING INTEREST	MURRAY WORKING INTEREST	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
1	4604	Carol Ann Baker	Yes	0.992	0.2041%	43-00003.000	Washington	Belmont	OH	0.9920	0.5143	0.4777		0.0020	55341 Pugh Ridge Rd.	Alledonia	OH	43902
2	6299	Judy Saffell	Yes	0.821	0.1689%	43-00012.000	Washington	Belmont	OH	0.8210	0.4256	0.3954		0.0017	56000 Crabapple Rd.	Alledonia	OH	43902
3	3349	American Energy Corporation	Yes	0.869	0.1788%	43-00013.000	Washington	Belmont	OH	0.8690	0.6952		0.1738	0.0018	46226 National Rd.	St. Clairsville	OH	43950
4	3336	Mark A. Lucas and Delores K. Lucas	Yes	1.010	0.2078%	43-00047.000	Washington	Belmont	OH	1.0100	0.5236	0.4864		0.0021	55181 Pugh Ridge Rd.	Alledonia	OH	43902
5	3369	Joey L. Saffell and Tomasina Saffell	Yes	4.003	0.8235%	43-00072.000	Washington	Belmont	OH	4.0030	2.0752	1.9278		0.0082	52312 TH 2188	Powhatan Point	OH	43942
6	3369	Joey L. Saffell and Tomasina Saffell	Yes	2.922	0.6011%	43-00073.000	Washington	Belmont	OH	2.9220	1.5148	1.4072		0.0060	52312 TH 2188	Powhatan Point	OH	43942
7	3369	Joey L. Saffell and Tomasina Saffell	Yes	9.559	1.9666%	43-00074.000	Washington	Belmont	OH	9.5590	4.9554	4.6036		0.0197	52312 TH 2188	Powhatan Point	OH	43942
8	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	0.918	0.1889%	43-00089.000	Washington	Belmont	OH	0.9180	0.4759	0.4421		0.0019	56014 Brands Run Drive	Alledonia	OH	43902
9	9928	Robert E. Hutchison	Yes	0.415	0.0854%	43-00117.000	Washington	Belmont	OH	0.4150	0.2151	0.1999		0.0009	249 Highlands Ave.	Athens	OH	45701
10	2091	Trevor H. Moore and Dawnell L. Moore	Yes	21.792	4.4833%	43-00128.000	Washington	Belmont	OH	21.7920	11.2970	10.4950		0.0448	55261 Pugh Ridge Rd.	Alledonia	OH	43902
11	N/A	VEM Appalachian Minerals LLC	Yes	31.922	6.5673%	43-00128.001	Washington	Belmont	OH	31.9220	16.5484	15.3736		0.0657	5333 Meadow Lane Court	Elyria	OH	44035
12	3349	Eric R. Butterfield and Jessica N. Butterfield	Yes	22.817	4.6941%	43-00148.000	Washington	Belmont	OH	22.8170	11.8283	10.9887		0.0469	54 Pontius St. NW	Mogadore	OH	44260
13	3349	American Energy Corporation	Yes	16.345	3.3626%	43-00148.001	Washington	Belmont	OH	16.3450	13.0760		3.2690	0.0336	46226 National Rd.	St. Clairsville	OH	43950
14	1061	Nelson G. Lindsey	Yes	0.987	0.2031%	43.00272.000	Washington	Belmont	OH	0.9870	0.5117	0.4753		0.0020	3908 Jupiter Lane	New Port Richey	FL	34652
15	3335	Leroy Lucas and Nina Lee Lucas	Yes	6.459	1.3288%	43-00285.000	Washington	Belmont	OH	6.4590	3.3483	3.1107		0.0133	46519 East Captina Highway Rd.	Alledonia	OH	43902
16	3335	Leroy Lucas and Nina Lee Lucas	Yes	1.766	0.3633%	43-00286.000	Washington	Belmont	OH	1.7660	0.9155	0.8505		0.0036	46519 East Captina Highway Rd.	Alledonia	OH	43902
17	3335	Leroy Lucas and Nina Lee Lucas	Yes	7.141	1.4691%	43-00286.000	Washington	Belmont	OH	7.1410	3.7019	3.4391		0.0147	46519 East Captina Highway Rd.	Alledonia	OH	43902
18	N/A	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	Yes	0.891	0.1833%	43-00286.001	Washington	Belmont	OH	0.8910	0.4619	0.4291		0.0018	Main Street	St. Clairsville	OH	43950
19	3336	Mark A. Lucas and Delores K. Lucas	Yes	9.306	1.9145%	43-00289.000	Washington	Belmont	OH	9.3060	4.8242	4.4818		0.0191	55181 Pugh Ridge Rd.	Alledonia	OH	43902
20	9823	Brian D. Ballentine	Yes	23.297	4.7929%	43-00291.000	Washington	Belmont	OH	23.2970	12.0772	11.2198		0.0479	55481 - 55483 Pugh Ridge Rd.	Alledonia	OH	3902
21	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	8.270	1.7014%	43-00309.000	Washington	Belmont	OH	8.2700	4.2872	3.9828		0.0170	56014 Brands Run Drive	Alledonia	OH	43902
22	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	18.170	3.7381%	43-00310.000	Washington	Belmont	OH	18.1700	9.4193	8.7507		0.0374	56014 Brands Run Drive	Alledonia	OH	43902
23	N/A	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	Yes	0.279	0.0574%	43-00310.001	Washington	Belmont	OH	0.2790	0.1446	0.1344		0.0006	Main Street	St. Clairsville	OH	43950
24	N/A	Martin H. Mitchell and Loretta J. Mitchell	Yes	0.023	0.0047%	43-00310.002	Washington	Belmont	OH	0.0230	0.0119	0.0111		0.0000	5023 Dalton	Cleveland	OH	44127
25	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	0.522	0.1074%	43-00312.000	Washington	Belmont	OH	0.5220	0.2706	0.2514		0.0011	56014 Brands Run Drive	Alledonia	OH	43902
26	N/A	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	Yes	0.321	0.0660%	43-00312.001	Washington	Belmont	OH	0.3210	0.1664	0.1546		0.0007	Main Street	St. Clairsville	OH	43950
27	7771	George J. Perkins aka George J. Perkins Jr. and Shirley L. Perkins	Yes	13.291	2.7344%	43-00344.000	Washington	Belmont	OH	13.2910	6.8901	6.4009		0.0273	45245 Perkins Rd.	Beallsville	OH	43716
28	7770	George J. Perkins aka George J. Perkins Jr. and Shirley L. Perkins	Yes	33.057	6.8008%	43-00345.000	Washington	Belmont	OH	33.0570	17.1367	15.9203		0.0680	45245 Perkins Rd.	Beallsville	OH	43716
29	10152	American Energy Corporation	Yes	0.430	0.0885%	43-00369.006	Washington	Belmont	OH	0.4300	0.3440		0.0860	0.0009	46226 National Rd.	St. Clairsville	OH	43950
29	8932	Robert Dale Burgess (3.13%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	7199 Praytor Rd.	Trussville	AL	35173
29	8885	Doris L. White and James W. White (3.13%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	2401 Western Ave.	Farmington	NM	87401
29	8918	Helen Kay Ray (3.13%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	7199 Praytor Rd.	Trussville	AL	35173
29	8884	Carol E. McAllister (3.13%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	438 Bradford Lane	Graysville	AL	35073
29	8883	Lois R. Kemp and Kenneth R. Kemp (20.83%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	64291 N. 26 Rd.	Bethesda	OH	43719
29	8880	Naomi J. Poulson Marmie (20.83%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	50318 State Route 26	Beallsville	OH	43716
29	9174	Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (20.83%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	N4031 Bass Lake Rd.	Iron Mountain	MI	49801
29	10004	Thomas W. Carle and Patricia Carle (6.25%)	Yes	DMA	DMA	43-00369.006	Washington	Belmont	OH	DMA	DMA	DMA		DMA	3204 Willshire Drive	Redding	CA	96002
30	10152	American Energy Corporation	Yes	1.810	0.3724%	43-00369.007	Washington	Belmont	OH	1.8100	1.4480		0.3620	0.0037	46226 National Rd.	St. Clairsville	OH	43950
30	8932	Robert Dale Burgess (3.13%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	7199 Praytor Rd.	Trussville	AL	35173
30	8885	Doris L. White and James W. White (3.13%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	2401 Western Ave.	Farmington	NM	87401
30	8918	Helen Kay Ray (3.13%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	7199 Praytor Rd.	Trussville	AL	35173
30	8884	Carol E. McAllister (3.13%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	438 Bradford Lane	Graysville	AL	35073
30	8883	Lois R. Kemp and Kenneth R. Kemp (20.83%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	64291 N. 26 Rd.	Bethesda	OH	43719

TRACT NUMBER	GULFPORT LEASE ID NUMBER	LESSOR/OWNER	LEASED? Y/N	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	TOWNSHIP	COUNTY	STATE	COMMITTED WORKING INTEREST (NET ACRES)	GULFPORT WORKING INTEREST	RICE WORKING INTEREST	MURRAY WORKING INTEREST	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE	
30	8880	Naomi J. Poulson Marmie (20.83%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	50318 State Route 26	Beallsville	OH	43716	
30	9174	Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (20.83%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	N4031 Bass Lake Rd.	Iron Mountain	MI	49801	
30	10004	Thomas W. Carle and Patricia Carle (6.25%)	Yes	DMA	DMA	43-00369.007	Washington	Belmont	OH	DMA	DMA	DMA		DMA	3204 Willshire Drive	Redding	CA	96002	
31	N/A	Debbie Jarman and Jim Jarman (4.17%)	Yes	0.010	0.0021%	43-00375.000	Washington	Belmont	OH	0.0103	0.0053	0.0050		0.0000	7834 N. Walnut St. ext SE	Gradenhutzen	OH	44629	
31	3343	Gary Reed and Carolyn S. Reed (25%)	Yes	0.062	0.0127%	43-00375.000	Washington	Belmont	OH	0.0618	0.0320	0.0297		0.0001	28816 Washington School Rd.	Excelsior Springs	MO	64024	
31	N/A	Maxine Reed Truex (25%)	Yes	0.062	0.0127%	43-00375.000	Washington	Belmont	OH	0.0618	0.0320	0.0297		0.0001	1280 Goose Run Rd.	Marietta	OH	45750	
31	N/A	Rick Reed (4.17%)	Yes	0.010	0.0021%	43-00375.000	Washington	Belmont	OH	0.0103	0.0053	0.0050		0.0000	314 N. Algonquin Ave.	Columbus	OH	43204	
31	N/A	Rodney Reed (4.17%)	Yes	0.010	0.0021%	43-00375.000	Washington	Belmont	OH	0.0103	0.0053	0.0050		0.0000	1488 King Ave Apt. B	Columbus	OH	43202	
31	N/A	Ruth Hogdon and Elliot B. Hogdon (25%)	Yes	0.062	0.0127%	43-00375.000	Washington	Belmont	OH	0.0618	0.0320	0.0297		0.0001	109 S. Knox St.	Westerville	OH	43081	
31	N/A	Shane Bradley Reed and Sherry Reed (4.17%)	Yes	0.010	0.0021%	43-00375.000	Washington	Belmont	OH	0.0103	0.0053	0.0050		0.0000	4729 Deephollow	Columbus	OH	43228	
31	N/A	Terry Reed and Betty Darline Reed (4.17%)	Yes	0.010	0.0021%	43-00375.000	Washington	Belmont	OH	0.0103	0.0053	0.0050		0.0000	5617 Countrie Glen Drive	Galloway	OH	34119	
32	N/A	Marcia Jo Wells and Steven J. Wells (50%)	Yes	8.304	1.7084%	43-00376.000	Washington	Belmont	OH	8.3040	4.3048	3.9992		0.0171	56014 Brands Run St.	Alledonia	OH	43902	
32	N/A	Greg M. Stubbs & Debra L. Stubbs (50%)	Yes	8.304	1.7084%	43-00376.000	Washington	Belmont	OH	8.3040	4.3048	3.9992		0.0171	845 Catalpa Place	Marysville	OH	43040	
33	N/A	Marcia Jo Wells and Steven J. Wells	Yes	46.655	9.5982%	43-00377.000	Washington	Belmont	OH	46.6545	24.1857	22.4688		0.0960	56014 Brands Run St.	Alledonia	OH	43902	
33	N/A	Greg M. Stubbs & Debra L. Stubbs	Yes	46.655	9.5982%	43-00377.000	Washington	Belmont	OH	46.6545	24.1857	22.4688		0.0960	845 Catalpa Place	Marysville	OH	43040	
34	N/A	Elaine R. Saffell	Yes	12.237	2.5175%	43-00388.000	Washington	Belmont	OH	12.2370	6.3437	5.8933		0.0252	7599 Marywood	Newbaugh	IN	47630	
35	N/A	Martin H. Mitchell and Loretta J. Mitchell	Yes	44.895	9.2362%	43-00393.000	Washington	Belmont	OH	44.8950	23.2736	21.6214		0.0924	5023 Dalton	Cleveland	OH	44127	
36	9031	The Ohio Valley Coal Company	Yes	0.565	0.1162%	43-00429.000	Washington	Belmont	OH	0.5650	0.4520		0.1130	0.0012	46226 National Rd.	St. Clairsville	OH	43950	
36	5071	Howard E. Perkins and Reuben Perkins (66.67%)	Yes	DMA	DMA	43-00429.000	Washington	Belmont	OH	DMA	DMA		DMA	DMA	55490 Belmont Ridge Rd. 70207 Crescent Rd.	Beallsville St. Clairsville	OH OH	43716 43950	
37	N/A	VEM Appalachian Minerals LLC	Yes	1.064	0.2189%	43-00454.000	Washington	Belmont	OH	1.0640	0.5516	0.5124		0.0022	5333 Meadow Lane Court	Elyria	OH	44035	
38	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	0.394	0.0811%	43-00506.000	Washington	Belmont	OH	0.3940	0.2042	0.1898		0.0008	56014 Brands Run Drive	Alledonia	OH	43902	
39	9031	The Ohio Valley Coal Company	Yes	22.942	4.7198%	43-00515.000	Washington	Belmont	OH	22.9420	18.3536		4.5884	0.0472	46226 National Rd.	St. Clairsville	OH	43950	
39	5071	Howard E. Perkins and Reuben Perkins (66.67%)	Yes	DMA	DMA	43-00515.000	Washington	Belmont	OH	DMA	DMA		DMA	DMA	55490 Belmont Ridge Rd. 70207 Crescent Rd.	Beallsville St. Clairsville	OH OH	43716 43950	
40	3363	Gene Deaton and Carolyn Deaton	Yes	3.108	0.6394%	43-00696.000	Washington	Belmont	OH	3.1080	1.6112	1.4968		0.0064	55560 Saffell Rd.	Alledonia	OH	43902	
41	3363	Gene Deaton and Carolyn Deaton	Yes	15.460	3.1806%	43-00713.000	Washington	Belmont	OH	15.4600	8.0145	7.4455		0.0318	55560 Saffell Rd.	Alledonia	OH	43902	
42	2071	Dale A. Jonard	Yes	12.182	2.5062%	43-00727.000	Washington	Belmont	OH	12.1820	6.3151	5.8669		0.0251	55625 Saffell Church Rd.	Alledonia	OH	43902	
43	3363	Gene Deaton and Carolyn Deaton	Yes	6.153	1.2659%	43-00728.000	Washington	Belmont	OH	6.1530	3.1897	2.9633		0.0127	55560 Saffell Rd.	Alledonia	OH	43902	
44	2077	David A. Morris and Nancy K. Morris	Yes	1.603	0.3298%	43-00749.000	Washington	Belmont	OH	1.6030	0.8310	0.7720		0.0033	55930 Crabapple Rd.	Alledonia	OH	43902	
45	N/A	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	Yes	0.020	0.0041%	43-60001.000	Washington	Belmont	OH	0.0200	0.0104	0.0096		0.0000	Main Street	St. Clairsville	OH	43950	
46	N/A	The County of Belmont, Ohio by and through the Belmont County Board of Commissioners	Yes	0.101	0.0208%	43-60002.000	Washington	Belmont	OH	0.1010	0.0524	0.0486		0.0002	Main Street	St. Clairsville	OH	43950	
47	9729	Consolidated Land Company	Yes	1.162	0.2391%	43-00752.000	Washington	Belmont	OH	1.1620	0.9296		0.2324	0.0024	46226 National Rd.	St. Clairsville	OH	43950	
48	10152	American Energy Corporation	Yes	0.002	0.0004%	43-00369.005	Washington	Belmont	OH	0.0020	0.0016		0.0004	0.0000	46226 National Rd.	St. Clairsville	OH	43950	
48	8932	Robert Dale Burgess (3.13%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	7199 Praytor Rd.	Trussville	AL	35173	
48	8885	Doris L. White and James W. White (3.13%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	2401 Western Ave.	Farmington	NM	87401	
48	8918	Helen Kay Ray (3.13%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	7199 Praytor Rd.	Trussville	AL	35173	
48	8884	Carol E. McAllister (3.13%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	438 Bradford Lane	Graysville	AL	35073	
48	8883	Lois R. Kemp and Kenneth R. Kemp (20.83%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	64291 N. 26 Rd.	Bethesda	OH	43719	
48	8880	Naomi J. Poulson Marmie (20.83%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	50318 State Route 26	Beallsville	OH	43716	
48	9174	Paul D. Poulson and John F. Poulson, Co-Trustees of the Poulson Family Irrevocable Trust U/A dated September 22, 2014 (20.83%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	N4031 Bass Lake Rd.	Iron Mountain	MI	49801	
48	10004	Thomas W. Carle and Patricia Carle (6.25%)	Yes	DMA	DMA	43-00369.005	Washington	Belmont	OH	DMA	DMA		DMA	DMA	3204 Willshire Drive	Redding	CA	96002	
50	N/A	Thomas C. Stubbs and Miriam E. Stubbs	Yes	0.830	0.1708%	43-00311.000	Washington	Belmont	OH	0.8300	0.4303	0.3997		0.0017	56014 Brands Run Drive	Alledonia	OH	43902	
TOTAL NET LEASED ACRES:				473.277	97.3670%														
TOTAL UNIT ACRES:				486.075															
										473.2767	257.7722	206.6795	8.8250	0.9737					

END OF EXHIBIT "A-2"

Exhibit "A-3"
Unitized Parties

Attached to and made a part of that certain Unit Operating Agreement dated May 1, 2015 as approved by the Ohio Department of Natural Resources for the George Southeast Unit

TRACT NUMBER	LESSOR/OWNER	ADDRESS	LEASED YES/NO	NET ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	PROPERTY TOWNSHIP	PROPERTY COUNTY	STATE	OWNER CITY	OWNER STATE	OWNER ZIP CODE	UNIT PARTICIPATION
28	Evelyn Jean Niebergall (5% DMA Interest)	7570 East Martella Ln.	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Anaheim	CA	92808	DMA
28	Shirley McFall (2.50% DMA Interest)	3288 Lawrence Road	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Redding	CA	96002	DMA
28	Carolyn Smith (2.50% DMA Interest)	206 Claiborne Way	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Sewell	NJ	08080	DMA
28	Gerry McPeek (5% DMA Interest)	4669 East Kelly Drive	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Gilbert	AZ	85234	DMA
28	Billy Rayl (0.63% DMA Interest)	Unknown	No	DMA	DMA	43-00345.000	Washington	Belmont	OH				DMA
28	Eddie Rayl, Jr. (0.63% DMA Interest)	Unknown	No	DMA	DMA	43-00345.000	Washington	Belmont	OH				DMA
28	Randy Rayl (1.25% DMA Interest)	623 Superior Street	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Carnegie	PA	15106	DMA
28	Wayne Rayl (1.25% DMA Interest)	Unknown	No	DMA	DMA	43-00345.000	Washington	Belmont	OH				DMA
28	Jayne Stone (1.25% DMA Interest)	181 Spring Creek Circle	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Sulphur Springs	TX	75482	DMA
28	Phil Jenewein (1.25% DMA Interest)	2427 E. Cedar Hill Drive	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Mount Vernon	WA	98273	DMA
28	Robert Jenewein (1.25% DMA Interest)	421 Webb Blvd.	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Havelock	NC	28532	DMA
28	Barbara Boynton (1.25% DMA Interest)	4907 Hemphill Drive SE	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Lacey	WA	98513	DMA
28	Cheryl Spinnie (1.25% DMA Interest)	128 Walsh Lane	No	DMA	DMA	43-00345.000	Washington	Belmont	OH	Chohalis	WA	98532	DMA
29	Michael G. Carle (6.25% DMA Interest)	1600 Sedgefield Dr.	No	DMA	DMA	43-00369.006	Washington	Belmont	OH	Murrells Inlet	SC	29576	DMA
29	Susan L. Carle (6.25% DMA Interest)	196 McGill St.	No	DMA	DMA	43-00369.006	Washington	Belmont	OH	Sunbury	OH	43074	DMA
29	William E. Carle (6.25% DMA Interest)	61850 Westland St.	No	DMA	DMA	43-00369.006	Washington	Belmont	OH	Cambridge	OH	43725	DMA
30	Michael G. Carle (6.25% DMA Interest)	1600 Sedgefield Dr.	No	DMA	DMA	43-00369.007	Washington	Belmont	OH	Murrells Inlet	SC	29576	DMA
30	Susan L. Carle (6.25% DMA Interest)	196 McGill St.	No	DMA	DMA	43-00369.007	Washington	Belmont	OH	Sunbury	OH	43074	DMA
30	William E. Carle (6.25% DMA Interest)	61850 Westland St.	No	DMA	DMA	43-00369.007	Washington	Belmont	OH	Cambridge	OH	43725	DMA
31	Randy Reed	5617 Countrie Glen Drive	No	0.010	0.000021	43-00375.000	Washington	Belmont	OH	Galloway	OH	43119	0.002117%
48	Michael G. Carle (6.25% DMA Interest)	1600 Sedgefield Dr.	No	DMA	DMA	43-00369.005	Washington	Belmont	OH	Murrells Inlet	SC	29576	DMA
48	Susan L. Carle (6.25% DMA Interest)	196 McGill St.	No	DMA	DMA	43-00369.005	Washington	Belmont	OH	Sunbury	OH	43074	DMA
48	William E. Carle (6.25% DMA Interest)	61850 Westland St.	No	DMA	DMA	43-00369.005	Washington	Belmont	OH	Cambridge	OH	43725	DMA
49	Norfolk Southern Railway Company	110 Franklin Road SE	No	12.788	0.026309	43-90010.000	Washington	Belmont	OH	Roanoke	VA	24042	2.630870%
		TOTAL UNITIZED ACRES:		12.798	0.026330								2.632987%
				486.075									

END OF EXHIBIT "A-3"

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

In re the Matter of the Application of :
Gulfport Energy Corporation for :
Unit Operation : Application Date: May 19, 2015
: Supplement Date: July 30, 2015
George Southeast Unit :

**PREPARED TESTIMONY OF MICHAEL BUCKNER
ON BEHALF OF GULFPORT ENERGY CORPORATION**

Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May Avenue, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant,
Gulfport Energy Corporation

Date: April 21, 2015

PREPARED DIRECT TESTIMONY OF MICHAEL BUCKNER

INTRODUCTION.

Q1. Please state your name and business address.

A1. My name is Michael Buckner, and my business address is 14313 N. May Ave, Oklahoma City, Oklahoma 73134.

Q2. Who is your employer?

A2. Gulfport Energy Corporation.

Q3. What is your position with Gulfport?

A3. Geologist.

Q4. Please describe your professional responsibilities at Gulfport.

A4. My professional responsibilities include interpreting geological data for Gulfport's Ohio asset team. I prepare structure isopach maps and make electric log cross-sections to determine what true vertical depth is needed for each well. I also help set up new drilling units for horizontal wells and geosteering each operated horizontal well to make sure the wellbore stays in the target formation.

Q5. Starting with college, would you describe your education background?

A5. I graduated with a Bachelor of Science degree in Geology from the University of North Carolina at Wilmington. I then received a Masters degree in Geology from East Carolina University.

Q6. Would you briefly describe your professional experience?

A6. I have ~10 years' experience as a geologist in the oil and gas industry and have worked primarily in unconventional reservoirs within the continental US. I started my career at Chesapeake Energy in the Granite Wash of the Texas panhandle and then worked the Fayetteville shale play in Arkansas. In 2009 I began consulting fulltime and have geosteered for multiple clients in various unconventional reservoirs. I came to Gulfport Energy Corporation in the beginning of 2013 and have been working the Utica/Point Pleasant formation in Ohio ever since.

Q7. Are you a member of any professional associations?

A7. I am a member of the American Association of Petroleum Geologist Society, the Ohio Geological Society, and the Oklahoma City Geological Society.

Q8. Are you familiar with Gulfport Energy Corporation's Application for Unit

Operations with respect to the George Southeast Unit?

A8. Yes.

Q9. Could you please describe the George Southeast Unit, in terms of its general location, surface acreage, and subsurface depth?

A9. Yes. The George Southeast Unit consists of 50 distinct tracts of land totaling approximately 486.075 acres in Washington Township of Belmont County, Ohio. Exhibit MB-1 to the Application depicts the geographical location of the proposed unit in Belmont County in relation to the surrounding counties. The Unitized Formation described in the Application is the subsurface portion of the George Southeast Unit at a depth located from 50' above the top of the Utica Shale, to 50' below the base of the Point Pleasant formation.

UNITIZED FORMATION IS PART OF A POOL.

Q10. In geological terms, what does the term “pool” mean in connection with unitization?

A10. Generally a pool is understood to be a common source of supply in pores of a rock that yields hydrocarbons on drilling.

Q11. Ohio Revised Code § 1509.01(E) defines the term “pool” as follows: “Pool’ means an underground reservoir containing a common accumulation of oil or gas, or both, but does not include a gas storage reservoir. Each zone of a geological structure that is completely separated from any other zone in the same structure may contain a separate pool.” Does this definition of “pool” apply to the George Southeast Unit?

A11. Yes. Geologic mapping shows the entire George Southeast Unit to be underlain by the Utica/Point Pleasant formation, which is of the same thickness throughout the George Southeast Unit area. The hydrocarbon accumulation extends in all directions from this proposed unit and the rock properties such as porosity and water saturation are the same under the entire unit and constitute a common source of supply. This means that the geologic characteristics with equal rock properties extend under the entire unit, suggesting that production would be similar from all wells drilled in the unit. Therefore, the Unitized Formation qualifies as part of a pool – with the entire pool being the Utica/Point Pleasant formation extending

beyond the currently defined George Southeast Unit.

Q12. How do geologists investigate the geologic characteristics of a shale play in the Utica/Point Pleasant formation?

A12. Geologists study well logs to gain information such as porosity, permeability, water saturation, and thermal maturity in addition to core analysis from Whole Core or Rotary Side-Wall cores in order to match the electric log data to measurements on the actual rock. Correlation of this information over a larger area reveals a regional picture or trend of the Utica/Point Pleasant formation.

Q13. Generally speaking, what sources of data would you review and analyze in order to assess the geologic characteristics of a potential shale play?

A13. Generally speaking, core and electric log data.

Q14. How is this data obtained, and what is it meant to show about the formation?

A14. Data is obtained thru public information sources such as the ODNR, thru vendors such as IHS, proprietary data from well logs run or cores taken on recently drilled Gulfport wells. Gulfport is also a partner with other operators and has received geological data from wells drilled by partner operators and finally thru data trades with other operators. Geologist correlate the logs well-to-well by picking the same formation top in each well in order to create structure and isopach maps of various formations over the area of interest.

Q15. What data sources did you use in determining the geologic features of the George Southeast Unit?

A15. Electric log data from Trenton penetrations in the area were used to construct Exhibits MB-1 and MB-2 to the Unit Application. Since there are not a lot of Trenton penetrations in the area, Exhibit MB-1 shows a well ~10.3 miles to the west and one well ~4 miles to the east of the proposed unit. The cross-section found in Exhibit MB-2 has been flattened at the top of the Trenton in order to better show the uniform thickness of the Utica/Point Pleasant across the unit.

Q16. What do these exhibits tell us about the George Southeast Unit?

A16. Exhibits MB-1 and MB-2 are a location map and cross section created using downhole electric logs, respectively. The cross-section suggests equal thickness of the Utica formation and Point Pleasant formation and the location map shows the

extent of the predicted thickness across the George Southeast unit.

Q17. What is the approximate depth of the Utica/Point Pleasant formation under the George Southeast Unit?

A17. The top of the Utica/Point Pleasant formation is expected to be around 8,991 feet True Vertical Depth.

Q18. Which formations are included in the proposed George Southeast Unit?

A18. The Unitized Formation described in the Application is the subsurface portion of the George Southeast Unit at a depth located from 50' above the top of the Utica Shale to 50' below the base of the Point Pleasant formation.

Q19. How and why were these formations chosen?

A19. We expect to produce from both the Utica Shale and Point Pleasant formations, though fractures from completion activities may extend outside those formations. We ask for a 50' buffer above and below the productive formations for this reason.

Q20. Based on the data you analyzed, should the area be considered a pool?

A20. Yes

Q21. Could you please explain why?

A21. Analysis of the data indicates the reservoir properties are very similar over the unit area for the proposed Utica/Point Pleasant formation and would qualify as part of a pool.

ALLOCATION METHODOLOGY

Q22. Are you generally familiar with the manner in which unit plans allocate production and unit expenses to parcels within the unit?

A22. Yes.

Q23. You testified earlier that the Utica/Point Pleasant formation underlying the George Southeast Unit has a relatively uniform thickness and reservoir quality. Given those characteristics, what would be an appropriate method of allocating production and unit expenses among the parcels contained in the George Southeast Unit?

A23. Yes because of the reservoir quality and relatively uniform thickness across the unit. An appropriate method of allocation would be on a surface-acreage basis.

Q24. Is this method used elsewhere?

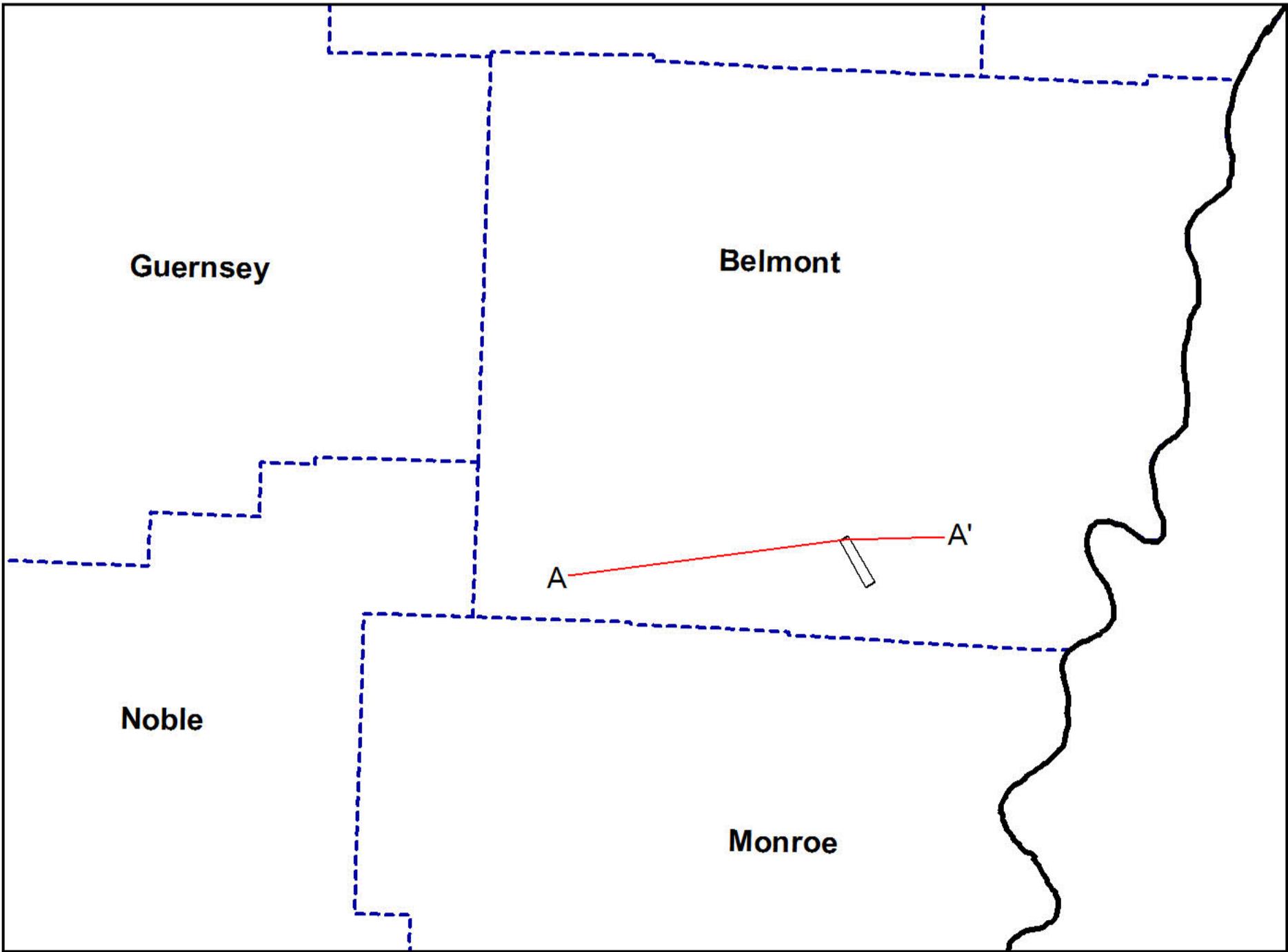
A24. Yes.

Q25. What method of allocation is utilized in the unit plan for the George Southeast Unit?

A25. Based on the testimony of David Ferguson, production and unit expenses are allocated on a surface-acreage basis.

Q26. Does this conclude your testimony?

A26. Yes.



		
<p><i>EXHIBIT MB-1</i></p> <p><i>George Southeast</i></p>		
Author: MDB		Date: 14 May, 2015
	Scale: <scale>	

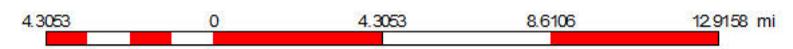
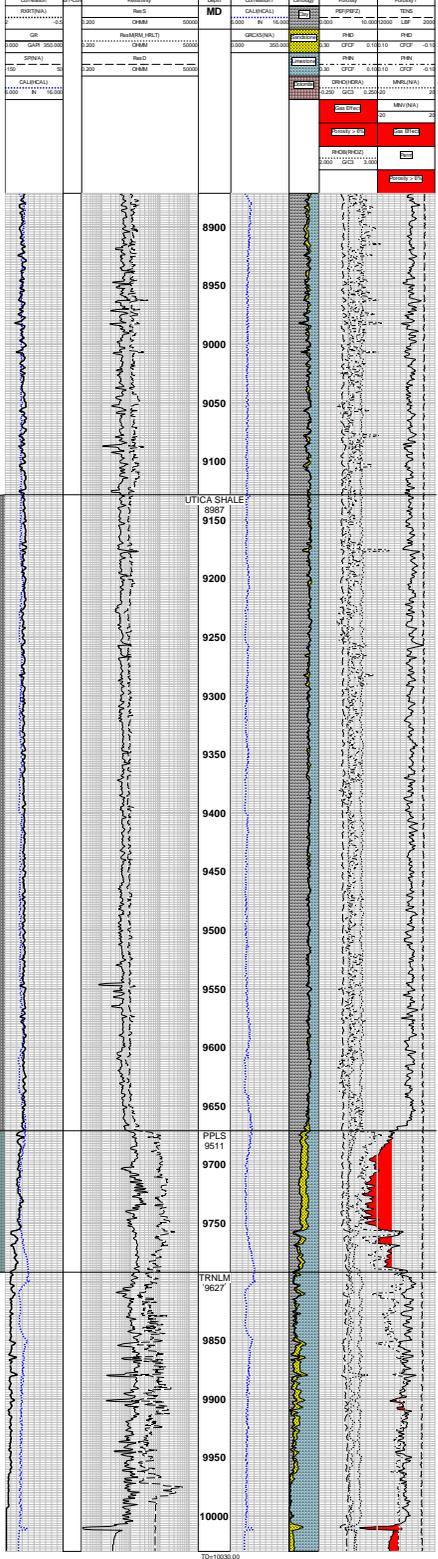
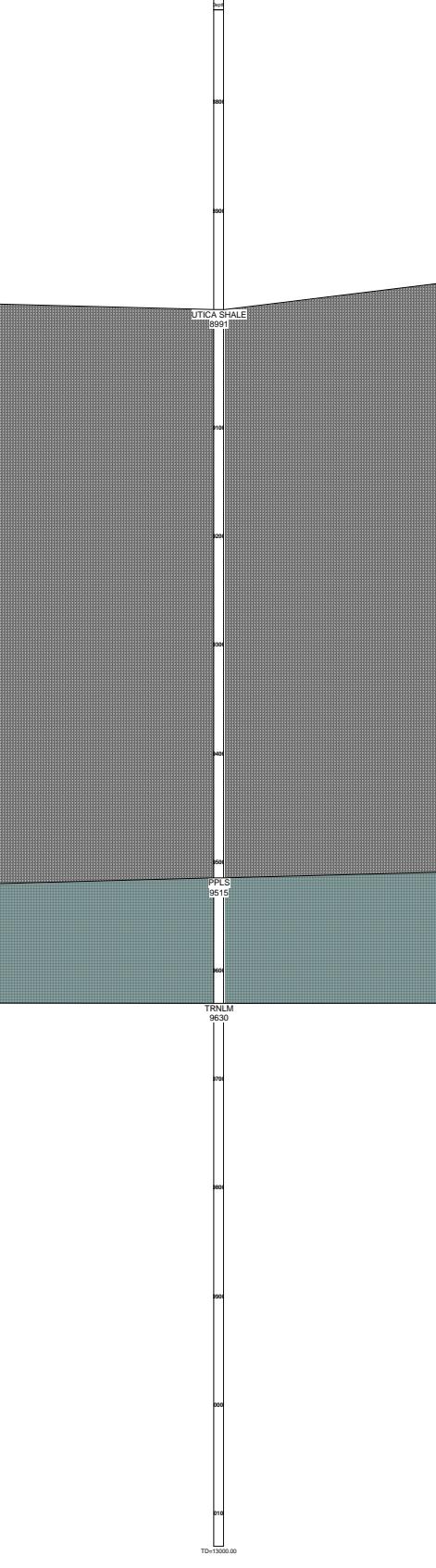
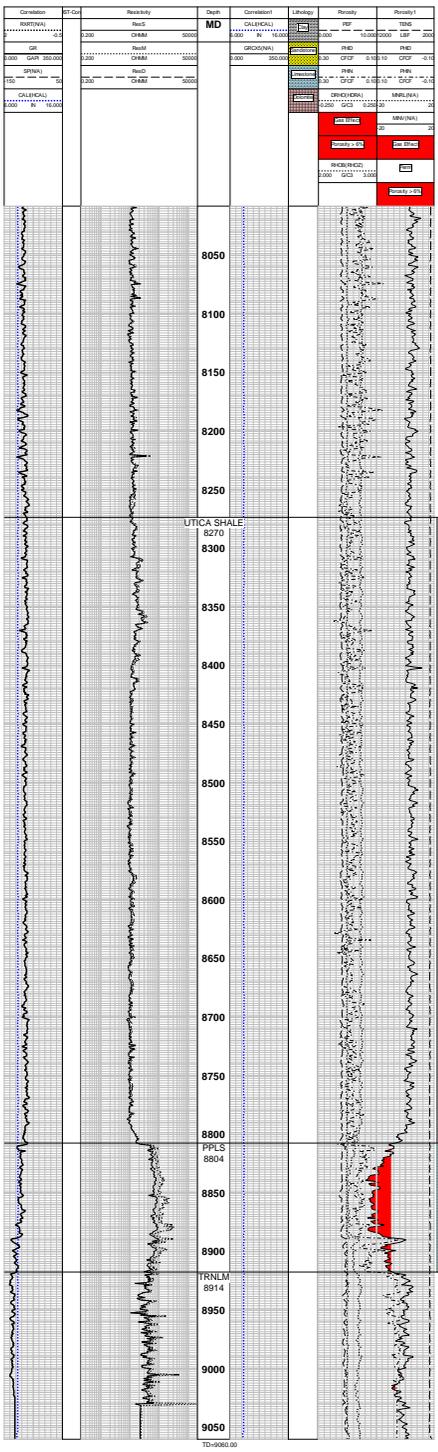


EXHIBIT MB-2
 Stratigraphic Cross Section "George Southeast": Equally Spaced Logs
 Datum = Trenton
 Vertical Section = 2.5 in per 100 ft
 George Southeast_Xsection.xsd

A O O A'

3461320570000 54612.11 GEORGE PAD 20859.8 3461320570000
 GULFPORT STUTTMAN 14P 144P GULFPORT GEORGE PAD GULFPORT
 COUNTY:BELMONT COUNTY:BELMONT COUNTY:BELMONT



500

500

0

0

-500

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

In re the Matter of the Application of :
Gulfport Energy Corporation for :
Unit Operation : Application Date: May 19, 2015
 : Supplement Date: July 30, 2015
George Southeast Unit :

**PREPARED TESTIMONY OF STEVE BALDWIN
ON BEHALF OF GULFPORT ENERGY CORPORATION**

Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant,
Gulfport Energy Corporation

Date: May 19, 2015

PREPARED DIRECT TESTIMONY OF STEVE BALDWIN

1 **Q1. Please introduce yourself.**

2 A1. My name is Steve Baldwin and my business address is 14313 N. May, Oklahoma City,
3 Oklahoma 73134. I am the Reservoir Manager for Gulfport Energy Corporation.

4 **Q2. What is the purpose of your testimony today?**

5 A2. I am testifying in support of the Application of Gulfport Energy Corporation for Unit
6 Operation filed with respect to the George Southeast Unit, consisting of fifty (50)
7 separate tracts of land totaling approximately 486.075 acres in Belmont County, Ohio.
8 My testimony addresses the following: (1) that unit operations for the George Southeast
9 Unit are reasonably necessary to increase substantially the recovery of oil and gas; and
10 (2) that the value of the estimated additional recovery due to unit operations exceeds its
11 estimated additional costs.

12 **Q3. Can you summarize your educational experience for me?**

13 A3. I hold a Bachelors of Science in Petroleum Engineering for the University of Oklahoma.

14 **Q4. Are you a member of any professional associations?**

15 A4. I am a member of The Society of Petroleum Engineers.

16 **Q5. How long have you been a Senior Reservoir Engineer for Gulfport?**

17 A5. Nine years.

18 **Q6. What other work experiences have you had?**

19 A6. Over my +30 years of experience, I have worked for Mobil Oil Company as a Production
20 Engineer, with Noble Affiliates as a Reservoir Engineer, with Chaparral Energy as a
21 Senior Reserve & Acquisitions Engineer and the last nine years with Gulfport Energy as
22 a Senior Reservoir Engineer and Reservoir Manager.

23 **Q7. What does being a reservoir engineer entail?**

24 A7. I perform reserve evaluations estimating reserves and recoveries. I analyze the economics
25 and risk assessment of developmental wells and projects. I calculate how many
26 hydrocarbons are believed to exist or remain on Gulfport properties as well as how much
27 we can economically expect to produce.

28 **Q8. How do you do that?**

29 A8. There are several methods available such as volumetric calculations, analogy to offset
30 production and decline curve analysis that we can use to make projections about how
31 much hydrocarbon exit and how much can be produced. We factor in geologic data as

1 well as drilling and fracturing techniques and cost to estimate economics.

2 **Q9. Did you perform any calculations to support Gulfport's application for unitization**
3 **for the proposed George Southeast Unit?**

4 A9. Yes. I did.

5 **Q10. And did you perform those calculations yourself, or did someone assist you?**

6 A10. I performed the calculations myself.

7 **Q11. What sort of calculations were you asked to perform?**

8 A11. Under the current un-unitized acreage, Gulfport could drill no horizontal wells keeping
9 within the 500 feet limit of unleased or uncommitted parcels. If the unitized area is
10 approve, Gulfport would be able to drill 2 long horizontal wells (10,106' average) from a
11 single pad in the unit. I did the same reserve estimates for a two well unit.

12 **Q12. Why horizontal wells?**

13 A12. Unconventional shale reservoirs cannot be produced at economic flow rates and do not
14 produce economic volumes of oil and gas without the use of horizontal drilling and the
15 assistance of stimulation treatments like hydraulic fracturing. This largely explains why
16 the Utica Shale hasn't been developed to date in Ohio. The permeability of shale
17 formations, including the Utica formation, is extremely low. In order for hydrocarbons
18 found in the shale reservoir to flow at economic rates, the surface area open to flow must
19 be maximized. Horizontal multi-stage hydraulically fractured wells are the most efficient
20 way to date that the oil and gas industry has been able to maximize the surface area
21 exposed to the reservoir for flow purposes.

22 **Q13. How are horizontal wells drilled?**

23 A13. Horizontal drilling is the process of drilling down vertically to a point commonly
24 referred to as the kickoff point, and then gradually turning the wellbore to drill and place
25 the wellbore in the desired hydrocarbon bearing formation – in this case, the Utica shale –
26 horizontally in order to maximize the areal contact of the reservoir. This technology
27 along with hydraulically fracturing the formation is required to economically develop
28 unconventional resources like shale gas formations.

29 **Q14. How deep is the kickoff point that you are referring to?**

30 A14. It depends on the well being drilled, but for the proposed George Southeast Unit, it is
31 likely to be approximately 9,115' TVD (true vertical depth) based on data gathered from

1 an offset that was recently drilled.

2 **Q15. Is horizontal drilling common in the oil and gas industry?**

3 A15. Yes. The oil and gas industry has been drilling horizontal wells for many years.
4 Hydraulic fracturing is also nothing new. Hydraulic fracturing has been used in the oil
5 and gas industry for more than seventy years. The combination of hydraulic fracturing
6 and horizontal drilling is what is allowing shale formations like the Utica to finally be
7 developed.

8 **Q16. Is it fair to say, then, that horizontal wells are the predominant method used to**
9 **develop shale formations like the Utica today?**

10 A16. Yes.

11 **Q17. Turning specifically to the George Southeast Unit, have you made an estimate of the**
12 **production you anticipate from the proposed unit's operations?**

13 A17. Yes, I have evaluated and estimated the production potential from the Utica formation in
14 the George Southeast Unit and believe that the gross production from unitized operations,
15 as proposed in this application, if successful, could be as much as 36 BCF of gas.

16 **Q18. How did you make those estimates?**

17 A18. From analogy of offset Utica horizontal wells and from decline curve analysis. There are
18 horizontal Utica wells approximately 0.7 of a mile from the proposed unit that I believe
19 have similar characteristics in terms of fluid type and production profile and data from
20 those wells were used in my calculations. I have attached Exhibit SB-3 to my testimony,
21 which depicts the location of the wells I used in my calculation in relation to the George
22 Southeast Unit.

23 **Q19. Once you had that data from the other Utica shale wells, what did you do with it?**

24 A19. I used actual production data from those wells to develop an average Utica production
25 profile or "type curve" using decline curve analysis. With all wells, production and
26 pressure is highest at the onset and gradually decreases to a point where production can't
27 be sustained without some additional stimulation. This decline can be plotted and for
28 wells within the same formation, tends to exhibit similar characteristics. In the type
29 curve process, data from the first day of production for all the wells are all aligned, and
30 the production volumes are then averaged. This will produce the average production
31 profile of the wells included in the type curve. Then a mathematical expression is used to

1 match the production and forecast the future production that is expected to be produced
2 from the well. This is referred to as "decline curve analysis." Type curves are routinely
3 used in the industry to estimate reserves.

4 **Q20. I see that you've qualified your calculations as an estimate. Does that mean that you**
5 **cannot calculate the production from these wells ahead of time with mathematical**
6 **certainty?**

7 A20. Yes that's correct. The ultimate recovery of a well cannot be known until it has produced
8 its last drop which will not be for many years. However, we have established production
9 and test data in the area.

10 **Q21. In your professional opinion, would it be economic to develop the George Southeast**
11 **Unit using traditional vertical drilling?**

12 A21. No. These unconventional reservoirs cannot be produced at economic flow rates or do
13 not produce economic volumes of oil and gas without the use of horizontal drilling and
14 the assistance of stimulation treatments. This largely explains why the Utica Shale had
15 not been developed prior to the recent horizontal activity in Ohio.

16 **Q22. Are the estimates that you made based on good engineering practices and accepted**
17 **methods in the industry?**

18 A22. Yes

19 **Q23. Do you have the calculations you performed?**

20 A23. Yes. The summary of my calculations are attached to this prepared testimony as Exhibit
21 "SB-1"

22 **Q24. Can you summarize what your calculations show?**

23 A24. First, I looked at the economics of non-unitization. No horizontal laterals can be drilled
24 due to the unleased and uncommitted tracts.

25 **Q25. Did you also estimate what could be recovered if operations in this area are unitized,**
26 **as is being proposed by this application?**

27 A25. Yes. In that case, Gulfport does not have to avoid the unleased and uncommitted tracts,
28 and Gulfport is able to fully develop the unit with two full horizontal laterals. The George
29 SE 3A and 4B laterals would then measure approximately 10,106' each.

30 **Q26. Can you summarize what those calculations show?**

31 A26. Yes. If Gulfport develops a unit with two fully drilled horizontal laterals, I project that

1 it will produce approximately 36 BCF of gas over the combined productive life of these
2 two wells.

3 **Q27. Is the unitized recovery due solely to being able to drill beneath the currently**
4 **unleased parcels?**

5 A27. No. The oil and gas from those unleased parcels accounts for part of the increase, but the
6 majority of the increase is from what would otherwise be stranded reserves that would
7 not be produced unless the Division approves the unitization application for full unit
8 operation. That oil and gas would forever be left behind if not produced through unit
9 operation by these wells. Drilling an additional well or wells to try to recover those
10 stranded reserves is simply not economically feasible.

11 **Q28. Let's shift our focus to the economic calculations for this project. Have you made**
12 **an estimate of the economics of the proposed development of the George Southeast**
13 **Unit?**

14 A28. Yes

15 **Q29. Would you walk us through your economic evaluation, beginning with your**
16 **estimate of the anticipated revenue stream from the George Southeast Unit**
17 **development?**

18 A29. During the reserve estimation process, not only were the ultimate reserve numbers
19 estimated, but the production profile over time of the reservoir hydrocarbons was also
20 developed. The production profile and a price scenario were used to develop the
21 revenues that are expected from the proposed unit's development.

22 **Q30. What do you mean when you say "production profile over time of the reservoir**
23 **hydrocarbons," and why is it important?**

24 A30. I am referring to the actual production we expect on a daily or monthly basis for the
25 well's entire life. This is important when doing an economic evaluation in which revenue
26 from future production is discounted in order to obtain the net present value and rate of
27 return for the specific project.

28 **Q31. What price scenario did you use?**

29 A31. A seven year forward strip price for May 11, 2015 was used. This is the market's current
30 view of what gas and oil prices will be in the future and are not guaranteed to be the price
31 received for the produced hydrocarbons from the George Southeast Unit. I have attached

1 those figures as Exhibit "SB-2".

2 **Q32. What about anticipated capital and operating expenses?**

3 A32. Capital and operating expenses were incorporated as well. The total estimated capital is
4 based on the anticipated capital costs for both the drilling and completion process. The
5 basis for this estimate comes from recent costs we have experienced with our early Utica
6 formation development in the state of Ohio. These costs were adjusted to correspond to
7 the respective lateral length of each lateral within the proposed unit. Incorporated in the
8 analysis are both fixed and variable cost estimates.

9 **Q33. Based on this information and your professional judgment, does the value of the**
10 **estimated recovery from the operations proposed for the George Southeast Unit**
11 **exceed its estimated costs?**

12 A33. Yes. The total estimated cost of developing the George Southeast Unit is approximately
13 \$26.7 million. Undiscounted Net Cash Flow is \$49 million and using a 10% discount
14 rate, the net present value is approximately \$18 million.

15 **Q34. In your professional opinion, do you believe that the proposed unit operations for**
16 **the George Southeast Unit are reasonably necessary to increase substantially the**
17 **ultimate recovery of oil and gas from the unit area?**

18 A34. Yes. It is my professional opinion that unit operations are reasonably necessary to
19 increase substantially the ultimate recovery of oil and gas from the unit area. This area
20 would not be able to be developed without unit operations. Further, unit operation will
21 protect the correlative rights of all of the mineral owners by effectively and efficiently
22 draining all of the reserves, eliminating any waste of mineral resources associated with
23 stranded reserves. There is no doubt in my mind that unit operation will substantially
24 increase the ultimate recovery of oil and gas from this unit area.

25 **Q35. In your professional opinion, does the value of increased recovery attributable to**
26 **unit operations exceed the estimated additional costs of unit operation?**

27 A35. Yes. To increase the exposure to the reservoir and produce the maximum amount of
28 hydrocarbons, placing horizontal wells across the entire proposed unit is ideal. This limits
29 the capital cost by limiting the number of required surface locations and wells and
30 maximizes the production from the proposed unit's operations. Without the proposed
31 unit operations, we would not be able to develop this area. As indicated above, the

1 estimated development of the proposed unit would require \$26.7 million in capital, and
2 would have an undiscounted net cash flow of \$49 million and a net 10% present value of
3 approximately \$18 million. Thus, the value of the increased recovery significantly
4 outweighs the increased cost of unitized operation. Financially, it makes sense to operate
5 as a unit.

6 **Q36. And your opinions are based on your education and professional experience?**

7 A36. Yes

8 **Q37. Does this conclude your testimony?**

9 A37. Yes.

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

In re the Matter of the Application of :
Gulfport Energy Corporation, for :
Unit Operation : Application Date: May 19, 2015
 : Supplement Date: July 30, 2015
George Southeast Unit :

**PREPARED TESTIMONY OF DAVID FERGUSON, RL
ON BEHALF OF GULFPORT ENERGY CORPORATION**

Zachary M. Simpson (0089862)
GULFPORT ENERGY CORPORATION
14313 North May, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant,
Gulfport Energy Corporation

Date: May 19, 2015

PREPARED DIRECT TESTIMONY OF DAVID FERGUSON, RL

1 **INTRODUCTION.**

2 **Q1. Please state your name and business address.**

3 A1. My name is David Ferguson and my business address is 14313 North May Ave.,
4 Suite 100, Oklahoma City, OK 73134

5 **Q2. Who is your employer?**

6 A2. Gulfport Energy Corporation.

7 **Q3. What is your position with Gulfport?**

8 A3. I am a Landman.

9 **Q4. Please describe your professional responsibilities at Gulfport.**

10 A4. My primary responsibilities involve preparing and overseeing development of
11 drilling units based on Gulfport's lease position, acquisition of leases or rights to
12 drill, and title work up and through the drilling phase, ending at overseeing attorneys
13 determining title for the distribution of production proceeds.

14 **Q5. Starting with college, please describe your educational background.**

15 A5. I earned a Bachelor of Arts majoring in Psychology from Baylor University in May,
16 1993. In May, 1996, I graduated with honors from the University of Central
17 Oklahoma with a Masters of Education degree in Counseling Psychology.

18 **Q6. Please briefly describe your professional experience.**

19 A6. In July, 1997, I served as Guidance Counselor at Heritage Hall High School in
20 Oklahoma City and in 2006 was promoted to Dean of Students at Heritage Hall. In
21 June of 2007, I started my career in the oil and gas industry as an independent
22 contractor, predominantly working for Jess Harris, III, an Oklahoma City land
23 broker. My primary responsibilities were to research land records and create accurate
24 and reliable mineral and leasehold ownership reports for the purpose of leasing and
25 pooling orders. I spent considerable time in county courthouse record rooms
26 reviewing title records and developing title abstracts, which are necessary for the
27 development of oil and gas rights. In May 2012, I joined Gulfport Energy. During
28 my time with Gulfport, my primary responsibilities have involved managing
29 Gulfport's acquisition of assets in the Utica Shale play, directing Gulfport's efforts
30 to recover lease bonus payments improperly tendered to land owners, and preparing

1 Gulfport's oil and gas properties for drilling and development.

2 **Q7. What do you do as a Landman?**

3 A7. My responsibilities as a Landman consist of acquiring, developing, and maintaining
4 Gulfport's leasehold position in various counties in Ohio. I work hand-in-hand with
5 Gulfport's Engineering and Geology departments to create production units that we
6 believe will produce the minerals in a way that will protect the correlative rights of
7 all parties involved. Once we have determined the unit boundaries, I interface with
8 lease brokers, title attorneys, and surveyors to determine the ownership of each parcel
9 within the proposed unit and subsequently acquire the mineral rights to as much of
10 the unit as possible. If there are other operators who have a leasehold presence within
11 the boundary lines, I work with them to negotiate trade agreements, term
12 assignments, and various other commitment agreements. If there are unleased
13 mineral owners within the unit, I work on securing Oil and Gas Leases from the
14 unleased mineral owners. Additionally, I oversee the surface development and
15 permitting process for these wells as well as any other tasks that are necessary in
16 preparing Gulfport to successfully drill horizontal Utica/Point Pleasant wells.

17 **Q8. Are you a member of any professional associations?**

18 A8. Yes, I am a member of the American Association of Professional Landmen and the
19 Oklahoma City Association of Professional Landmen. In 2010, I passed the
20 comprehensive certification exam for the professional certification of Registered
21 Landman through the American Association of Professional Landmen.

22 **Q9. Have you ever been involved in combining or pooling oil and gas interests for
23 development in other states?**

24 A9. Through my early work as a landman, I became very familiar with the pooling and
25 unitization processes in the state of Oklahoma. The end product of many of my
26 projects would involve some regulatory filing with the Oklahoma Corporation
27 Commission.

28 **Q10. Were you involved in the preparation of Gulfport Energy Corporation's
29 Application for unitization with respect to the George Southeast Unit?**

30 A10. Yes, after our initial lease acquisition covering the relevant land, I have managed the
31 formation of the George Southeast Unit in its present configuration and have been

1 involved with the preparation of this application for unitization.

2 **Q11. Can you generally describe the George Southeast Unit?**

3 A11. Sure. The George Southeast Unit consists of 50 distinct parcels of land totaling
4 approximately 486.075 acres of land in Washington Township, Belmont County,
5 State of Ohio.

6 **EFFORTS MADE BY GULFPORT TO LEASE UNIT TRACTS.**

7 **Q12. The Application submitted by Gulfport indicates that it owns the oil and gas**
8 **leasehold rights to 257.7722 acres of the proposed 486.075 acre unit. Would you**
9 **describe how Gulfport acquired its rights?**

10 A12. Gulfport Energy Corporation began acquiring these leasehold rights in June of 2011
11 by purchasing various oil and gas leases from Tri-Star Energy. Gulfport made an
12 additional purchase from Tri-Star in December, 2012 and also acquired leasehold
13 rights initially owned by Wishgard and OhTex. Since then, Gulfport has added
14 interest through its own leasing efforts as well as a Joint Venture with Rice Drilling
15 D LLC, headquartered in Cannonsburg, PA.

16 **Q13. What percentage of the total acreage of the George Southeast Unit is**
17 **represented by the oil and gas rights held by Gulfport?**

18 A13. Approximately 53.0313%

19 **Q14. Have other working interest owners in the George Southeast Unit approved the**
20 **Unit Plan prior to filing this application?**

21 A14. Yes. Pursuant to the terms of the Unrecorded Development Agreement between
22 Gulfport Energy Corporation and Rice Drilling D LLC, the parties agree that
23 Gulfport is be the applicant and operator for units within Washington township and
24 that the applicant shall have the authority to execute all necessary documents
25 associated with the unitization on behalf of both Parties' oil and gas interest within
26 the unitized area. Additionally, an Unrecorded Development Agreement between
27 Gulfport and Murray Energy Corporation has committed Murray to the well either
28 by participation in the well or by selling its interest to Gulfport for a predetermined
29 fee. As a result, the Application is brought on behalf of 97.3670% of the owners
30 within the George Southeast Unit, which is well above the 65% threshold required
31 by the statute.

1 **Q15. Why was Gulfport not able to acquire the oil and gas rights to all of the acreage**
2 **in the proposed unit?**

3 A15. There are six unleased or partially unleased parcels within the unit (Tracts 28, 29,
4 30, 31, 48 and 49). Tract 49 is owned by the Norfolk Southern Railway Company
5 and is completely unleased. Gulfport and Norfolk Southern Railway Company have
6 agreed to terms for Gulfport to acquire the leasehold in this tract. Gulfport is
7 awaiting an executed Letter of Intent and subsequent lease from Norfolk. Tract 31
8 is a partially unleased situation where Randy Reed, who Gulfport and its agents have
9 been unable to locate, owns an undivided 1/24th mineral interest. The remaining
10 tracts are affected by unresolved issues surrounding the Ohio Dormant Minerals Act.
11 Gulfport has been able to lease 100% of the mineral interest in accordance with
12 current state law for all of these tracts; however, Gulfport has been unable to secure
13 what we call “protection leases” for claimants to the countervailing position of the
14 Ohio Dormant Minerals Act. Gulfport will continue its efforts to secure leases for
15 each of the above-referenced tracts.

16 **Q16. Have you prepared a log detailing Gulfport’s efforts to obtain a lease from the**
17 **unleased mineral owners in the proposed unit?**

18 A16. Yes. Exhibits DF 1.1-1.4 outline Gulfport’s efforts to secure an oil and gas lease for
19 each of the unleased tracts or tracts affected by the Ohio Dormant Minerals Act.

20 **Q17. Can you describe the efforts that Gulfport has made to contact the land owners**
21 **and/or their representatives?**

22 A17. Gulfport and/or their representatives have attempted to contact the mineral owners
23 through numerous phone calls and, where applicable, mailings. We have connected
24 with the decision makers to let them know of our intent to lease as well as our plans
25 for the development of the parcel. We have followed up with the mineral owners
26 numerous times and continue to negotiate terms and conditions that will benefit both
27 parties to the transaction.

28 **Q18. If the unleased tract owners in the unit were to even now ask to lease with**
29 **Gulfport under the terms extended by Gulfport, would Gulfport be likely to**
30 **agree?**

31 A18. Absolutely.

1 **Q19. Could you describe the location of the leased and unleased tracts within the**
2 **George Southeast Unit?**

3 A19. Yes. Exhibit DF-2, which is attached hereto, is a plat showing each of the tracts in
4 the George Southeast Unit. Tracts 31 and 49 on the attached plat remain unleased or
5 partially unleased for the purposes of this unit. Tracts 28, 29, 30 and 48, which have
6 potentially unleased parties, subject to the Ohio Dormant Minerals Act, are also
7 shown.

8 **Q20. Are there other operators that have an interest within the George Southeast**
9 **Unit?**

10 A20. Yes. Varro Energy, LLC, currently holds a potential 1.5733% working interest
11 within the unit subject to the Ohio Dormant Minerals Act, Rice Drilling D LLC
12 currently holds a 42.5201% working interest within the unit and Murray Energy
13 Corporation currently holds a 1.8156% working interest in the unit. Gulfport has
14 been in communication with each party regarding our plans for developing the unit
15 and are currently working towards an agreement that would account for the working
16 interest currently held by Varro Energy in the George Southeast Unit. At this point,
17 Varro is listed as an uncommitted working interest owner; however, our ultimate
18 goal is to come to terms on a purchase sale agreement. Pursuant to Gulfport's joint
19 venture agreement with Rice Drilling D LLC, Gulfport has the right to approve and
20 execute all documents incident to this unitization application on behalf of Rice's
21 interest. Therefore, Gulfport's working interest owner approval form takes into
22 consideration Rice's interest. Similarly, Gulfport and Murray Energy Corporation
23 have entered into an unrecorded Development Agreement wherein Murray agrees to
24 either participate in proposed Gulfport wells or agrees to sell its interest to Gulfport
25 for a predetermined fee – meaning that, one way or another, Murray's interest will
26 be committed. Given Gulfport's fully executed agreements binding both Rice
27 Drilling D LLC and Murray Energy Corporation's interest in the unit to Gulfport, we
28 consider their respective working interests committed to the unit.

29 **UNIT PLAN PROVISIONS.**

30 **Q21. Would you describe generally the development plan for the George Southeast**
31 **Unit?**

1 A21. Gulfport plans to develop the George Southeast Unit from a centrally located pad
2 site. The pad will be adequately built to drill multiple horizontal wells with a
3 southeasterly orientation in the Unit. The Unit is currently configured to include two
4 (2) horizontal wellbores, with projected lateral lengths of approximately 10,100 feet.

5 **Q22. Can you describe the location of the proposed wellbores within the George**
6 **Southeast Unit?**

7 A22. Yes. I have attached as Exhibit DF-4 to my testimony a plat showing the
8 configuration of the wellbores. It shows the pad site located just inside the
9 northcentral boundary of the George Southeast Unit with two wellbores configured
10 to be drilled parallel in a southeasterly direction.

11 **Q23. Do you know where the drilling and completion equipment will be located on**
12 **the pad?**

13 A23. Yes, we have been in contact with the surface owner of the parcel of our proposed
14 pad site and plan to develop our surface location pursuant to the terms of a mutually
15 acceptable surface use agreement. I would like to briefly clarify the uncommitted
16 characterization of the drill site tract. Tract 39 has a split ownership between the
17 surface interest and mineral interest. Gulfport has leased two-thirds (2/3) of the re-
18 served mineral interest estate, with Varro having the remaining one-third (1/3) under
19 lease. It is undisputed that the surface interest is held by Murray Energy Corporation,
20 with whom Gulfport has worked to finalize a surface use agreement.

21 **Q24. If the Division were to issue an order authorizing the proposed unit, and if**
22 **Gulfport agreed with the terms and conditions of that order, how long**
23 **thereafter would Gulfport drill the exploratory well contemplated by the**
24 **petition?**

25 A24. We plan to drill the initial well in the first quarter of 2016.

26 **Q25. Does Gulfport have a specific timeline for drilling additional wells in the George**
27 **Southeast Unit?**

28 A25. Subsequent wells will be drilled at some indeterminate time following the drilling of
29 the initial well.

30 **Q26. What are the benefits to this type of unit development?**

31 A26. Developing the George Southeast Unit in the manner previously described protects

1 the correlative rights of the unit participants while also providing for substantial
2 environmental and economic benefits. Drilling, completing and producing multiple
3 horizontal wells from a single pad site significantly reduces the environmental
4 impact by allowing Gulfport to build a single access road rather than many, reduce
5 traffic, and allow for the development of acreage that might not otherwise be
6 available for development due to various surface limitations (terrain, residences,
7 etc.). Developing the Utica Shale via the drilling of vertical wells is not practicable,
8 as this reservoir cannot be produced at economic flow rates or volumes with vertical
9 drilling, and due to the fact that even if economically feasible, surface limitations set
10 out above would prevent the practical well spacing necessary too efficiently and
11 effectively produce the reservoir. Horizontal drilling negates these issues by
12 allowing for a central pad location to develop mineral acreage underlying otherwise
13 inaccessible lands with a minimum of surface disturbance.

14 **Q27. So is it fair to say that the benefits of this type of development are substantial?**

15 A27. Yes, the type of development planned by Gulfport for the George Southeast Unit
16 offers significant benefits not only to the operator, but also to the landowners in the
17 unit and the surrounding area.

18 **Q28. Are you familiar with the Unit Plan proposed by Gulfport for the George**
19 **Southeast Unit?**

20 A28. Yes. The Unit Plan proposed by Gulfport is set out in two documents attached to the
21 Application. The first, the Unit Agreement, establishes the non-operating
22 relationship between the parties in the unit. The second, the Unit Operating
23 Agreement, establishes how the unit will be explored, developed, and produced.

24 **Q29. Let's turn first to the Unit Agreement, marked as Exhibit 1 to the Application.**
25 **Would you describe briefly what it does?**

26 A29. Yes. The Unit Agreement in effect combines the oil and gas rights in the George
27 Southeast Unit so that they can be developed as if they were part of a single oil and
28 gas lease.

1 **Q30. Are mineral rights to all geological formations combined under the Unit**
2 **Agreement?**

3 A30. No. The Unit Agreement only unitizes the oil and gas rights located fifty feet above
4 the top of the Utica Shale to fifty feet below the base of the Point Pleasant formation,
5 defined in the Agreement as the “Unitized Formation,” to allow development of the
6 Utica Shale formation.

7 **Q31. How will production proceeds from the George Southeast Unit be allocated**
8 **among royalty interest owners and working interest owners in the Unit?**

9 A31. On a surface-acreage basis. Under Article 4 of the Unit Agreement, every tract is
10 assigned a tract participation percentage based on surface acreage and shown on
11 Exhibits A-2, A-3 and A-4 to the Unit Operating Agreement. Article 5 of the Unit
12 Agreement allocates production based on each individual’s proportionate ownership
13 of that tract participation.

14 **Q32. Why use a surface-acreage basis as the method of allocation?**

15 A32. Based on the testimony of Michael Buckner attached to the Application as Exhibit 3,
16 a surface-acreage basis is an appropriate method of allocation because the formation
17 thickness and reservoir quality of the Unitized Formation is expected to be consistent
18 across the George Southeast Unit.

19 **Q33. Would you go through an example from Exhibit A-2 to the Unit Operating**
20 **Agreement to illustrate how a surface-acreage allocation would be applied to**
21 **the George Southeast Unit?**

22 A33. Yes. The fifth column on Exhibit A-2 to the Unit Operating Agreement, entitled
23 “Surface Acres in Unit,” shows the number of surface acres in each tract of land
24 within the George Southeast Unit. Column 6 on Exhibit A-2 shows the related tract
25 participation of each tract, which is calculated by taking the total number of surface
26 acres in the tract and dividing it by the total number of surface acres in the unit. So,
27 for example, if you look at Tract Number 1 on Exhibit A-2, it shows that the Carol
28 Ann Baker tract comprises 0.992 surface acres in the 486.075 acre George Southeast
29 Unit, which equates to a tract participation of approximately 0.2041%
30 (0.992/486.075).

31 **Q34. What does that mean in terms of production allocated to that particular Baker**

1 **tract?**

2 A34. It would mean that roughly 0.2041% of all production from the George Southeast
3 Unit would be allocated to the Baker tract, and would be distributed based on the
4 terms of the lease or other pertinent documents affecting the ownership to production
5 proceeds from the tract.

6 **Q35. Does it work the same way for an unleased mineral interest, that is, for the tract
7 of a person or entity which did not lease its property in the unit?**

8 A35. Yes. Exhibit A-3 to the Unit Operating Agreement lists the surface acreage, tract
9 participation, and related working interest and unit participations of each unleased
10 parcel in the proposed unit. In the 50-tract George Southeast Unit, Tracts 31 and 49
11 remain unleased or partially unleased. If the acreage from each of the unleased tracts
12 is divided by the full surface acreage comprising the unit (486.075 acres), the result
13 gives a tract participation of approximately 0.0221% for Tract 31 and 2.6309% for
14 Tract 49 under the Unit Agreement. Since these parcels, or partial parcels, are
15 unleased, each mineral owner would receive a working interest of seven-eighths (7/8)
16 and a royalty interest of one-eighth (1/8) of that tract participation. Under the terms
17 of the Unit Operating Agreement, should the unleased mineral owners remain as
18 unleased interest, they would individually decide whether they wanted to participate
19 in any proposed operations, or decline to participate and let the remaining parties
20 proceed with the proposed operation.

21 **Q36. In your experience, is that a customary way to allocate production in a unit?**

22 A36. In my experience, surface-acreage allocation is both fair and customary for
23 horizontal shale development.

24 **Q37. How are unit expenses allocated?**

25 A37. Similarly to production, unit expenses are allocated on a surface-acreage basis.
26 Article 3 of the Unit Agreement provides that expenses, unless otherwise allocated
27 in the Unit Operating Agreement, will be allocated to each tract of land within the
28 unit based on the proportion that the surface acres of each particular tract bears to the
29 surface acres in the entire unit.

30 **Q38. Who pays the unit expenses?**

31 A38. Working interest owners.

- 1 **Q39. Do the royalty owners pay any part of the unit expenses?**
- 2 A39. No. Royalty interest owners are responsible only for their proportionate share of
3 taxes and post-production costs, which are deducted from their share of the proceeds
4 from sales of production of hydrocarbons from the unit area.
- 5 **Q40. Let's turn to the Unit Operating Agreement, marked as Exhibit 2 to the**
6 **Application. It appears to be based upon a form document. Could you please**
7 **identify that form document?**
- 8 A40. Yes. The Unit Operating Agreement is based upon *A.A.P.L. Form 610 – Model Form*
9 *Operating Agreement – 1982*, which we typically use when we enter into joint
10 operating agreements with other parties.
- 11 **Q41. Are you familiar with the custom and usage of the Form 610 and other similar**
12 **agreements in the industry?**
- 13 A41. Yes. The Form 610, together with its exhibits, is commonly used in the industry and
14 is frequently modified to address the development objectives of the parties.
- 15 **Q42. Turning to the Unit Operating Agreement in particular, does it address how**
16 **unit expenses are determined and paid?**
- 17 A42. Yes. Article III of the Unit Operating Agreement provides that all costs and liabilities
18 incurred in operations shall be borne and paid by the working interest owners, in
19 accordance with their Unit Participation percentages. Those percentages can be
20 found in Exhibits A-2, A-3 and A-4 to the Unit Operating Agreement. Also, the Unit
21 Operating Agreement has attached to it an accounting procedure identified as Exhibit
22 C.
- 23 **Q43. What is the purpose of the document marked as Exhibit C in connection with**
24 **the George Southeast Unit Operating Agreement?**
- 25 A43. The document presents information concerning how unit expenses are determined
26 and paid.
- 27 **Q44. At the top of each page of Exhibit C, there appears a label that reads: “COPAS**
28 **2005 Accounting Procedure, Recommended by COPAS, Inc.” Are you familiar**
29 **with this society?**
- 30 A44. Yes, COPAS stands for the Council of Petroleum Accountants Societies.
- 31 **Q45. Is this COPAS document used in oil and gas operations across the country?**

1 A45. Yes. It is commonly used in the industry.

2 **Q46. In your opinion, is this COPAS document generally accepted in the industry?**

3 A46. Yes. This was drafted by an organization whose membership encompasses various
4 companies and sectors across the industry, and, as a result, is designed to be fair.

5 **Q47. Will there be in-kind contributions made by owners in the unit area for unit
6 operations, such as contributions of equipment?**

7 A47. No, Gulfport Energy does not anticipate in-kind contributions for the Unit Opera-
8 tions.

9 **Q48. Are there times when a working interest owner in the unit chooses not to – or
10 cannot – pay their allocated share of the unit expenses?**

11 A48. Yes. Joint Operating Agreements account for such occurrences, which are not
12 uncommon. The agreements allow working interest owners the flexibility to decline
13 to participate in an operation that they may not believe will be a profitable venture
14 or that they cannot afford. The remaining parties can then proceed at their own risk
15 and expense.

16 **Q49. Generally, how is the working interest accounted for when an owner chooses
17 not to participate in an operation?**

18 A49. A working interest owner who cannot or chooses not to participate in an operation is
19 considered a non-consenting party. If the remaining working interest owners decide
20 to proceed with the operation, the consenting parties bear the full cost and expense
21 of the operation. A non-consenting party is deemed to have relinquished its interest
22 in that operation until the well revenues pay out the costs that would have been
23 attributed to that party, plus a prescribed risk penalty or non-consent penalty.

24 **Q50. What is a risk penalty or non-consent penalty, and why are they included in the
25 agreement?**

26 A50. A risk penalty or non-consent penalty is a means to compensate consenting parties
27 for the financial risks of proceeding with a well that may be a non-producer when
28 one or more working interest owners do not consent to pay their share of the costs of
29 drilling said well. A non-consent penalty can also serve as a means to allow a
30 working interest owner to finance participation in a well when unable to advance its
31 share of drilling costs.

1 **Q51. Can a working interest owner choose to go non-consent in the initial well in the**
2 **George Southeast Unit?**

3 A51. Yes. If a working interest owner chooses not to participate in the unit's initial well,
4 Article VI.A of the Unit Operating Agreement provides that the working interest
5 owner shall be deemed to have relinquished to the other parties its working interest
6 in the unit with a back-in provision with a risk factor of 300%.

7 **Q52. Does the Unit Operating Agreement treat the initial well and subsequent**
8 **operations differently in terms of going non-consent, and if so, why?**

9 A52. Yes. Subsequent operations have a smaller risk factor of 200%. A lack of
10 information as to whether the well will be economic makes participation in the initial
11 well a riskier endeavor than subsequent operations, when information gained from
12 the initial well reduces the risk factor going forward. Therefore, it is common for
13 joint operating agreements to distinguish risk factors between initial and subsequent
14 operations.

15 **Q53. But if the working interest owner still has a royalty interest in the unit, that**
16 **royalty interest would remain in place and be paid?**

17 A53. Yes. The royalty interest would still be paid even if the working interest is being
18 used to pay off a risk factor.

19 **Q54. What is the risk factor for subsequent operations set out in the Unit Operating**
20 **Agreement?**

21 A54. 200%, as set out in Article VI.B of the Unit Operating Agreement.

22 **Q55. Are the percentages included in the Unit Operating Agreement unusual?**

23 A55. No, not for joint operating agreements used in horizontal drilling programs. Because
24 of the significant costs associated with drilling horizontally to the Utica Shale (often
25 in excess of \$10,000,000 to plan, drill, and complete) and because the Utica Shale is
26 an unconventional play (where uneven geological performance is likely), it is
27 common for companies to incorporate into their joint operating agreements a risk
28 factor proportionate to the substantial financial commitment.

1 **Q56. Have you seen risk factor levels of 200% to 300% in other parts of the country**
2 **that you've worked in and are familiar with?**

3 A56. Yes. Those numbers are not unusual, and in fact higher numbers are sometimes seen
4 in the early stages of a play's development due to the relative lack of information and
5 the corresponding risk.

6 **Q57. How are decisions made regarding unit operations?**

7 A57. Article V of the Unit Operating Agreement designates Gulfport Energy Corporation
8 as the Unit Operator, with full operational authority for the supervision and conduct
9 of operations of the unit. Additionally, except where otherwise provided, Article XV
10 of the Unit Operating agreement sets forth a voting procedure for any decision,
11 determination or action to be taken by the unit participants. Under the voting
12 procedure, each unit participant has a vote that corresponds in value to that
13 participant's allocated responsibility for the payment of unit expenses.

14 **Q58. I believe you've already described generally the documents in Exhibits A and C**
15 **to the Unit Operating Agreement. Let's turn therefore to Exhibit B of the Unit**
16 **Operating Agreement. What is it?**

17 A58. Exhibit B is Gulfport's standard oil and gas lease form, which we attached to the
18 joint operating agreement to govern any unleased interests owned by the parties.
19 Article III.A of the Unit Operating Agreement provides that if any party owns or
20 acquires an oil and gas interest in the Contract Area, then that interest shall be treated
21 for all purposes of the Unit Operating Agreement as if it were covered by the form
22 of lease attached as Exhibit B.

23 **Q59. Does this oil and gas lease contain standard provisions that Gulfport uses in**
24 **connection with its drilling operations in Ohio and elsewhere?**

25 A59. Yes.

26 **Q60. Moving on to Exhibit D of the Unit Operating Agreement, would you describe**
27 **what it is?**

28 A60. Exhibit D is the insurance exhibit to the joint operating agreement. It outlines
29 coverage amounts and limitations, and the insurance terms for operations conducted
30 under the Unit Operating Agreement.

31 **Q61. Are the terms of insurance contained in Exhibit D substantially similar to those**

1 **employed in connection with Gulfport’s other unitized projects in the State of**
2 **Ohio?**

3 A61. Yes.

4 **Q62. Based upon your education and professional experience, do you view the terms**
5 **of Exhibit D as reasonable?**

6 A62. Yes.

7 **Q63. Would you next describe Exhibit E of the Unit Operating Agreement?**

8 A63. Exhibit E is the Gas Balancing Agreement, which sets out the rights and obligations
9 of the parties with respect to marketing and selling any production from the Contract
10 Area.

11 **Q64. Would you give me an example of how Exhibit E might come into play?**

12 A64. Yes. Assuming that Company A is the operator of a well, and Company B is the
13 non-operator, the fact that Company A will drill, complete, and secure pipeline to the
14 well, does not preclude Company B from negotiating its own marketing agreements.
15 In the event that Company B wishes to do so, the Gas Balancing Agreement would
16 provide protection for both companies on volumes, underproduction, failure to take
17 production, maintaining the leases, etc.

18 **Q65. Are the terms contained in Exhibit E substantially similar to those employed in**
19 **connection with Gulfport’s other unitized projects in the State of Ohio?**

20 A65. Yes.

21 **Q66. Has Gulfport documented which of the working interest owners included within**
22 **the George Southeast Unit have given their consent to the proposed unitization?**

23 A66. Yes. Exhibit 6.1 to the application documents the approvals for the Unit Plan
24 received from working interest owners included with the George Southeast Unit up
25 to the time the Application was filed.

26 **Q67. Does the Application contain a list of those mineral owners who have not**
27 **previously agreed to enter into any oil and gas lease with respect to the tracts**
28 **they own within the George Southeast Unit?**

29 A67. Yes, Exhibit A-3 to the Unit Operating Agreement lists the “unitized parties,” being
30 the fee mineral owners and potential mineral owners who remain unleased.

1 **Q68. In your professional opinion, given your education and experience, are unit**
2 **operations for the proposed George Southeast Unit reasonably necessary to**
3 **increase substantially the ultimate recovery of oil and gas?**

4 A68. Yes. Unit operations for the George Southeast Unit will minimize waste and allow
5 for the most efficient recovery of oil and gas. By drilling horizontally, Gulfport can
6 develop a larger area with a much smaller surface disturbance than through the
7 drilling of vertical wells. Without unit operations, we would not be able to develop
8 the unit area, so it's fair to say that unit operations are necessary to increase
9 substantially the recovery of oil and gas. I believe that the George Southeast Unit
10 represents a reasonable and efficient means to develop the Utica Shale.

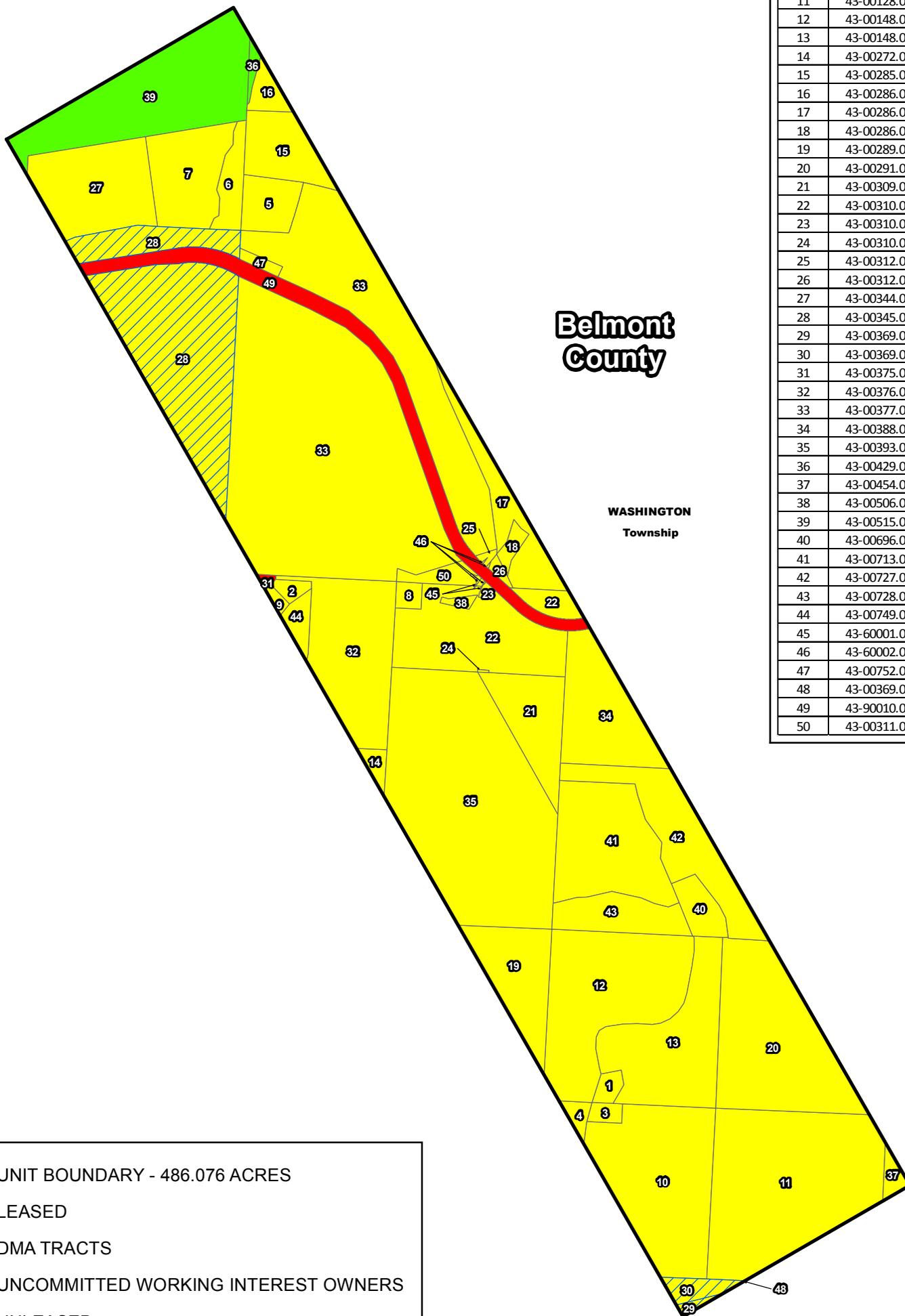
11 **Q69. Does this conclude your testimony?**

12 A69. Yes.

EXHIBIT DF-2"

GULFPORT ENERGY CORPORATION GEORGE SOUTHEAST UNIT BELMONT COUNTY, OHIO 486.075 ACRES

MAP ID	PARCEL NUMBER
1	43-00003.000
2	43-00012.000
3	43-00013.000
4	43-00047.000
5	43-00072.000
6	43-00073.000
7	43-00074.000
8	43-00089.000
9	43-00117.000
10	43-00128.000
11	43-00128.001
12	43-00148.000
13	43-00148.001
14	43-00272.000
15	43-00285.000
16	43-00286.000
17	43-00286.000
18	43-00286.001
19	43-00289.000
20	43-00291.000
21	43-00309.000
22	43-00310.000
23	43-00310.001
24	43-00310.002
25	43-00312.000
26	43-00312.001
27	43-00344.000
28	43-00345.000
29	43-00369.006
30	43-00369.007
31	43-00375.000
32	43-00376.000
33	43-00377.000
34	43-00388.000
35	43-00393.000
36	43-00429.000
37	43-00454.000
38	43-00506.000
39	43-00515.000
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41	43-00713.000
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45	43-60001.000
46	43-60002.000
47	43-00752.000
48	43-00369.005
49	43-90010.000
50	43-00311.000



	UNIT BOUNDARY - 486.076 ACRES
	LEASED
	DMA TRACTS
	UNCOMMITTED WORKING INTEREST OWNERS
	UNLEASED

GEORGE SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

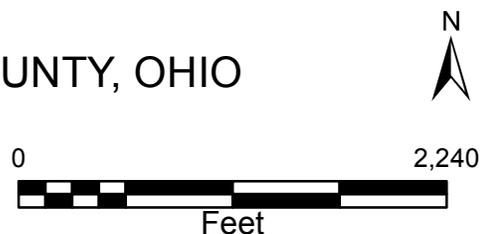


EXHIBIT "DF-3"

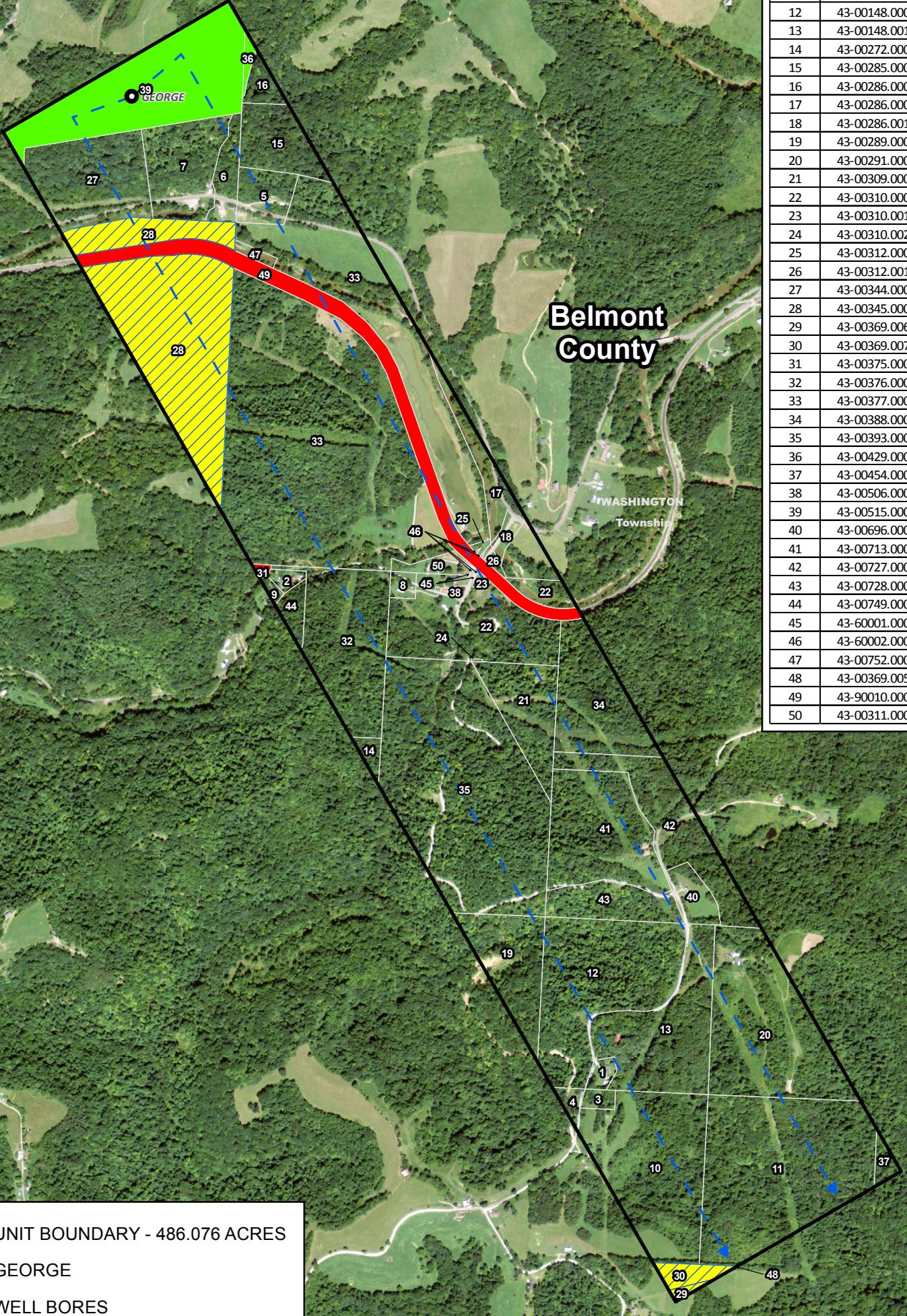
GULFPORT ENERGY CORPORATION

GEORGE SOUTHEAST UNIT

BELMONT COUNTY, OHIO

486.075 ACRES

MAP ID	PARCEL NUMBER
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2	43-00012.000
3	43-00013.000
4	43-00047.000
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35	43-00393.000
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45	43-60001.000
46	43-60002.000
47	43-00752.000
48	43-00369.005
49	43-90010.000
50	43-00311.000



- UNIT BOUNDARY - 486.076 ACRES
- GEORGE
- > WELL BORES

GEORGE SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

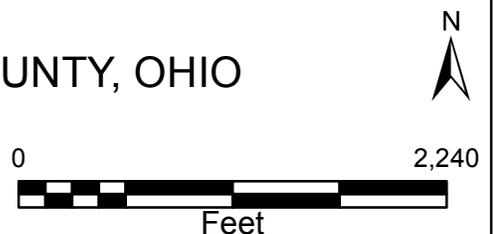
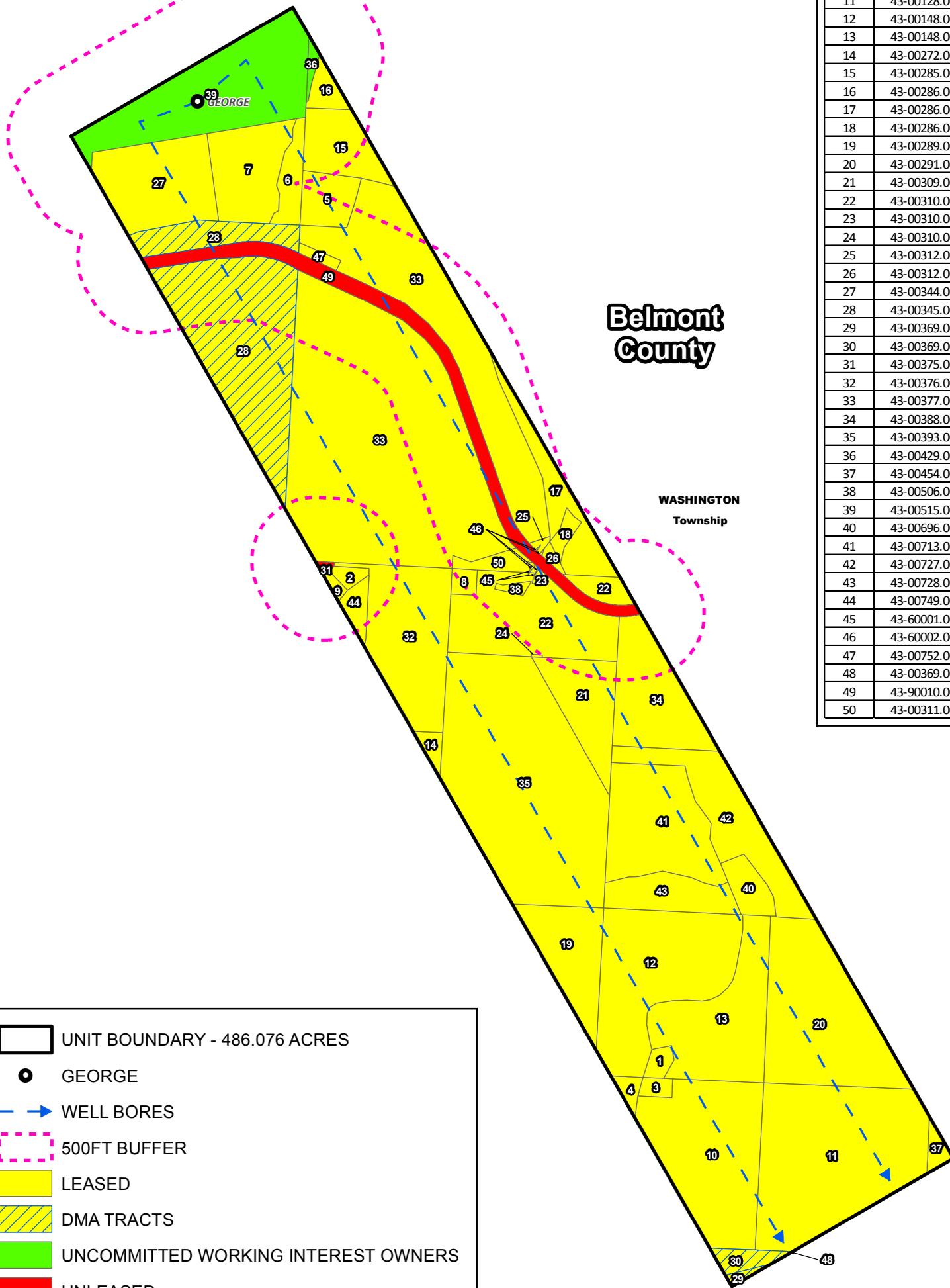


EXHIBIT DF-4"

GULFPORT ENERGY CORPORATION GEORGE SOUTHEAST UNIT BELMONT COUNTY, OHIO 486.075 ACRES

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15	43-00285.000
16	43-00286.000
17	43-00286.000
18	43-00286.001
19	43-00289.000
20	43-00291.000
21	43-00309.000
22	43-00310.000
23	43-00310.001
24	43-00310.002
25	43-00312.000
26	43-00312.001
27	43-00344.000
28	43-00345.000
29	43-00369.006
30	43-00369.007
31	43-00375.000
32	43-00376.000
33	43-00377.000
34	43-00388.000
35	43-00393.000
36	43-00429.000
37	43-00454.000
38	43-00506.000
39	43-00515.000
40	43-00696.000
41	43-00713.000
42	43-00727.000
43	43-00728.000
44	43-00749.000
45	43-60001.000
46	43-60002.000
47	43-00752.000
48	43-00369.005
49	43-90010.000
50	43-00311.000



- UNIT BOUNDARY - 486.076 ACRES
- GEORGE
- WELL BORES
- 500FT BUFFER
- LEASED
- DMA TRACTS
- UNCOMMITTED WORKING INTEREST OWNERS
- UNLEASED

GEORGE SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

