

**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 : Supplement Date: June 29, 2015
:
Thompson Southwest Unit :

SECOND SUPPLEMENT TO APPLICATION

On April 21, 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 Thompson Southwest Unit located in Belmont County, Ohio (the “Unitization Application”). On June 16, 2015, Gulfport filed a Supplement to Application to reflect a new unit configuration and update the Division about Gulfport securing additional leasehold in the unit area. Gulfport files this Second Supplement to Application to reflect the following changes:

- Clerical errors on Exhibit A-2 to the Unit Agreement and Exhibit 6.1 to the Unitization Application.
- Correct a typographical error in Christen Morgan’s Prepared Testimony.

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

- Revised Exhibit A-2.
- Revised Prepared Testimony of Christen Morgan.
- Revised Exhibit 6.1.

Respectfully submitted,



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

Attorney for Applicant

Exhibit "A-2"
Leases Within the Contract Area

Attached to and made a part of that certain Unit Operating Agreement dated April 1, 2015 as approved by the Ohio Department of Natural Resources for the Thompson Southwest 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	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
1	2099	Leonard A. & Jay H. Vandyne	Y	59.907	8.5231%	43-00469.000	Washington	Belmont	OH	59.907	0.0442	0.0410	8.5231%	1904 Raintree Court	Snellville	GA	30278
2	3335	Leroy & Nina Lucas, husband and wife, joint life estate Beth Ann Hill, remainderman	Y	120.257	17.1092%	43-00286.000	Washington	Belmont	OH	120.257	0.0887	0.0824	17.1092%	1221 Genoa Ave. NW.	Massillon	OH	44646
3	-	MOAM Minerals International, LLC	Y	1.754	0.2495%	43-00420.001	Washington	Belmont	OH	1.754	0.0013	0.0012	0.2495%	33107 Northwood Circle	Avon Lake	OH	44012
4	2071	Dale A. Jonard	Y	41.111	5.8490%	43-00727.000	Washington	Belmont	OH	41.111	0.0303	0.0282	5.8490%	55625 Saffell Church Road	Alledonia	OH	43902
5	-	MOAM Minerals International, LLC	Y	9.439	1.3429%	43-00145.000	Washington	Belmont	OH	9.439	0.0070	0.0065	1.3429%	33107 Northwood Circle	Avon Lake	OH	44012
6	n/a	MOAM Minerals International, LLC	Y	39.836	5.6676%	43-00454.001	Washington	Belmont	OH	39.836	0.0294	0.0273	5.6676%	33107 Northwood Circle	Avon Lake	OH	44012
7	n/a	MOAM Minerals International, LLC	Y	15.832	2.2525%	43-00146.000	Washington	Belmont	OH	15.832	0.0117	0.0108	2.2525%	33107 Northwood Circle	Avon Lake	OH	44012
8	3339	Marva S. Pack and L.E. Pack, wife and husband	Y	3.188	0.4536%	43-00059.000	Washington	Belmont	OH	3.188	0.0024	0.0022	0.4536%	51206 SR 145 P.O. Box 43747	Jerusalem	OH	43747
9	n/a	VEM Appalachian Minerals, LLC	Y	0.308	0.0438%	43-00128.001	Washington	Belmont	OH	0.308	0.0002	0.0002	0.0438%	704 Dewey Road	Amherst	OH	44001
10	n/a	VEM Appalachian Minerals, LLC	Y	72.606	10.3298%	43-00454.000	Washington	Belmont	OH	72.606	0.0535	0.0497	10.3298%	704 Dewey Road	Amherst	OH	44001
11	-	Elbert George Miller, a widower (50%)	Y	0.0005	0.0001%	43-00295.000	Washington	Belmont	OH	0.0005	0.0000	0.0000	0.0000711%	55499 Trough Run Rd.	Bellaire	OH	43906
11	8731	Debbie McCabe & Billy Lee McCabe, wife and husband (7.142%) David Moellendick, a single man (7.142%) Danny Moellendick and Connie Moellendick, husband and wife (7.142%) Darla Moellendick, a single woman (7.412%)	Y	0.00028568	0.0000%	43-00295.000	Washington	Belmont	OH	0.00028568	0.0000	0.0000	0.0000406%	55558 Merritts Row	Bellaire	OH	43906
11	8729	Donna Ritchey & James Ritchey, wife and husband (7.142%)	Y	0.00007142	0.0000%	43-00295.000	Washington	Belmont	OH	0.00007142	0.0000	0.0000	0.0000102%	158 N. Main Apt. 4	Buffalo	WY	82834
11	8726	Douglas Moellendick, a single man (7.142%)	Y	0.00007142	0.0000%	43-00295.000	Washington	Belmont	OH	0.00007142	0.0000	0.0000	0.0000102%	3 Wegee Lane Lot # 51	Shadyside	OH	43947
11	8728	Dana Kubic, a single woman (7.142%)	Y	0.00007142	0.0000%	43-00295.000	Washington	Belmont	OH	0.00007142	0.0000	0.0000	0.0000102%	64662 Old Township Rd., 310	Bellaire	OH	43906
12	-	Elaine R. Saffell, a widow	Y	0.404	0.0575%	43-00136.000	Washington	Belmont	OH	0.404	0.0003	0.0003	0.0574780%	7599 Marywood Dr.	Newburgh	IN	47630
13	9031b	The Ohio Valley Coal Company	Y	4.028	0.5731%	43-00434.000	Washington	Belmont	OH	4.028	0.0030	0.0028	0.5731%	46226 National Road W.	St. Clairsville	OH	43950
14	-	Dolores J. Bruny, a widow (20%)	Y	0.0374	0.0053%	43-00158.000	Washington	Belmont	OH	0.0374	0.0000	0.0000	0.0053%	4130 Pegg Street	Columbus	OH	43214
14	-	Barbara Kay Seib and William A. Seib (20%)	Y	0.0374	0.0053%	43-00158.000	Washington	Belmont	OH	0.0374	0.0000	0.0000	0.0053%	208 Amazon Place	Columbus	OH	43214
14	-	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)	Y	0.0374	0.0053%	43-00158.000	Washington	Belmont	OH	0.0374	0.0000	0.0000	0.0053%	609 Davis Road	Mansfield	OH	44907
14	-	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)	Y	0.0374	0.0053%	43-00158.000	Washington	Belmont	OH	0.0374	0.0000	0.0000	0.0053%	30058 Lake Logan Road	Logan	OH	43138
14	-	Scott Bruny, a single man (20%)	Y	0.0374	0.0053%	43-00158.000	Washington	Belmont	OH	0.0374	0.0000	0.0000	0.0053%	1840 Willoway Circle	Columbus	OH	43220
15	-	Michelle R. Uttermohlen, a single woman	Y	14.14	2.0117%	43-00161.000	Washington	Belmont	OH	14.14	0.0104	0.0097	2.0117%	3833 Harrison Street	Bellaire	OH	43906
16	n/a	Elaine R. Saffell, a widow	Y	20.008	2.8466%	43-00386.000	Washington	Belmont	OH	20.008	0.0148	0.0137	2.8466%	7599 Marywood Dr.	Newburgh	IN	47630
17	3338	Donald A. Nippert, a single man	Y	44.55	6.3382%	43-00277.002	Washington	Belmont	OH	44.55	0.0329	0.0305	6.3382%	46850 East Captina Highway	Alledonia	OH	43902
19	3347	James W. Smith Jr. and Annie Smith, husband and wife	Y	2.803	0.3988%	43-00278.001	Washington	Belmont	OH	2.803	0.0021	0.0019	0.3988%	46808 East Captina Highway	Alledonia	OH	43902
20	3335	Leroy & Nina Lucas, husband and wife, joint life estate	Y	44.815	6.3759%	43-00285.000	Washington	Belmont	OH	44.815	0.0331	0.0307	6.3759%	1221 Genoa Ave. NW.	Massillon	OH	44646
21	n/a	Elaine R. Saffell, a widow	Y	20.008	2.8466%	43-00387.000	Washington	Belmont	OH	20.008	0.0148	0.0137	2.8466%	7599 Marywood Dr.	Newburgh	IN	47630
22	2104	Westhawk Minerals, LLC	Y	28.681	4.0805%	43-00278.000	Washington	Belmont	OH	28.681	0.0212	0.0197	4.0805%	14313 N. May Avenue	Oklahoma City	OK	73120
23	3347	James W. Smith Jr. and Annie Smith, husband and wife	Y	0.669	0.0952%	43-00083.000	Washington	Belmont	OH	0.669	0.0005	0.0005	0.0952%	46808 East Captina Highway	Alledonia	OH	43902
24	3347	James W. Smith Jr. and Annie Smith, husband and wife	Y	1.001	0.1424%	43-00001.000	Washington	Belmont	OH	1.001	0.0007	0.0007	0.1424%	46808 East Captina Highway	Alledonia	OH	43902

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	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE	
25	3339	Marva S. Pack and L.E. Pack, wife and husband	Y	1.085	0.1544%	43-00058.000	Washington	Belmont	OH	1.085	0.0008	0.0007	0.1544%	51206 SR 145 P.O. Box 103	Jerusalem	OH	43747	
26	n/a	Dwight L. & Phyllis E. Haught, husband and wife	Y	1.004	0.1428%	43-00033.000	Washington	Belmont	OH	1.004	0.0007	0.0007	0.1428%	46818 Captina Highway		OH	43902	
27	n/a	Linda L. Lucas, et al	Y	0.549	0.0781%	43-00046.000	Washington	Belmont	OH	0.549	0.0004	0.0004	0.0781%	50150 Dover Ridge Road	Powhatan Poin	OH	43942	
28	3348	Ralph & Barbara Welch, husband and wife	Y	1.622	0.2308%	43-00278.005	Washington	Belmont	OH	1.622	0.0012	0.0011	0.2308%	46590 East Captina Highway	Alledonia	OH	43902	
29	2083	Larry P. Stukey and Sandra K. Stukey, husband and wife	Y	0.529	0.0753%	43-00092.000	Washington	Belmont	OH	0.529	0.0004	0.0004	0.0753%	46500 E. Captina Highway	Alledonia	OH	43902	
30	2067	Loretta G. Goddard, a single woman	Y	2.823	0.4016%	43-00278.004	Washington	Belmont	OH	2.823	0.0021	0.0019	0.4016%	46540 E. Captina Highway	Alledonia	OH	73902	
31	n/a	Lester L. Fridley & Nancy L. Fridley, husband and wife	Y	1.639	0.2332%	43-00230.000	Washington	Belmont	OH	1.639	0.0012	0.0011	0.2332%	3800 Morgan	Weirton	WV	26063	
32	n/a	Elaine R. Saffell, a widow	Y	25.9	3.6849%	43-00388.000	Washington	Belmont	OH	25.9	0.0191	0.0177	3.6849%	7599 Marywood Dr.	Newburgh	IN	47630	
33	2083	Larry P. Stukey and Sandra K. Stukey, husband and wife	Y	0.528	0.0751%	43-00093.000	Washington	Belmont	OH	0.528	0.0004	0.0004	0.0751%	46500 E. Captina Highway	Alledonia	OH	43902	
34	n/a	Marcia Jo Wells (50%); and Greg M. Stubbs (50%)	Y	4.558	0.6485%	43-00377.000	Washington	Belmont	OH	4.558	0.0034	0.0031	0.6485%	56014 Brands Run Street	Alledonia	OH	43902	
35		Loretta G. Goddard, a single woman	Y	0.993	0.1413%	43-00091.000	Washington	Belmont	OH	0.993	0.0007	0.0007	0.1413%	46540 E. Captina Highway	Alledonia	OH	73902	
36	3348	Ralph D. Welch (50%); and Ralph S. Welch (50%)	Y	5.964	0.8485%	43-00278.002	Washington	Belmont	OH	5.964	0.0044	0.0041	0.8485%	46590 East Captina Highway	Alledonia	OH	43902	
37		Loretta G. Goddard, a single woman	Y	1.012	0.1440%	43-00090.000	Washington	Belmont	OH	1.012	0.0007	0.0007	0.1440%	46540 E. Captina Highway	Alledonia	OH	73902	
38	3348	Ralph D. & Barbara E. Welch, husband and wife	Y	1.312	0.1867%	43-00109.000	Washington	Belmont	OH	1.312	0.0010	0.0009	0.1867%	46590 East Captina Highway	Alledonia	OH	43902	
39	3335	Leroy & Nina Lucas, husband and wife, joint life estate Beth Ann Hill, remainderman	Y	1.207	0.1717%	43-00045.000	Washington	Belmont	OH	1.207	0.0009	0.0008	0.1717%	1221 Genoa Ave. NW.	Massillon	OH	44646	
40	n/a	MOAM Minerals International, LLC (50%)	Y	17.3735	2.4718%	43-00420.000	Washington	Belmont	OH	17.3735	0.0128	0.0119	2.4718%	33107 Northwood Circle	Avon Lake	OH	44012	
41	9729	Consolidated Land Company	Y	2.969	0.4224%	43-00753.000	Washington	Belmont	OH	2.969	0.0022	0.0020	0.4224%	46266 National Road	St. Clairesville	OH	43950	
42	-	MOAM Minerals International, LLC	Y	0.5	0.0711%	43-00420.002	Washington	Belmont	OH	0.5	0.0004	0.0003	0.0711%	33107 Northwood Circle	Avon Lake	OH	44012	
43	n/a	Thomas C. & Miriam E. Stubbs	Y	1.233	0.1754%	43-00310.000	Washington	Belmont	OH	1.233	0.0009	0.0008	0.1754%	56014 Brands Run Street	Alledonia	OH	43902	
44	-	MOAM Minerals International, LLC	Y	0.25	0.0356%	43-00420.003	Washington	Belmont	OH	0.25	0.0002	0.0002	0.0356%	33107 Northwood Circle	Avon Lake	OH	44012	
45	2059	Brian D. Ballentine	Y	16.271	2.3149%	43-00291.000	Washington	Belmont	OH	16.271	0.0120	0.0111	2.3149%	1033 Ashton drive	Morgantown	WV	26508	
46	3347	James W. Smith Jr. and Annie Smith, husband and wife	Y	36.059	5.1302%	43-00277.000	Washington	Belmont	OH	36.059	0.0266	0.0247	5.1302%	46808 East Captina Highway	Alledonia	OH	43902	
47	2083	Larry P. Stukey and wife, Sandra K. Stukey	Y	6.549	0.9317%	43-00278.003	Washington	Belmont	OH	6.549	0.0048	0.0045	0.9317%	46500 E. Captina Highway	Alledonia	OH	43902	
				TOTAL LEASED ACRES:	677.462	96.3841%												
				TOTAL UNIT ACRES:	702.878													
										677.462	0.49965508	0.46418573	96.38408%					

END OF EXHIBIT "A-2"

Exhibit 6.1

Working Interest Owners

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

TRACT NUMBER	LESSOR	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBERS
1	Leonard A. & Jay H. Vandyne	59.907	43-00469.000
2	Leroy & Nina Lucas, husband and wife, joint life estate Beth Ann Hill, remainderman	120.257	43-00286.000
3	MOAM Minerals International, LLC	1.754	43-00420.001
4	Dale A. Jonard	41.111	43-00727.000
5	MOAM Minerals International, LLC	9.439	43-00145.000
6	MOAM Minerals International, LLC	39.836	43-00454.001
7	MOAM Minerals International, LLC	15.832	43-00146.000
8	Marva S. Pack and L.E. Pack, wife and husband	3.188	43-00059.000
9	VEM Appalachian Minerals, LLC	0.308	43-00128.001
10	VEM Appalachian Minerals, LLC	72.606	43-00454.000
11	Elbert George Miller, a widower (50%)	0.0005	43-00295.000
11	Debbie McCabe & Billy Lee McCabe, wife and husband (7.142%) David Moellendick, a single man (7.142%) Danny Moellendick and Connie Moellendick, husband and wife (7.142%) Darla Moellendick, a single woman (7.412%)	0.00028568	43-00295.000
11	Donna Ritchey & James Ritchey, wife and husband (7.142%)	0.00007142	43-00295.000
11	Douglas Moellendick, a single man (7.142%)	0.00007142	43-00295.000
11	Dana Kubic, a single woman (7.142%)	0.00007142	43-00295.000
12	Elaine R. Saffell, a widow	0.404	43-00136.000
13	The Ohio Valley Coal Company	4.028	43-00434.000
14	Dolores J. Bruny, a widow (20%)	0.0374	43-00158.000
14	Barbara Kay Seib and William A. Seib (20%)	0.0374	43-00158.000
14	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)	0.0374	43-00158.000
14	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)	0.0374	43-00158.000
14	Scott Bruny, a single man (20%)	0.0374	43-00158.000
15	Michelle R. Uttermohlen, a single woman	14.14	43-00161.000
16	Elaine R. Saffell, a widow	20.008	43-00386.000
17	Donald A. Nippert, a single man	44.55	43-00277.002
19	James W. Smith Jr. and Annie Smith, husband and wife	2.803	43-00278.001
20	Leroy & Nina Lucas, husband and wife, joint life estate Beth Ann Hill, remainderman	44.815	43-00285.000
21	Elaine R. Saffell, a widow	20.008	43-00387.000
22	Westhawk Minerals, LLC	28.681	43-00278.000
23	James W. Smith Jr. and Annie Smith, husband and wife	0.669	43-00083.000
24	James W. Smith Jr. and Annie Smith, husband and wife	1.001	43-00001.000
25	Marva S. Pack and L.E. Pack, wife and husband	1.085	43-00058.000
26	Dwight L. & Phyllis E. Haught, husband and wife	1.004	43-00033.000
27	Linda L. Lucas, et al	0.549	43-00046.000
28	Ralph & Barbara Welch, husband and wife	1.622	43-00278.005
29	Larry P. Stukey and Sandra K. Stukey, husband and wife	0.529	43-00092.000
30	Loretta G. Goddard, a single woman	2.823	43-00278.004
31	Lester L. Fridley & Nancy L. Fridley, husband and wife	1.639	43-00230.000
32	Elaine R. Saffell, a widow	25.9	43-00388.000
33	Larry P. Stukey and Sandra K. Stukey, husband and wife	0.528	43-00093.000
34	Marcia Jo Wells (50%); and Greg M. Stubbs (50%)	4.558	43-00377.000
35	Loretta G. Goddard, a single woman	0.993	43-00091.000
36	Ralph D. Welch (50%); and Ralph S. Welch (50%)	5.964	43-00278.002
37	Loretta G. Goddard, a single woman	1.012	43-00090.000
38	Ralph D. & Barbara E. Welch, husband and wife	1.312	43-00109.000
39	Leroy & Nina Lucas, husband and wife, joint life estate Beth Ann Hill, remainderman	1.207	43-00045.000
40	MOAM Minerals International, LLC (50%)	17.3735	43-00420.000
41	Consolidated Land Company	2.969	43-00753.000
42	MOAM Minerals International, LLC	0.5	43-00420.002
43	Thomas C. & Miriam E. Stubbs	1.233	43-00310.000
44	MOAM Minerals International, LLC	0.25	43-00420.003
45	Brian D. Ballentine	16.271	43-00291.000
46	James W. Smith Jr. and Annie Smith, husband and wife	36.059	43-00277.000
47	Larry P. Stukey and wife, Sandra K. Stukey	6.549	43-00278.003
		677.462	

**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: April 21, 2015
 : Revised Date: June 29, 2015
Thompson Southwest Unit :

**PREPARED TESTIMONY OF CHRISTEN MORGAN, RPL
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: April 21, 2015

<u>Exhibit 5</u>

PREPARED DIRECT TESTIMONY OF CHRISTEN S. MORGAN, RPL

1 **INTRODUCTION.**

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

3 A1. My name is Christen Morgan 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 from the early stages of designing the unit based on Gulfport's lease
12 position, acquisition of leases or rights to drill, and title work up and through the
13 drilling phase, ending at overseeing attorneys determining title for the distribution of
14 production proceeds.

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

16 A5. I earned a Bachelor of Business Administration specializing in Energy Management
17 from the University of Oklahoma's main campus in Norman, Oklahoma in May of
18 2009.

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

20 A6. In May of 2010 I started my career in the oil and gas industry working for Questar
21 Exploration and Production which is now known as QEP Energy Corporation. I
22 rotated through the Lease Records and Division Orders Departments and settled into
23 the Land Department six (6) months later. While in the Land Department at QEP
24 Energy Corporation, I worked as a Land Associate handling properties in Oklahoma
25 and Texas and then advanced to a Landman where I prepared wells that were drilled
26 in Oklahoma, Texas and Louisiana and managed subsequent non-operated properties
27 in Arkansas, Texas and Kansas. In November 2013 I joined Gulfport where I have
28 been working to develop our assets in Ohio and West Virginia.

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

30 A7. My responsibilities as a Landman consist of acquiring, developing, and maintaining

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

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

16 A8. Yes, I am a member of the American Association of Professional Landmen and the
17 Oklahoma City Association of Professional Landmen. In 2012 I passed the
18 comprehensive certification exam for the professional certification of Registered
19 Professional Landman through the American Association of Professional Landmen.

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

22 A9. Yes, I have been accepted and testified as an expert witness by the Oklahoma
23 Corporation Commission in regard to compulsory pooling matters in Oklahoma for
24 horizontal development in the Woodford shale and the Marmaton formation. I have
25 been involved in the formation of voluntary pooling and unit designation of Granite
26 Wash units pursuant to the field rules of the Texas Railroad Commission as well as
27 the compulsory formation of Haynesville units pursuant to the State of Louisiana's
28 Office of Conservation.

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

31 A10. Yes, after our initial lease acquisition covering the relevant land, I have managed the

1 formation of the Thompson Southwest Unit in its present configuration and have
2 been involved with the preparation of this application for unitization.

3 **Q11. Can you generally describe the Thompson Southwest Unit?**

4 A11. Sure. The Thompson Southwest Unit consists of 47 distinct parcels of land totaling
5 approximately 702.878 acres of land in Washington Township, Belmont County,
6 State of Ohio.

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

8 **Q12. The Application submitted by Gulfport indicates that it owns the oil and gas**
9 **leasehold rights to 351.196 acres of the proposed 702.878 acre unit. Would you**
10 **describe how Gulfport acquired its rights?**

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

17 **Q13. What percentage of the total acreage of the Thompson Southwest Unit is**
18 **represented by the oil and gas rights held by Gulfport?**

19 A13. Approximately 49.9655%

20 **Q14. Have other working interest owners in the Thompson Southwest Unit approved**
21 **the Unit Plan prior to filing this application?**

22 A14. Yes. Pursuant to the terms of the Unrecorded Development Agreement between
23 Gulfport Energy Corporation and Rice Drilling D, LLC, the parties agree that
24 Gulfport is be the applicant and operator for units within Washington township and
25 that the applicant shall have the authority to execute all necessary documents
26 associated with the unitization on behalf of both Parties' oil and gas interest within
27 the unitized area. As a result, the Application is brought on behalf of 96.3841% of
28 the owners within the Thompson Southwest Unit, which is well above the 65%
29 threshold required by the statute.

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

1 A15. There is one unleased parcel within the unit (tract 18). The minerals of tract 18 are
2 owned by the Norfolk Southern Railway Company and Gulfport has been working
3 to secure an Oil and Gas Lease for this parcel. Unit Tract 18 is composed of 5.538
4 net acres and represents an undivided 0.7879% of the Thompson Southwest unit.
5 Gulfport has been in consistent communication with the Norfolk Southern Railway
6 Company and we are working as diligently as we can to come to terms of a mutually
7 acceptable Oil and Gas Lease.

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

10 A16. Yes. I have outlined Gulfport's communication with the Norfolk Southern Railway
11 on Exhibit CM-1.1

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

14 A17. Gulfport and/or their representatives have attempted to contact the mineral owners
15 through numerous phone calls and mailings. We have connected with the decision
16 makers to let them know of our intent to lease as well as our plans for the
17 development of the parcel. We have followed up with the mineral owner numerous
18 times and continue to negotiate terms and conditions that will benefit both parties to
19 the transaction.

20 **Q18. If the unleased tract owner in the unit were to even now ask to lease with**
21 **Gulfport under the terms extended by Gulfport, would Gulfport be likely to**
22 **agree?**

23 A18. Yes.

24 **Q19. Could you describe the location of the leased and unleased tracts within the**
25 **Thompson Southwest Unit?**

26 A19. Yes. Exhibit CM-2, which is attached hereto, is a plat showing each of the tracts in
27 the Thompson Southwest Unit. Tract 18 on the attached plat remain open and
28 unleased for the purposes of this unit.

29 **Q20. Are there other operators that have an interest within the Thompson Southwest**
30 **Unit?**

31 A20. Yes. Chesapeake Appalachia, LLC, currently holds a 1.9089% Working Interest

1 within the unit, Statoil USA Onshore Properties, Inc. currently holds a 0.9191%
2 Working Interest within the unit, and Rice Drilling D., LLC currently holds a
3 46.4186% Working Interest within the unit. Gulfport has been in communication
4 with each party regarding our plans for developing the unit and are currently working
5 towards an agreement that would account for the working interest currently held by
6 Chesapeake and Statoil in the Thompson Southwest Unit. At this point they are listed
7 as uncommitted working interest owners; however, our ultimate goal is to come to
8 terms on a trade agreement. Pursuant to Gulfport and Rice's joint venture
9 agreements, Gulfport has the right to approve and execute all documents incident to
10 this unitization application on behalf of Rice's interest. Therefore, Gulfport's
11 working interest owner approval form takes into consideration Rice's interest.

12 **UNIT PLAN PROVISIONS.**

13 **Q21. Would you describe generally the development plan for the Thompson**
14 **Southwest Unit?**

15 A21. Gulfport plans to develop the Thompson Southwest Unit from a southern pad site
16 that is an estimated 350 feet off the southeastern unit boundary line and an estimated
17 3,000 feet from the southwestern unit boundary line. The pad site will be located on
18 a parcel that is within the proposed drilling and spacing unit and terms and conditions
19 between the surface owner and Gulfport have been agreed upon by both parties. The
20 pad will be adequately built to drill multiple horizontal wells with a northwesterly
21 orientation in the Unit. The Unit is currently configured to include four horizontal
22 wellbores, with projected lateral lengths of approximately 9,200 feet.

23 **Q22. Can you describe the location of the proposed wellbores within the Thompson**
24 **Southwest Unit?**

25 A22. Yes. I have attached as Exhibit CM-4 to my testimony a plat showing the
26 configuration of the wellbores. It shows the pad site located just outside the southern
27 boundary of the Thompson Southwest Unit with four wellbores configured to be
28 drilled parallel in a northwesterly direction spaced 730 feet apart on an approximate
29 30 degree angle.

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

1 A23. Yes, we have been in contact with the surface owner of the parcel of our proposed
2 pad site and plan to develop our surface location pursuant to the terms of our agree-
3 ment. We have acquired a surface use agreement with the surface owner of said par-
4 cel.

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

9 A24. We plan to drill the initial well in the fourth quarter of 2015.

10 **Q25. Does Gulfport have a specific timeline for drilling additional wells in the**
11 **Thompson Southwest Unit?**

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

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

15 A26. Developing the Thompson Southwest Unit in the manner previously described
16 protects the correlative rights of the unit participants while also providing for
17 substantial environmental and economic benefits. Drilling, completing and
18 producing multiple horizontal wells from a single pad site significantly reduces the
19 environmental impact by allowing Gulfport to build a single access road rather than
20 many, reduce traffic, and allow for the development of acreage that might not
21 otherwise be available for development due to various surface limitations (terrain,
22 residences, etc.). Developing the Utica Shale via the drilling of vertical wells is not
23 practicable, as this reservoir cannot be produced at economic flow rates or volumes
24 with vertical drilling, and due to the fact that even if economically feasible, surface
25 limitations set out above would prevent the practical well spacing necessary too
26 efficiently and effectively produce the reservoir. Horizontal drilling negates these
27 issues by allowing for a central pad location to develop mineral acreage underlying
28 otherwise inaccessible lands with a minimum of surface disturbance.

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

30 A27. Yes, the type of development planned by Gulfport for the Thompson Southwest Unit
31 offers significant benefits not only to the operator, but also to the landowners in the

1 unit and the surrounding area.

2 **Q28. Are you familiar with the Unit Plan proposed by Gulfport for the Thompson**
3 **Southwest Unit?**

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

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

10 A29. Yes. The Unit Agreement in effect combines the oil and gas rights in the Thompson
11 Southwest Unit so that they can be developed as if they were part of a single oil and
12 gas lease.

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

15 A30. No. The Unit Agreement only unitizes the oil and gas rights located fifty feet above
16 the top of the Utica Shale to fifty feet below the base of the Point Pleasant formation,
17 defined in the Agreement as the "Unitized Formation," to allow development of the
18 Utica Shale formation.

19 **Q31. How will production proceeds from the Thompson Southwest Unit be allocated**
20 **among royalty interest owners and working interest owners in the Unit?**

21 A31. On a surface-acreage basis. Under Article 4 of the Unit Agreement, every tract is
22 assigned a tract participation percentage based on surface acreage and shown on
23 Exhibits A-2, A-3 and A-4 to the Unit Operating Agreement. Article 5 of the Unit
24 Agreement allocates production based on each individual's proportionate ownership
25 of that tract participation.

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

27 A32. Based on the testimony of Michael Buckner attached to the Application as Exhibit 3,
28 a surface-acreage basis is an appropriate method of allocation because the formation
29 thickness and reservoir quality of the Unitized Formation is expected to be consistent
30 across the Thompson Southwest Unit.

31 **Q33. Would you go through an example from Exhibit A-2 to the Unit Operating**

1 **Agreement to illustrate how a surface-acreage allocation would be applied to**
2 **the Thompson Southwest Unit?**

3 A33. Yes. The fifth column on Exhibit A-2 to the Unit Operating Agreement, entitled
4 “Surface Acres in Unit,” shows the number of surface acres in each tract of land
5 within the Thompson Southwest Unit. Column 6 on Exhibit A-2 shows the related
6 tract participation of each tract, which is calculated by taking the total number of
7 surface acres in the tract and dividing it by the total number of surface acres in the
8 unit. So, for example, if you look at Tract Number 1 on Exhibit A-2, it shows that
9 the Leonard A. and Jay H. Vandyne tract comprises 59.907 surface acres in the
10 702.878 acre Thompson Southwest Unit, which equates to a tract participation of
11 approximately 8.5231% (59.907/702.878).

12 **Q34. What does that mean in terms of production allocated to that particular Van**
13 **Dyne tract?**

14 A34. It would mean that roughly 8.5231% of all production from the Thompson Southwest
15 Unit would be allocated to the Vandyne tract, and would be distributed based on the
16 terms of the lease or other pertinent documents affecting the ownership to production
17 proceeds from the tract.

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

20 A35. Yes. Exhibit A-3 to the Unit Operating Agreement lists the surface acreage, tract
21 participation, and related working interest and unit participations of each unleased
22 parcel in the proposed unit. In the 47-tract Thompson Southwest Unit, Tracts 18
23 remains unleased. Tract 18 is comprised of 5.538 net acres. If the acreage from this
24 unleased tract is divided by the full surface acreage comprising the unit (702.878
25 acres), the result gives a tract participation of approximately 0.7879% for tract 18
26 under the Unit Agreement. Since this parcel is unleased, the mineral owner would
27 receive a working interest of seven-eighths (7/8) and a royalty interest of one-eighth
28 (1/8) of that tract participation. Under the terms of the Unit Operating Agreement,
29 should the unleased mineral owner remain as unleased interest, they would
30 individually decide whether they wanted to participate in any proposed operations,

1 or decline to participate and let the remaining parties proceed with the proposed
2 operation.

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

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

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

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

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

13 A38. Working interest owners.

14 **Q39. Do the royalty owners pay any part of the unit expenses?**

15 A39. No. Royalty interest owners are responsible only for their proportionate share of
16 taxes and post-production costs, which are deducted from their share of the proceeds
17 from sales of production of hydrocarbons from the unit area.

18 **Q40. Let's turn to the Unit Operating Agreement, marked as Exhibit 2 to the**
19 **Application. It appears to be based upon a form document. Could you please**
20 **identify that form document?**

21 A40. Yes. The Unit Operating Agreement is based upon *A.A.P.L. Form 610 – Model Form*
22 *Operating Agreement – 1982*, which we typically use when we enter into joint
23 operating agreements with other parties.

24 **Q41. Are you familiar with the custom and usage of the Form 610 and other similar**
25 **agreements in the industry?**

26 A41. Yes. The Form 610, together with its exhibits, is commonly used in the industry and
27 is frequently modified to address the development objectives of the parties. As a
28 landman, I have been involved in negotiating and modifying versions of A.A.P.L.
29 operating agreements.

30 **Q42. Turning to the Unit Operating Agreement in particular, does it address how**
31 **unit expenses are determined and paid?**

1 A42. Yes. Article III of the Unit Operating Agreement provides that all costs and liabilities
2 incurred in operations shall be borne and paid by the working interest owners, in
3 accordance with their Unit Participation percentages. Those percentages can be
4 found in Exhibits A-2, A-3 and A-4 to the Unit Operating Agreement. Also, the Unit
5 Operating Agreement has attached to it an accounting procedure identified as Exhibit
6 C.

7 **Q43. What is the purpose of the document marked as Exhibit C in connection with**
8 **the Thompson Southwest Unit Operating Agreement?**

9 A43. The document presents information concerning how unit expenses are determined
10 and paid.

11 **Q44. At the top of each page of Exhibit C, there appears a label that reads: "COPAS**
12 **2005 Accounting Procedure, Recommended by COPAS, Inc." Are you familiar**
13 **with this society?**

14 A44. Yes, COPAS stands for the Council of Petroleum Accountants Societies.

15 **Q45. Is this COPAS document used in oil and gas operations across the country?**

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

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

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

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

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

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

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

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

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

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

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

17 **Q51. Can a working interest owner choose to go non-consent in the initial well in the**
18 **Thompson Southwest Unit?**

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

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

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

31 **Q53. But if the working interest owner still has a royalty interest in the unit, that**

1 **royalty interest would remain in place and be paid?**

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

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

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

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

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

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

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

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

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

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

30 A58. Exhibit B is Gulfport's standard oil and gas lease form, which we attached to the
31 joint operating agreement to govern any unleased interests owned by the parties.

1 Article III.A of the Unit Operating Agreement provides that if any party owns or
2 acquires an oil and gas interest in the Contract Area, then that interest shall be treated
3 for all purposes of the Unit Operating Agreement as if it were covered by the form
4 of lease attached as Exhibit B.

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

7 A59. Yes.

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

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

13 **Q61. Are the terms of insurance contained in Exhibit D substantially similar to those**
14 **employed in connection with Gulfport's other unitized projects in the State of**
15 **Ohio?**

16 A61. Yes.

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

19 A62. Yes.

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

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

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

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

31 **Q65. Are the terms contained in Exhibit E substantially similar to those employed in**

1 connection with Gulfport's other unitized projects in the State of Ohio?

2 A65. Yes.

3 **Q66. Has Gulfport documented which of the working interest owners included within**
4 **the Thompson Southwest Unit have given their consent to the proposed**
5 **unitization?**

6 A66. Yes. Exhibit 6.1 to the application documents the approvals for the Unit Plan
7 received from working interest owners included with the Thompson Southwest Unit
8 up to the time the Application was filed.

9 **Q67. Does the Application contain a list of those mineral owners who have not**
10 **previously agreed to enter into any oil and gas lease with respect to the tracts**
11 **they own within the Thompson Southwest Unit?**

12 A67. Yes, Exhibit A-3 to the Unit Operating Agreement lists the "unitized parties," being
13 the fee mineral owners who remain unleased.

14 **Q68. In your professional opinion, given your education and experience, are unit**
15 **operations for the proposed Thompson Southwest Unit reasonably necessary to**
16 **increase substantially the ultimate recovery of oil and gas?**

17 A68. Yes. Unit operations for the Thompson Southwest Unit will minimize waste and
18 allow for the most efficient recovery of oil and gas. By drilling horizontally, Gulfport
19 can develop a larger area with a much smaller surface disturbance than through the
20 drilling of vertical wells. Without unit operations, we would not be able to develop
21 the unit area, so it's fair to say that unit operations are necessary to increase
22 substantially the recovery of oil and gas. I believe that the Thompson Southwest
23 Unit represents a reasonable and efficient means to develop the Utica Shale.

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

25 A69. Yes.