

**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: June 16, 2015
:
Thompson Southeast Unit :

SUPPLEMENT TO APPLICATION

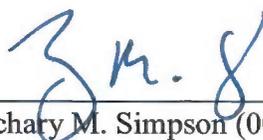
On April 21, 2015, Gulfport Energy Corporation (“Gulfport”) filed an application with the Ohio Department of Natural Resources Division of Oil and Gas Resources Management (the “Division”) for unit operation of the Thompson Southeast Unit located in Belmont County, Ohio (the “Unitization Application”). Gulfport files this Supplement to Application to reflect the following changes:

- Gulfport has reconfigured the unit design to include less acreage and be developed under a one well scenario rather than a two well scenario.

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-1, A-2, A-3 and A-4 to the Unit Operating Agreement.
- Revised Prepared Testimony of Michael Buckner.
- Revised Prepared Testimony of Danny Watson.
- Revised Exhibits DW-1, DW-2 and DW-3 to Danny Watson’s Prepared Testimony.
- Revised Prepared Testimony of Christen Morgan.
- Revised Exhibits CM-2, CM-3 and CM-4 to Christen Morgan’s Prepared Testimony.
- Revised Exhibit 6.1 – GPOR’s Working Interest Owner Approval Form.

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: April 21, 2015
	:	Revised: June 16, 2015
<u>Thompson 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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**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: June 16, 2015
<u>Thompson 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 “Thompson 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
Christen Morgan – Landman
Gulfport Energy Corporation
14313 N. May, Suite 100
Oklahoma City, Oklahoma 73134
Tel. (405) 848-8807
E-mail: zsimpson@gulfportenergy.com
cstone@gulfportenergy.com

II. PROJECT DESCRIPTION

The Thompson Southeast Unit is located in Belmont County, Ohio, and consists of twenty-nine (29) 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 Thompson Southeast Unit is approximately 246.029 acres. Gulfport has the right to drill on and produce from approximately 227.354 acres of the proposed unit through its leasehold interest and joint venture agreement with Rice Drilling D., LLC – i.e., approximately ninety-two percent (92.4094%) 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 Thompson 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 Thompson 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 Christen Morgan 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 Danny Watson, 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 Christen Morgan, 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 Thompson Southeast Unit. The Unit Plan contemplates the potential drilling of approximately one horizontal well from a single well pad, with laterals averaging in length approximately 9,200 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 19 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 Sec-

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.

ond, simply relying on shorter horizontal laterals to develop the Unitized Formation underlying the Thompson 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 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 Danny Watson’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 Thompson Southeast Unit at present, is likely to be approximately \$9.7 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-two percent (92.4094%) 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 August 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

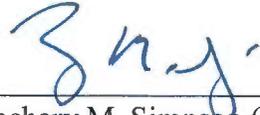
¹⁶ Id. at 10.

¹⁷ Id. at 10-13.

¹⁸ Id. at 11-13.

issue an order authorizing Gulfport to operate the Thompson 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

EXHIBIT "A"

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 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	48.0208%*
NON OPERATOR	
Rice Drilling D, LLC	44.3887%
Uncommitted WI Owners	7.1687%
Unleased Mineral Owners	0.4219%*
TOTAL:	100.000000%

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

See Exhibit "A-2"

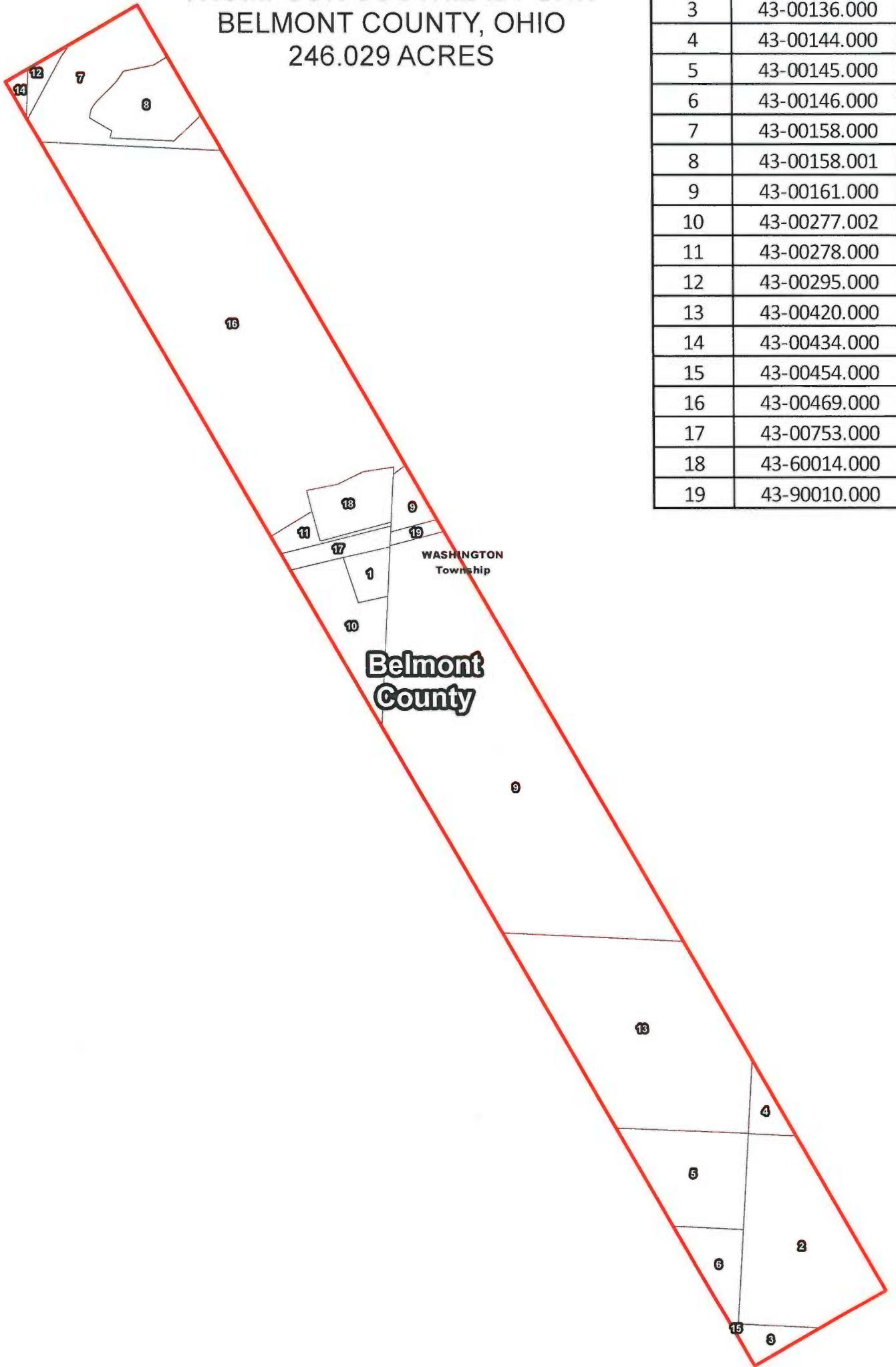
*It is understood by the Parties that the working interests listed above are estimates and are subject to change based upon the verification of title, additional leasehold acquired within the Contract Area, and/or the participation or non-participation of unleased mineral interests and/or third parties. 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-1"

GULFPORT ENERGY CORPORATION
THOMPSON SOUTHEAST UNIT
BELMONT COUNTY, OHIO
246.029 ACRES

MAP ID	PARCEL NUMBER
1	43-00007.000
2	43-00133.000
3	43-00136.000
4	43-00144.000
5	43-00145.000
6	43-00146.000
7	43-00158.000
8	43-00158.001
9	43-00161.000
10	43-00277.002
11	43-00278.000
12	43-00295.000
13	43-00420.000
14	43-00434.000
15	43-00454.000
16	43-00469.000
17	43-00753.000
18	43-60014.000
19	43-90010.000



UNIT BOUNDARY - 246.029 ACRES

THOMPSON SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

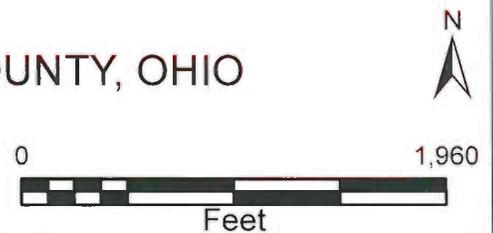


Exhibit "A-2"

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 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	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
1	3338	Donald A. Nipper, a single man	Yes	2.044	0.8308%	43-00007.000	Washington	Belmont	OH	2.044	1.0596	0.9844	0.0083	46850 East Capitina Highway	Alliedonia	OH	43902
2	-	VEM Appalachian Minerals, LLC	Yes	20.998	8.5348%	43-00133.000	Washington	Belmont	OH	20.998	10.8854	10.1126	0.0853	7004 Dewey Road	Amherst	OH	44001
3	-	VEM Appalachian Minerals, LLC	Yes	1.958	0.7958%	43-00136.000	Washington	Belmont	OH	1.958	1.0150	0.9430	0.0080	7004 Dewey Road	Amherst	OH	44001
4	-	VEM Appalachian Minerals, LLC	Yes	1.91	0.7763%	43-00144.000	Washington	Belmont	OH	1.91	0.9901	0.9189	0.0078	7004 Dewey Road	Amherst	OH	44001
5	-	MOAM Minerals International, LLC	Yes	10.561	4.2926%	43-00145.000	Washington	Belmont	OH	10.561	5.4748	5.0862	0.0429	33107 Northwood Circle	Avon Lake	OH	44012
6	-	MOAM Minerals International, LLC	Yes	4.109	1.6701%	43-00146.000	Washington	Belmont	OH	4.109	2.1301	1.9789	0.0167	33107 Northwood Circle	Avon Lake	OH	44012
7	-	Dolores J. Bruny, a widow (20%)	Yes	11.483	4.6673%	43-00158.000	Washington	Belmont	OH	11.483	5.9528	5.5302	0.0487	4130 Pegg Street	Columbus	OH	43214
7	-	Barbara Kay Seib and William A. Seib (20%)	Yes		0.0000%	43-00158.000	Washington	Belmont	OH	0	0.0000	0.0000	0.0000	208 Amazon Place	Columbus	OH	43214
7	-	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)	Yes		0.0000%	43-00158.000	Washington	Belmont	OH	0	0.0000	0.0000	0.0000	609 Davis Road	Mansfield	OH	44907
7	-	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)	Yes		0.0000%	43-00158.000	Washington	Belmont	OH	0	0.0000	0.0000	0.0000	30058 Lake Logan Road	Logan	OH	43138
7	-	Scott Bruny, a single man (20%)	Yes		0.0000%	43-00158.000	Washington	Belmont	OH	0	0.0000	0.0000	0.0000	1840 Willoway Circle	Columbus	OH	43220
8	2105	Rusty L. Lucas and Kathy L. Lucas, husband and wife	Yes	6.53	2.6542%	43-00158.001	Washington	Belmont	OH	6.53	3.3852	3.1448	0.0265	57079 Steele Rd.	Alliedonia	OH	43902
9	-	Michelle R. Utermohlen, a single woman	Yes	66.222	26.9163%	43-00161.000	Washington	Belmont	OH	66.222	34.3295	31.8925	0.2692	3833 Hamson Street	Beilare	OH	43906
10	3338	Donald A. Nipper, a single man	Yes	8.467	3.4415%	43-00277.002	Washington	Belmont	OH	8.467	4.3893	4.0777	0.0344	46850 East Capitina Highway	Alliedonia	OH	43902
11	2104	Westhawk Minerals, LLC	Yes	1.556	0.6324%	43-00278.000	Washington	Belmont	OH	1.556	0.8066	0.7494	0.0063	14201 Caliber Drive, Suite 120	Oklahoma City	OK	73134
12	-	Elbert George Miller, a widower (50%)	Yes	1.072	0.4357%	43-00295.000	Washington	Belmont	OH	1.072	0.5557	0.5163	0.0044	55499 Trough Run Rd.	Beilare	OH	43906
13	-	MOAM Minerals International, LLC	Yes	17.637	7.1687%	43-00420.000	Washington	Belmont	OH	17.637	9.1430	8.4940	0.0717	33107 Northwood Circle	Avon Lake	OH	44012
14	9031b	The Ohio Valley Coal Company	Yes	0.592	0.2406%	43-00434.000	Washington	Belmont	OH	0.592	0.5920	0.0000	0.0024	46226 National Road W.	St. Clairsville	OH	43950
15	-	VEM Appalachian Minerals, LLC	Yes	0.068	0.0276%	43-00454.000	Washington	Belmont	OH	0.068	0.0353	0.0327	0.0003	704 Dewey Road	Amherst	OH	44001
16	-	Leonard A. & Jay H. Vandyne	Yes	66.373	26.9777%	43-00469.000	Washington	Belmont	OH	66.373	34.4078	31.9652	0.2698	1904 Rainree Court	Snellville	GA	30278
17	9729	Consolidated Land Company	Yes	1.046	0.4252%	43-00753.000	Washington	Belmont	OH	1.046	0.5422	0.5038	0.0043	46226 National Road W.	St. Clairsville	OH	43950
18	7624	Board of Trustees of Washington Twp	Yes	4.728	1.9217%	43-60014.000	Washington	Belmont	OH	4.728	2.4510	2.2770	0.0192	46540 East Carntina Highway	Alliedonia	OH	43902
		TOTAL LEASED ACRES:		227.354													
		TOTAL UNIT ACRES:		246.029	92.4094%												

END OF EXHIBIT "A-2"

**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: June 16, 2015
Thompson 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 geosteer 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 Thompson Southeast Unit?

A8. Yes.

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

A9. Yes. The Thompson Southeast Unit consists of 19 distinct tracts of land totaling approximately 246.029 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 Thompson 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 Thompson Southeast Unit?

A11. Yes. Geologic mapping shows the entire Thompson Southeast Unit to be underlain by the Utica/Point Pleasant formation, which is of the same thickness throughout the Thompson 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 Thompson 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 Thompson 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 ~12 miles to the east and one well ~3 miles to the northeast 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 Thompson 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 Thompson Southeast unit.

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

A17. The top of the Utica/Point Pleasant formation is expected to be around 9,526' feet True Vertical Depth.

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

A18. The Unitized Formation described in the Application is the subsurface portion of the Thompson 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 Thompson 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 Thompson 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 Thompson Southeast Unit?

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

Q26. Does this conclude your testimony?

A26. 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: April 21, 2015
 : Revised: June 16, 2015
Thompson Southeast Unit :

**PREPARED TESTIMONY OF DANNY WATSON
ON BEHALF OF GULFPORT ENERGY CORPORATION**

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

Attorney for Applicant,
Gulfport Energy Corporation

Date: April 21, 2015

PREPARED DIRECT TESTIMONY OF DANNY WATSON

1 **Q1. Please introduce yourself.**

2 A1. My name is Danny Watson and my business address is 14313 N. May, Oklahoma City,
3 Oklahoma 73134. I am a Reservoir Engineer 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 Thompson Southeast Unit, consisting of nineteen (19)
7 separate tracts of land totaling approximately 246.029 acres in Belmont County, Ohio.
8 My testimony addresses the following: (1) unit operations for the Thompson Southeast
9 Unit are reasonably necessary to increase substantially the recovery of oil and gas and (2)
10 the value of the estimated additional recovery due to unit operations exceeds the
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 from West Virginia University.

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 Reservoir Engineer for Gulfport?**

17 A5. One year.

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

19 A6. With over 6 years of experience, I have worked for Marshall Miller & Associates as a
20 Reservoir Engineer, Chesapeake Energy as a Completions/Production Engineer, and
21 Gulfport Energy in my current role as a Reservoir Engineer.

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

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

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

28 A8. There are several methods available such as volumetric analysis, utilizing analogous
29 offset production, and decline-curve analysis that can be used to make projections about
30 how much hydrocarbon exists and how much can be produced. Geologic data, drilling
31 and fracturing techniques, and costs are considered to estimate economics.

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

3 A9. Yes, I did.

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

5 A10. I performed the calculations myself.

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

7 A11. Under the current un-unitized acreage, Gulfport would not be able to drill any economical
8 wells due to inadequate lateral lengths when considering the 500 feet limit of unleased
9 and uncommitted parcels. As a result, Gulfport would not be able to produce any oil and
10 gas from the entire unit without unitization. If the unitized area is approve, Gulfport
11 would be able to drill one horizontal well (9,200') from a single pad in the unit. I
12 estimated the reserves for this two-well unit.

13 **Q12. Why horizontal wells?**

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

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

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

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

31 A14. It depends on the well being drilled, but for the proposed Thompson Southeast Unit, it is

1 likely to be approximately between 8,000' and 8,500' TVD (true vertical depth) based on
2 data gathered from an offset that was recently drilled.

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

4 A15. Yes. The oil and gas industry has been drilling horizontal wells for many years. Also,
5 hydraulic fracturing has been used in the oil and gas industry for more than seventy years.
6 The combination of hydraulic fracturing and horizontal drilling is what is allowing shale
7 formations like the Utica to finally be 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 Thompson Southeast Unit, have you made an estimate of
12 the 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 Thompson Southeast Unit and believe that the gross production from unitized
15 operations, as proposed in this application, if successful, could be as much as 19 BCF of
16 gas.

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

18 A18. From analogy of offset Utica horizontal wells and from decline-curve analysis. There are
19 horizontal Utica wells located approximately three miles from the proposed unit that I
20 believe have similar characteristics in terms of fluid type and production profile;
21 therefore, data from those wells were used in my calculations. I have attached Exhibit
22 DW-3 to my prepared testimony, which depicts the location of the producing wells I used
23 for my calculation in relation to the location of the Thompson Southeast Unit.

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

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

1 production profile of the wells included in the type curve. A mathematical expression is
2 then used to match the existing production and forecast the future production that is
3 expected to be produced from the well. This is referred to as "decline-curve analysis."
4 Type curves are routinely used in the industry to estimate reserves.

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

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

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

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

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

19 A22. Yes

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

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

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

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

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

28 A25. Yes. In that case, Gulfport does not have to avoid the unleased and uncommitted
29 parcels, and Gulfport is able to fully develop the unit with one horizontal lateral, which
30 would then measure approximately 9,200'.

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

1 A26. Yes. If Gulfport develops a unit with two horizontal laterals, I project that it will
2 produce approximately 19 BCF of gas over the combined productive life of the well.

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 and uncommitted parcels accounts for part of
6 the increase, but the majority of the increase is from what would otherwise be stranded
7 reserves that would not be produced unless the Division approves the unitization
8 application for full unit operation. That oil and gas would forever be left behind if not
9 produced through unit operation by these wells. Drilling an additional well or wells to try
10 to recover those 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 Thompson**
13 **Southeast 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 Thompson Southeast Unit**
17 **development?**

18 A29. During the reserve estimation process, not only were the ultimate reserve numbers
19 estimated, but the production profile of the reservoir hydrocarbons over time 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 six-year forward strip price for June 15, 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 Thompson Southeast Unit. I have

1 attached those figures as Exhibit "DW-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 processes. The
5 basis for this estimate comes from recent costs we have experienced with our 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 Thompson Southeast Unit**
11 **exceed its estimated costs?**

12 A33. Yes. The total estimated cost of developing the Thompson Southeast Unit is
13 approximately \$13.08 million. Undiscounted Net Cash Flow is \$24.5 million and using a
14 10% discount rate, the net present value is approximately \$9.7 million.

15 **Q34. In your professional opinion, do you believe that the proposed unit operations for**
16 **the Thompson 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 \$13.08 million in capital, and
2 would have an undiscounted net cash flow of \$24.5 million and a net present value
3 discounted at 10% per annum of approximately \$9.7 million. Thus, the value of the
4 increased recovery significantly outweighs the increased cost of unitized operation.
5 Financially, it makes sense to operate 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.

EXHIBIT "DW-1"

THOMPSON SOUTHEAST UNIT

Lateral Length and Capital				
Well Name	Unit Lateral Length (ft)	Unit Dev. Cost (M\$)	Non-Unit Lat. Length (ft)	Non-Unit Dev. Cost (M\$)
Thompson SE 1	9,200	13,080	0	0
TOTAL	9,200	13,080	0	0

Reserve and Economic Summary		
	Full Dev. Totals	Partial Dev. Totals
Gross Condensate (MBbls.)	0	0
Gross Residue Gas (Bcf)	19	0
Equivalent EUR (Bcfe)	19	0
Undis. Net Cash Flow (M\$)	24,531	0
PV 10% (M\$)	9,699	0

EXHIBIT "DW-2"

STRIP PRICES AS OF June 15, 2015

DATE	OIL PRICE \$/BBL.	GAS PRICE \$/MCF
May-Dec 2015	60.79	2.87
Jan-Dec 2016	62.44	3.16
Jan-Dec 2017	63.82	3.34
Jan-Dec 2018	65.25	3.42
Jan-Dec 2019	66.51	3.48
Jan-Dec 2020	67.56	3.60
Jan-Dec 2021	68.47	3.71
To Life	68.85	4.10

EXHIBIT "DW-3"
GULFPORT ENERGY CORPORATION
THOMPSON SOUTHEAST UNIT
BELMONT COUNTY, OHIO
246.029 ACRES SMITH Township

GOSHEN
Township

**Belmont
County**

WAYNE
Township

WASHINGTON
Township

 THOMPSON SOUTHEAST UNIT
 PERKINS UNIT

**Monroe
County**

THOMPSON SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO



**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
 : June 16, 2015
Thompson Southeast Unit :

**PREPARED TESTIMONY OF CHRISTEN MORGAN, RPL
ON BEHALF OF GULFPORT ENERGY CORPORATION**

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14313 North May, Suite 100
Oklahoma City, Oklahoma 73134

Attorney for Applicant,
Gulfport Energy Corporation

Date: April 21, 2015

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 Southeast Unit?**

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

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

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

4 A11. Sure. The Thompson Southeast Unit consists of 19 distinct parcels of land totaling
5 approximately 246.029 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 118.145 acres of the proposed 246.029 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 Southeast Unit is
18 represented by the oil and gas rights held by Gulfport?**

19 A13. Approximately 48.0208%

20 **Q14. Have other working interest owners in the Thompson Southeast 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 92.4094% of
28 the owners within the Thompson Southeast 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 19) to which the minerals are
2 owned by the Norfolk Southern Railway. Gulfport has been working to secure an
3 Oil and Gas Lease for the unleased unit tract. Unit Tract 19 is composed of 1.038
4 net acres and represents an undivided 0.4219% of the Thompson Southeast unit.
5 Gulfport has been in consistent communication with the railway and we are working
6 as diligently as we can to come to terms of a mutually acceptable Oil and Gas Lease.

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

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

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

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

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

22 A18. Yes.

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

25 A19. Yes. Exhibit CM-2, which is attached hereto, is a plat showing each of the tracts in
26 the Thompson Southeast Unit. Tract 19 on the attached plat remain open and
27 unleased for the purposes of this unit.

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

30 A20. Yes. Chesapeake Appalachia, LLC, currently holds a 4.8389% Working Interest
31 within the unit, Statoil USA Onshore Properties, Inc. currently holds a 2.3298%
32 Working Interest within the unit, and Rice Drilling D., LLC currently holds a

1 44.3887% Working Interest within the unit. Gulfport has been in communication
2 with each party regarding our plans for developing the unit and are currently working
3 towards an agreement that would account for the working interest currently held by
4 Chesapeake and Statoil in the Thompson Southeast Unit. At this point they are listed
5 as uncommitted working interest owners; however, our ultimate goal is to come to
6 terms on a trade agreement. Pursuant to Gulfport and Rice's joint venture
7 agreements, Gulfport has the right to approve and execute all documents incident to
8 this unitization application on behalf of Rice's interest. Therefore, Gulfport's
9 working interest owner approval form takes into consideration Rice's interest.

10 **UNIT PLAN PROVISIONS.**

11 **Q21. Would you describe generally the development plan for the Thompson**
12 **Southeast Unit?**

13 A21. Gulfport plans to develop the Thompson Southeast Unit from a southern pad site that
14 is an estimated 300 feet off the southwestern unit boundary line and an estimated
15 1,200 feet from the southeastern unit boundary line. The pad site will be located on
16 a parcel that is within the proposed drilling and spacing unit and terms and conditions
17 between the surface owner and Gulfport have been agreed upon by both parties. The
18 pad will be adequately built to drill multiple horizontal wells with a northwesterly
19 orientation in the Unit. The Unit is currently configured to include one horizontal
20 wellbore, with projected lateral lengths of approximately 9,200 feet.

21 **Q22. Can you describe the location of the proposed wellbores within the Thompson**
22 **Southeast Unit?**

23 A22. Yes. I have attached as Exhibit CM-4 to my testimony a plat showing the
24 configuration of the wellbore. It shows the pad site located just outside the southern
25 boundary of the Thompson Southeast Unit with one wellbore configured to be drilled
26 in a northwesterly direction spaced 500 feet from the unit boundary on an
27 approximate 30 degree angle.

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

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

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

5 A24. We plan to drill the initial well in the fourth quarter of 2014.

6 **Q25. Does Gulfport have a specific timeline for drilling additional wells in the**
7 **Thompson Southeast Unit?**

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

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

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

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

26 A27. Yes, the type of development planned by Gulfport for the Thompson Southeast Unit
27 offers significant benefits not only to the operator, but also to the landowners in the
28 unit and the surrounding area.

29 **Q28. Are you familiar with the Unit Plan proposed by Gulfport for the Thompson**
30 **Southeast Unit?**

31 A28. Yes. The Unit Plan proposed by Gulfport is set out in two documents attached to the

1 Application. The first, the Unit Agreement, establishes the non-operating
2 relationship between the parties in the unit. The second, the Unit Operating
3 Agreement, establishes how the unit will be explored, developed, and produced.

4 **Q29. Let's turn first to the Unit Agreement, marked as Exhibit 1 to the Application.**

5 **Would you describe briefly what it does?**

6 A29. Yes. The Unit Agreement in effect combines the oil and gas rights in the Thompson
7 Southeast Unit so that they can be developed as if they were part of a single oil and
8 gas lease.

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

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

15 **Q31. How will production proceeds from the Thompson Southeast Unit be allocated**
16 **among royalty interest owners and working interest owners in the Unit?**

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

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

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

27 **Q33. Would you go through an example from Exhibit A-2 to the Unit Operating**
28 **Agreement to illustrate how a surface-acreage allocation would be applied to**
29 **the Thompson Southeast Unit?**

30 A33. Yes. The fifth column on Exhibit A-2 to the Unit Operating Agreement, entitled
31 "Surface Acres in Unit," shows the number of surface acres in each tract of land

1 within the Thompson Southeast Unit. Column 6 on Exhibit A-2 shows the related
2 tract participation of each tract, which is calculated by taking the total number of
3 surface acres in the tract and dividing it by the total number of surface acres in the
4 unit. So, for example, if you look at Tract Number 1 on Exhibit A-2, it shows that
5 the Donald A. Nippert tract comprises 2.044 surface acres in the 246.029 acre
6 Thompson Southeast Unit, which equates to a tract participation of approximately
7 0.8308% (2.044/246.029).

8 **Q34. What does that mean in terms of production allocated to that particular Nippert**
9 **tract?**

10 A34. It would mean that roughly 0.8308% of all production from the Thompson Southeast
11 Unit would be allocated to the Nippert tract, and would be distributed based on the
12 terms of the lease or other pertinent documents affecting the ownership to production
13 proceeds from the tract.

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

16 A35. Yes. Exhibit A-3 to the Unit Operating Agreement lists the surface acreage, tract
17 participation, and related working interest and unit participations of each unleased
18 parcel in the proposed unit. In the 19-tract Thompson Southeast Unit, Tract 19 is the
19 only unleased parcel and is comprised of 1.038 net acres. If the acreage from the
20 unleased tract is divided by the full surface acreage comprising the unit (246.029
21 acres), the result gives a tract participation of approximately 0.4219% under the Unit
22 Agreement. Since these parcels are unleased, the mineral owner would receive a
23 working interest of seven-eighths (7/8) and a royalty interest of one-eighth (1/8) of
24 that tract participation. Under the terms of the Unit Operating Agreement, should
25 the unleased mineral owners remain as unleased interest, they would individually
26 decide whether they wanted to participate in any proposed operations, or decline to
27 participate and let the remaining parties proceed with the proposed operation.

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

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

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

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

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

7 A38. Working interest owners.

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

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

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

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

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

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

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

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

1 **Q43. What is the purpose of the document marked as Exhibit C in connection with**
2 **the Thompson Southeast Unit Operating Agreement?**

3 A43. The document presents information concerning how unit expenses are determined
4 and paid.

5 **Q44. At the top of each page of Exhibit C, there appears a label that reads: "COPAS**
6 **2005 Accounting Procedure, Recommended by COPAS, Inc." Are you familiar**
7 **with this society?**

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

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

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

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

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

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

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

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

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

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

27 A49. A working interest owner who cannot or chooses not to participate in an operation is
28 considered a non-consenting party. If the remaining working interest owners decide
29 to proceed with the operation, the consenting parties bear the full cost and expense
30 of the operation. A non-consenting party is deemed to have relinquished its interest
31 in that operation until the well revenues pay out the costs that would have been

- 1 attributed to that party, plus a prescribed risk penalty or non-consent penalty.
- 2 **Q50. What is a risk penalty or non-consent penalty, and why are they included in the**
3 **agreement?**
- 4 A50. A risk penalty or non-consent penalty is a means to compensate consenting parties
5 for the financial risks of proceeding with a well that may be a non-producer when
6 one or more working interest owners do not consent to pay their share of the costs of
7 drilling said well. A non-consent penalty can also serve as a means to allow a
8 working interest owner to finance participation in a well when unable to advance its
9 share of drilling costs.
- 10 **Q51. Can a working interest owner choose to go non-consent in the initial well in the**
11 **Thompson Southeast Unit?**
- 12 A51. Yes. If a working interest owner chooses not to participate in the unit's initial well,
13 Article VI.A of the Unit Operating Agreement provides that the working interest
14 owner shall be deemed to have relinquished to the other parties its working interest
15 in the unit with a back-in provision with a risk factor of 300%.
- 16 **Q52. Does the Unit Operating Agreement treat the initial well and subsequent**
17 **operations differently in terms of going non-consent, and if so, why?**
- 18 A52. Yes. Subsequent operations have a smaller risk factor of 200%. A lack of
19 information as to whether the well will be economic makes participation in the initial
20 well a riskier endeavor than subsequent operations, when information gained from
21 the initial well reduces the risk factor going forward. Therefore, it is common for
22 joint operating agreements to distinguish risk factors between initial and subsequent
23 operations.
- 24 **Q53. But if the working interest owner still has a royalty interest in the unit, that**
25 **royalty interest would remain in place and be paid?**
- 26 A53. Yes. The royalty interest would still be paid even if the working interest is being
27 used to pay off a risk factor.
- 28 **Q54. What is the risk factor for subsequent operations set out in the Unit Operating**
29 **Agreement?**
- 30 A54. 200%, as set out in Article VI.B of the Unit Operating Agreement.
- 31 **Q55. Are the percentages included in the Unit Operating Agreement unusual?**

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

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

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

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

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

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

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

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

31 A59. Yes.

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

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

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

9 A61. Yes.

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

12 A62. Yes.

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

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

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

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

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

26 A65. Yes.

27 **Q66. Has Gulfport documented which of the working interest owners included within**
28 **the Thompson Southeast Unit have given their consent to the proposed**
29 **unitization?**

30 A66. Yes. Exhibit 6.1 to the application documents the approvals for the Unit Plan
31 received from working interest owners included with the Thompson Southeast Unit

1 up to the time the Application was filed.

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

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

7 **Q68. In your professional opinion, given your education and experience, are unit**
8 **operations for the proposed Thompson Southeast Unit reasonably necessary to**
9 **increase substantially the ultimate recovery of oil and gas?**

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

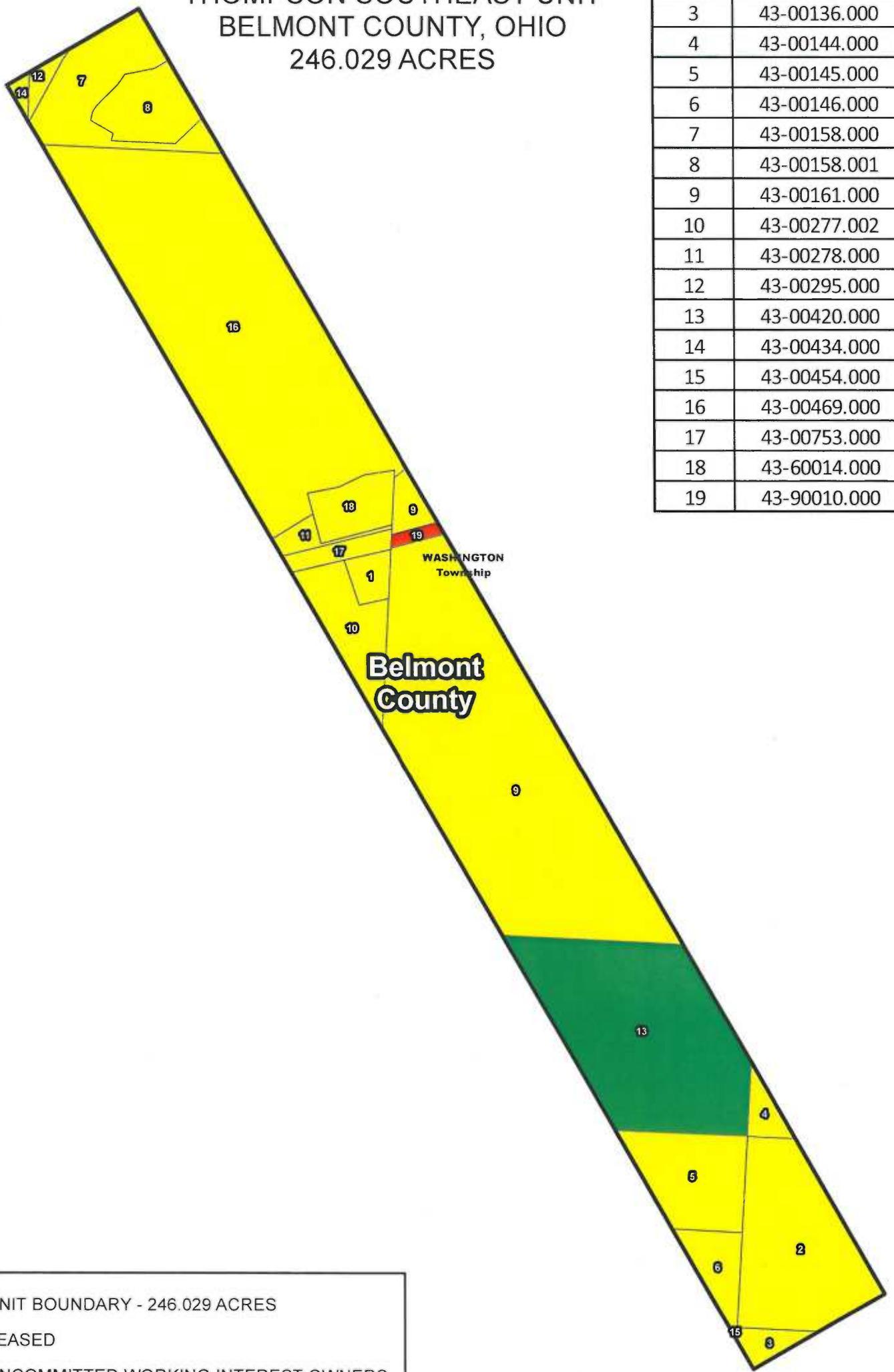
17 **Q69. Does this conclude your testimony?**

18 A69. Yes.

EXHIBIT "CM-2"

GULFPORT ENERGY CORPORATION
 THOMPSON SOUTHEAST UNIT
 BELMONT COUNTY, OHIO
 246.029 ACRES

MAP ID	PARCEL NUMBER
1	43-00007.000
2	43-00133.000
3	43-00136.000
4	43-00144.000
5	43-00145.000
6	43-00146.000
7	43-00158.000
8	43-00158.001
9	43-00161.000
10	43-00277.002
11	43-00278.000
12	43-00295.000
13	43-00420.000
14	43-00434.000
15	43-00454.000
16	43-00469.000
17	43-00753.000
18	43-60014.000
19	43-90010.000



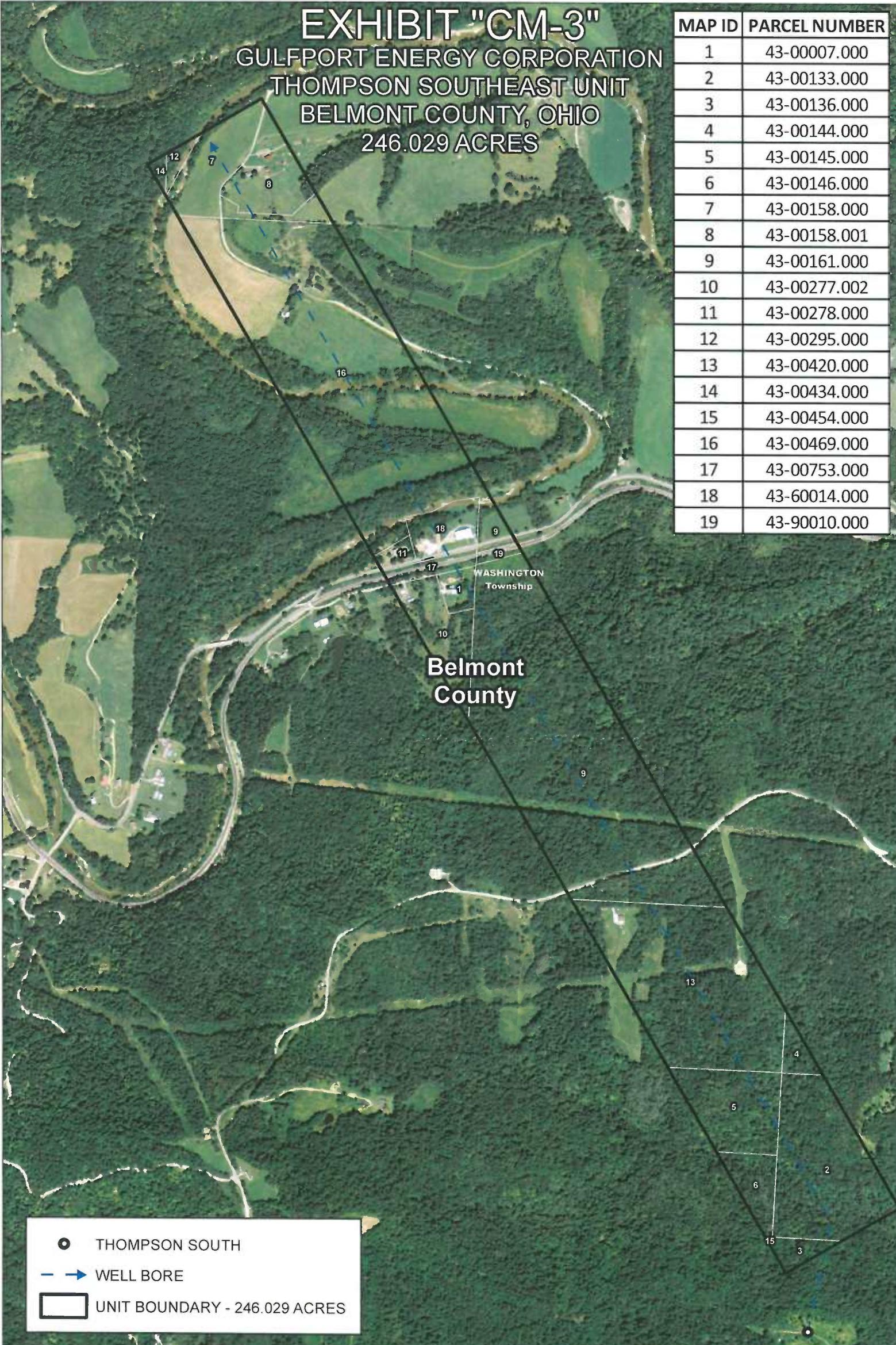
	UNIT BOUNDARY - 246.029 ACRES
	LEASED
	UNCOMMITTED WORKING INTEREST OWNERS
	UNLEASED

THOMPSON SOUTHEAST
 WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO



EXHIBIT "CM-3"
GULFPORT ENERGY CORPORATION
THOMPSON SOUTHEAST UNIT
BELMONT COUNTY, OHIO
246.029 ACRES

MAP ID	PARCEL NUMBER
1	43-00007.000
2	43-00133.000
3	43-00136.000
4	43-00144.000
5	43-00145.000
6	43-00146.000
7	43-00158.000
8	43-00158.001
9	43-00161.000
10	43-00277.002
11	43-00278.000
12	43-00295.000
13	43-00420.000
14	43-00434.000
15	43-00454.000
16	43-00469.000
17	43-00753.000
18	43-60014.000
19	43-90010.000



-  THOMPSON SOUTH
-  WELL BORE
-  UNIT BOUNDARY - 246.029 ACRES

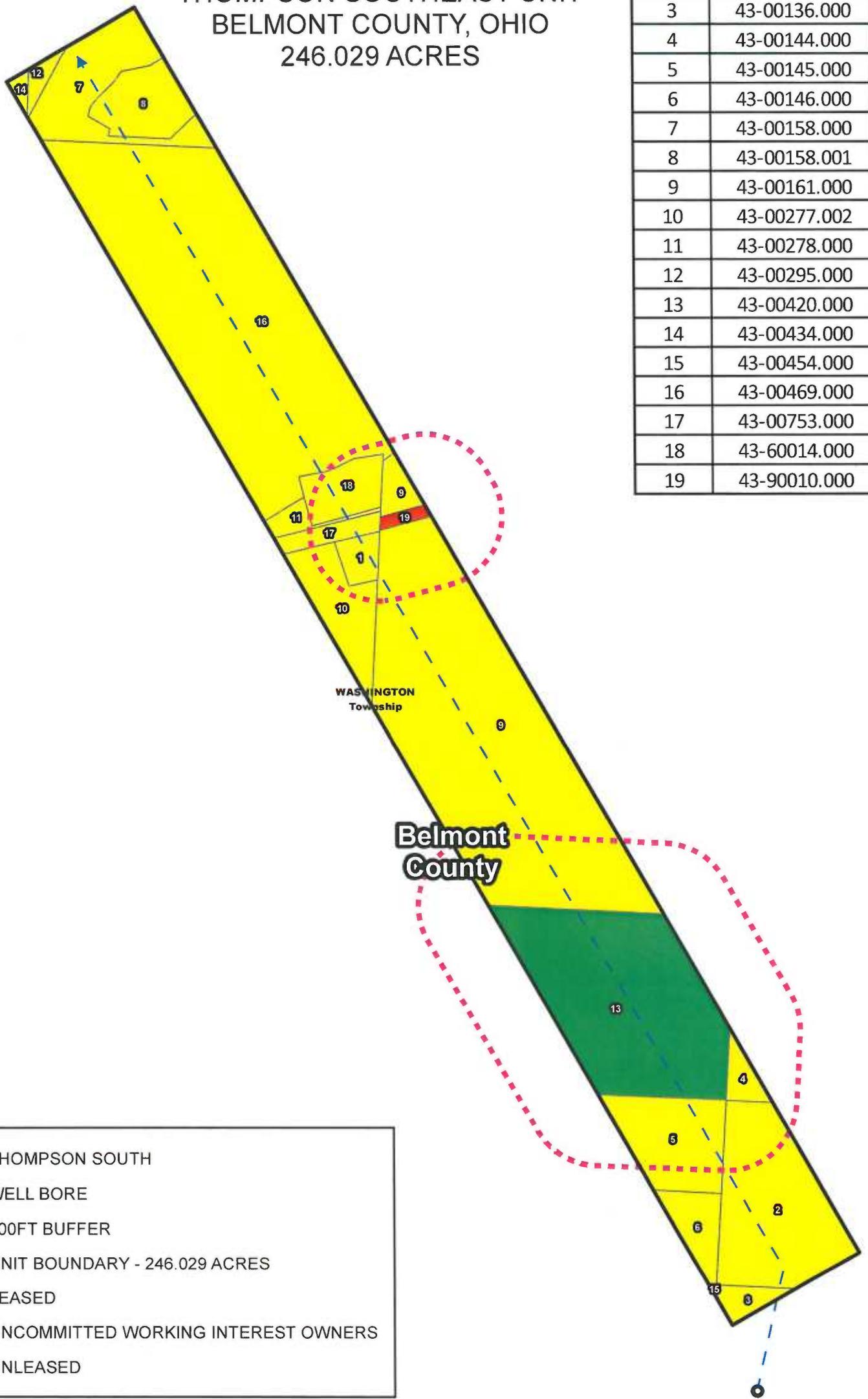
THOMPSON SOUTHEAST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO



EXHIBIT "CM-4"

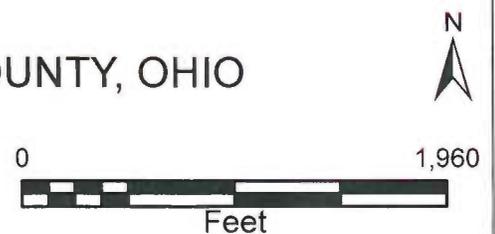
GULFPORT ENERGY CORPORATION
 THOMPSON SOUTHEAST UNIT
 BELMONT COUNTY, OHIO
 246.029 ACRES

MAP ID	PARCEL NUMBER
1	43-00007.000
2	43-00133.000
3	43-00136.000
4	43-00144.000
5	43-00145.000
6	43-00146.000
7	43-00158.000
8	43-00158.001
9	43-00161.000
10	43-00277.002
11	43-00278.000
12	43-00295.000
13	43-00420.000
14	43-00434.000
15	43-00454.000
16	43-00469.000
17	43-00753.000
18	43-60014.000
19	43-90010.000



- THOMPSON SOUTH
- WELL BORE
- ⋯ 500FT BUFFER
- ▭ UNIT BOUNDARY - 246.029 ACRES
- LEASED
- UNCOMMITTED WORKING INTEREST OWNERS
- UNLEASED

THOMPSON SOUTHEAST
 WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO



WORKING INTEREST OWNER
APPROVAL OF
UNIT PLAN FOR THE
THOMPSON 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 Thompson 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 Thompson 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. 1-18

TRACT ACREAGE: 227.354 acres

RELATED WORKING INTEREST PERCENTAGE: 92.4094%

GULFPORT ENERGY CORPORATION

By: Christen Morgan
Christen S. Morgan, RPL –Landman

Date: 6-16-2015

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 Southeast Unit

TRACT NUMBER	LESSOR	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBERS
1	Donald A. Nippert, a single man	2.044	43-00007.000
2	VEM Appalachian Minerals, LLC	20.998	43-00133.000
3	VEM Appalachian Minerals, LLC	1.958	43-00136.000
4	VEM Appalachian Minerals, LLC	1.91	43-00144.000
5	MOAM Minerals International, LLC	10.561	43-00145.000
6	MOAM Minerals International, LLC	4.109	43-00146.000
7	Dolores J. Bruny, a widow (20%)	11.483	43-00158.000
7	Barbara Kay Seib and William A. Seib (20%)		43-00158.000
7	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)		43-00158.000
7	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)		43-00158.000
7	Scott Bruny, a single man (20%)		43-00158.000
8	Rusty L. Lucas and Kathy L. Lucas, husband and wife	6.53	43-00158.001
9	Michelle R. Uttermohlen, a single woman	66.222	43-00161.000
10	Donald A. Nippert, a single man	8.467	43-00277.002
11	Westhawk Minerals, LLC	1.556	43-00278.000
12	Elbert George Miller, a widower (50%)	1.072	43-00295.000
13	MOAM Minerals International, LLC	17.637	43-00420.000
14	The Ohio Valley Coal Company	0.592	43-00434.000
15	VEM Appalachian Minerals, LLC	0.068	43-00454.000
16	Leonard A. & Jay H. Vandyne	66.373	43-00469.000
17	Consolidated Land Company	1.046	43-00753.000
18	Board of Trustees of Washington Twp	4.728	43-60014.000
		227.354	