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 16, 2015
	:	
Thompson Southwest 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 Southwest 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 more acreage and be developed under a four well scenario rather than a two well scenario.
- Gulfport has entered into an oil and gas lease with Loretta Goddard.

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-1.1, 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
Thompson Southwest Unit	:	

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
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Gulfport Energy Corporation, for	:	
Unit Operation	:	Application Date: April 21, 2015
	:	Revised: June 16, 2015
Thompson Southwest Unit	:	

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 Southwest 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 Southwest Unit is located in Belmont County, Ohio, and consists of forty-seven (47) 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 Southwest Unit is approximately 702.878 acres. Gulfport has the right to drill on and produce from approximately 677.463 acres of the proposed unit through its leasehold interest and joint venture agreement with Rice Drilling D., LLC – i.e., approximately ninety-six percent (96.3841%) 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 southeast of the Thompson Southwest 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 Southwest 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 Southwest Unit. The Unit Plan contemplates the potential drilling of approximately four horizontal wells 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 76 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 For-

[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.

mation.[9] Second, simply relying on shorter horizontal laterals to develop the Unitized Formation underlying the Thompson Southwest Unit would be uneconomical. Oil and gas recovery from horizontal drilling methods is directly related to the length of the lateral – limit a lateral's length and you limit its ultimate recovery. Here, in absence of unit operations being granted, the unleased and uncommitted tracts would prevent the development of all wells in the unit area and lead to stranded 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 Southwest Unit at present, is likely to be approximately $38.8 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

[9] *Id.* at 4-6.
[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-six percent (96.3841%) 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 Southwest 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 Southwest 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	**Working Interest**
Gulfport Energy Corporation	49.9655%*
NON OPERATOR	
Rice Drilling D, LLC	46.4186%
Uncommitted WI Owners	2.8280 %
Unleased Mineral Owners	0.7879%*
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.

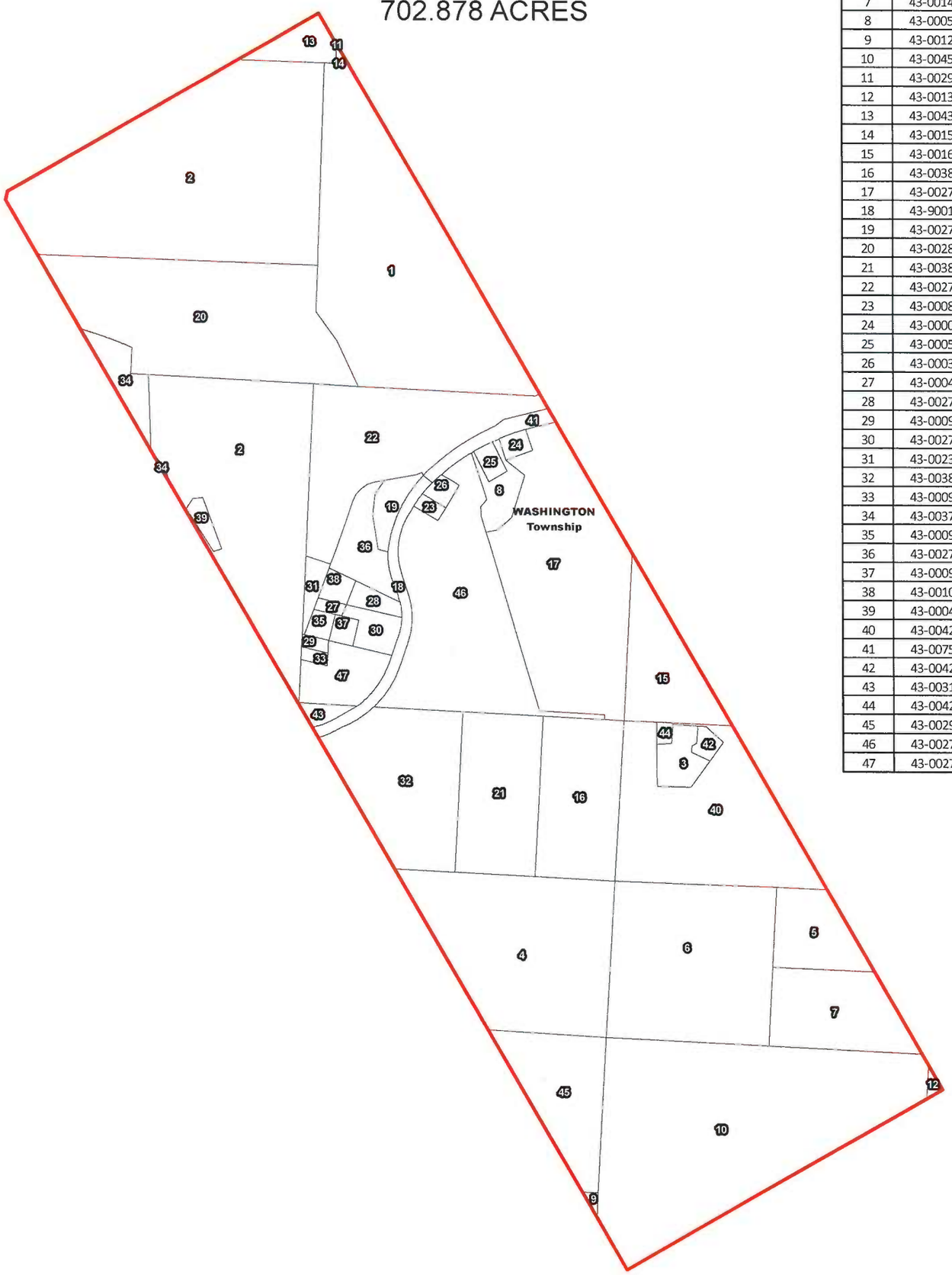
End of Exhibit "A"

Belmont County

EXHIBIT "A-1"

GULFPORT ENERGY CORPORATION
THOMPSON SOUTHWEST UNIT
BELMONT COUNTY, OHIO
702.878 ACRES

MAP ID	PARCEL NUMBER
1	43-00469.000
2	43-00286.000
3	43-00420.001
4	43-00727.000
5	43-00145.000
6	43-00454.001
7	43-00146.000
8	43-00059.000
9	43-00128.001
10	43-00454.000
11	43-00295.000
12	43-00136.000
13	43-00434.000
14	43-00158.000
15	43-00161.000
16	43-00386.000
17	43-00277.002
18	43-90010.000
19	43-00278.001
20	43-00285.000
21	43-00387.000
22	43-00278.000
23	43-00083.000
24	43-00001.000
25	43-00058.000
26	43-00033.000
27	43-00046.000
28	43-00278.005
29	43-00092.000
30	43-00278.004
31	43-00230.000
32	43-00388.000
33	43-00093.000
34	43-00377.000
35	43-00091.000
36	43-00278.002
37	43-00090.000
38	43-00109.000
39	43-00045.000
40	43-00420.000
41	43-00753.000
42	43-00420.002
43	43-00310.000
44	43-00420.003
45	43-00291.000
46	43-00277.000
47	43-00278.003



UNIT BOUNDARY - 702.878 ACRES

THOMPSON SOUTHWEST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

N

GULFPORT ENERGY CORPORATION

0 2,360
Feet

Exhibit "A-2"

Leases Within the Contract Area

Attached to and made a part of that certain Unit Operating Agreement dated April 1, 2015as 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	0.001	0.0001%	43-00295.000	Washington	Belmont	OH	0.001	0.0000	0.0000	0.0001%	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			43-00295.000	Washington	Belmont	OH					55558 Merritts Row	Bellaire	OH	43906
11	8729	Donna Ritchey & James Ritchey, wife and husband (7.142%)	Y			43-00295.000	Washington	Belmont	OH					158 N. Main Apt. 4	Buffalo	WY	82834
11	8726	Douglas Moellendick, a single man (7.142%)	Y			43-00295.000	Washington	Belmont	OH					3 Wegee Lane Lot # 51	Shadyside	OH	43947
11	8728	Dana Kubic, a single woman (7.142%)	Y			43-00295.000	Washington	Belmont	OH					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	0.0575%	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	0.187	0.0266%	43-00158.000	Washington	Belmont	OH	0.187	0.0001	0.0001	0.0266%	4130 Pegg Street	Columbus	OH	43214
14	-	Barbara Kay Seib and William A. Seib (20%)	Y			43-00158.000	Washington	Belmont	OH					208 Amazon Place	Columbus	OH	43214
14	-	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)	Y			43-00158.000	Washington	Belmont	OH					609 Davis Road	Mansfield	OH	44907
14	-	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)	Y			43-00158.000	Washington	Belmont	OH					30058 Lake Logan Road	Logan	OH	43138
14	-	Scott Bruny, a single man (20%)	Y			43-00158.000	Washington	Belmont	OH					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:		**677.463**	**96.3841%**					677.463	0.49965508	0.46418573	**96.38408%**				
		TOTAL UNIT ACRES:		**702.878**													
END OF EXHIBIT "A-2"																	

Exhibit "A-3"
Unitized Parties

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/OWNER	ADDRESS	LEASED YES/NO	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	PROPERTY TOWNSHIP	PROPERTY COUNTY	STATE	OWNER CITY	OWNER STATE	OWNER ZIP CODE	UNIT PARTICIPATION
18	Norfolk Southern Railway Company	P.O. Box 1517	No	5.538	0.007879	43-90010.000	Washington	Belmont	OH	Bluefield	WV	24701	0.787903%
		TOTAL UNITIZED ACRES:		5.538	0.787903%								
		TOTAL UNIT ACRES:		702.878									

END OF EXHIBIT "A-3"

Exhibit "A-4"

Uncommitted Working Interest Parties

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/OWNER	ADDRESS	LEASED YES/NO	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	PROPERTY TOWNSHIP	PROPERTY COUNTY	STATE	OWNER CITY	OWNER STATE	OWNER ZIP CODE	UNIT PARTICIPATION
3	Cheaspeake Appalachia, LLC	6100 N. Western Avenue	Yes	1.18395	0.001684	43-00420.001	Washington	Belmont	OH	Oklahoma City	Oklahoma	73118	0.168443%
3	Statoil USA Onshore Properties	2103 CityWest Blvd. Suite 800	Yes	0.57005	0.000811	43-00420.001	Washington	Belmont	OH	Houston	Texas	77042	0.081102%
40	Cheaspeake Appalachia, LLC	6100 N. Western Avenue	Yes	11.727113	0.016684	43-00420.000	Washington	Belmont	OH	Oklahoma City	Oklahoma	73118	1.668442%
40	Statoil USA Onshore Properties	2103 CityWest Blvd. Suite 800	Yes	5.6463875	0.008033	43-00420.000	Washington	Belmont	OH	Houston	Texas	77042	0.803324%
42	Cheaspeake Appalachia, LLC	6100 N. Western Avenue	Yes	0.3375	0.000480	43-00420.002	Washington	Belmont	OH	Oklahoma City	Oklahoma	73118	0.048017%
42	Statoil USA Onshore Properties	2103 CityWest Blvd. Suite 800	Yes	0.1625	0.000231	43-00420.002	Washington	Belmont	OH	Houston	Texas	77042	0.023119%
44	Cheaspeake Appalachia, LLC	6100 N. Western Avenue	Yes	0.16875	0.000240	43-00420.003	Washington	Belmont	OH	Oklahoma City	Oklahoma	73118	0.024008%
44	Statoil USA Onshore Properties	2103 CityWest Blvd. Suite 800	Yes	0.081	0.000116	43-00420.003	Washington	Belmont	OH	Houston	Texas	77042	0.011560%
		TOTAL UNCOMMITTED WI ACRES:		19.878	2.828016%								
		TOTAL UNIT ACRES:		702.878									

END OF EXHIBIT "A-4"

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 Southwest 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

Exhibit 3

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 Southwest Unit?

A8. Yes.

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

A9. Yes. The Thompson Southwest Unit consists of 47 distinct tracts of land totaling approximately 702.878 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 Southwest 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 Southwest Unit?

A11. Yes. Geologic mapping shows the entire Thompson Southwest Unit to be underlain by the Utica/Point Pleasant formation, which is of the same thickness throughout the Thompson Southwest 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 Southwest 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 Southwest 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 Southwest 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 Southwest Unit.

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

A18. The Unitized Formation described in the Application is the subsurface portion of the Thompson Southwest 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 Southwest 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 Southwest 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 Southwest 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 Southwest Unit	:	

PREPARED TESTIMONY OF DANNY WATSON 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

Exhibit 4

PREPARED DIRECT TESTIMONY OF DANNY WATSON

Q1. Please introduce yourself.

A1. My name is Danny Watson and my business address is 14313 N. May, Oklahoma City, Oklahoma 73134. I am a Reservoir Engineer for Gulfport Energy Corporation.

Q2. What is the purpose of your testimony today?

A2. I am testifying in support of the Application of Gulfport Energy Corporation for Unit Operation filed with respect to the Thompson Southwest Unit, consisting of thirty-five (47) separate tracts of land totaling approximately 702.878 acres in Belmont County, Ohio. My testimony addresses the following: (1) unit operations for the Thompson Southwest Unit are reasonably necessary to increase substantially the recovery of oil and gas and (2) the value of the estimated additional recovery due to unit operations exceeds the estimated additional costs.

Q3. Can you summarize your educational experience for me?

A3. I hold a Bachelors of Science in Petroleum Engineering from West Virginia University.

Q4. Are you a member of any professional associations?

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

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

A5. One year.

Q6. What other work experiences have you had?

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

Q7. What does being a reservoir engineer entail?

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

Q8. How do you do that?

A8. There are several methods available such as volumetric analysis, utilizing analogous offset production, and decline-curve analysis that can be used to make projections about how much hydrocarbon exists and how much can be produced. Geologic data,

drilling and fracturing techniques, and costs are considered to estimate economics.

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

A9. Yes, I did.

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

A10. I performed the calculations myself.

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

A11. Under the current un-unitized acreage, Gulfport would not be able to drill any economical wells due to inadequate lateral lengths when considering the 500 feet limit of unleased and uncommitted parcels. As a result, Gulfport would not be able to produce any oil and gas from the entire unit without unitization. If the unitized area is approved for unit operations, Gulfport would be able to drill 4 horizontal wells (9,200' each) from a single pad in the unit. I estimated the reserves for this two-well unit.

Q12. Why horizontal wells?

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

Q13. How are horizontal wells drilled?

A13. Horizontal drilling is the process of drilling down vertically to a point commonly referred to as the kickoff point, and then gradually turning the wellbore to drill and place the wellbore in the desired hydrocarbon bearing formation – in this case, the Utica shale – horizontally in order to maximize the areal contact of the reservoir. This technology, along with hydraulically fracturing the formation, is required to

economically develop unconventional resources like shale gas formations.

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

A14. It depends on the well being drilled, but for the proposed Thompson Southwest Unit, it is likely to be approximately between 8,000' and 8,500' TVD (true vertical depth) based on data gathered from an offset that was recently drilled.

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

A15. Yes. The oil and gas industry has been drilling horizontal wells for many years. Also, hydraulic fracturing has been used in the oil and gas industry for more than seventy years. The combination of hydraulic fracturing and horizontal drilling is what is allowing shale formations like the Utica to finally be developed.

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

A16. Yes.

Q17. Turning specifically to the Thompson Southwest Unit, have you made an estimate of the production you anticipate from the proposed unit's operations?

A17. Yes, I have evaluated and estimated the production potential from the Utica formation in the Thompson Southwest Unit and believe that the gross production from unitized operations, as proposed in this application, if successful, could be as much as 76 BCF of gas.

Q18. How did you make those estimates?

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

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

A19. I used actual production data from those wells to develop an average Utica production profile or "type curve" using decline-curve analysis. With all wells, production and pressure is highest at the onset and gradually decreases to a point

where production cannot be sustained without some degree of additional stimulation. These declines can be plotted and, for wells within the same formation, tend to exhibit similar characteristics. In the type curve process, data from the first day of production for all the wells are all aligned, and the production volumes are then averaged. This will produce the average production profile of the wells included in the type curve. A mathematical expression is then used to match the existing production and forecast the future production that is expected to be produced from the well. This is referred to as "decline-curve analysis." Type curves are routinely used in the industry to estimate reserves.

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

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

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

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

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

A22. Yes

Q23. Do you have the calculations you performed?

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

Q24. Can you summarize what your calculations show?

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

Q25. Did you also estimate what could be recovered if operations in this area are unitized,

as is being proposed by this application?

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

Q26. Can you summarize what those calculations show?

A26. Yes. If Gulfport develops a unit with two horizontal laterals, I project that it will produce approximately 76 BCF of gas over the combined productive life of these four wells.

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

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

Q28. Let's shift our focus to the economic calculations for this project. Have you made an estimate of the economics of the proposed development of the Thompson Southwest Unit?

A28. Yes

Q29. Would you walk us through your economic evaluation, beginning with your estimate of the anticipated revenue stream from the Thompson Southwest Unit development?

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

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

A30. I am referring to the actual production we expect on a daily or monthly basis for the

well's entire life. This is important when doing an economic evaluation in which revenue from future production is discounted in order to obtain the net present value and rate of return for the specific project.

Q31. What price scenario did you use?

A31. A six-year forward strip price for June 15, 2015 was used. This is the market's current view of what gas and oil prices will be in the future and are not guaranteed to be the price received for the produced hydrocarbons from the Thompson Southwest Unit. I have attached those figures as Exhibit "DW-2".

Q32. What about anticipated capital and operating expenses?

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

Q33. Based on this information and your professional judgment, does the value of the estimated recovery from the operations proposed for the Thompson Southwest Unit exceed its estimated costs?

A33. Yes. The total estimated cost of developing the Thompson Southwest Unit is approximately $52.3 million. Undiscounted Net Cash Flow is $98.1 million and using a 10% discount rate, the net present value is approximately $38.8 million.

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

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

that unit operation will substantially increase the ultimate recovery of oil and gas from this unit area.

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

A35. Yes. To increase the exposure to the reservoir and produce the maximum amount of hydrocarbons, placing horizontal wells across the entire proposed unit is ideal. This limits the capital cost by limiting the number of required surface locations and wells and maximizes the production from the proposed unit's operations. Without the proposed unit operations, we would not be able to develop this area. As indicated above, the estimated development of the proposed unit would require $52.3 million in capital, and would have an undiscounted net cash flow of $98.1 million and a net present value discounted at 10% per annum of approximately $38.8 million. Thus, the value of the increased recovery significantly outweighs the increased cost of unitized operation. Financially, it makes sense to operate as a unit.

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

A36. Yes

Q37. Does this conclude your testimony?

A37. Yes.

EXHIBIT "DW-1"

THOMPSON SOUTHWEST 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 SW 1	9,200	13,080	0	0
Thompson SW 2	9,200	13,080	0	0
Thompson SW 3	9,200	13,080	0	0
Thompson SW 4	9,200	13,080	0	0
TOTAL	36,800	52,320	0	0

Reserve and Economic Summary		
	Full Dev. Totals	Partial Dev. Totals
Gross Condensate (MBbls.)	0	0
Gross Residue Gas (Bcf)	76	0
Equivalent EUR (Bcfe)	76	0
Undis. Net Cash Flow (M$)	98,125	0
PV 10% (M$)	38,795	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 SOUTHWEST UNIT
BELMONT COUNTY, OHIO
702.878 ACRES

THOMPSON SOUTHWEST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

N

0 6,400
Feet

GULFPORT
ENERGY CORPORATION

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 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

Exhibit 5

PREPARED DIRECT TESTIMONY OF CHRISTEN S. MORGAN, RPL

INTRODUCTION.

Q1. Please state your name and business address.

A1. My name is Christen Morgan and my business address is 14313 North May Ave., Suite 100, Oklahoma City, OK 73134

Q2. Who is your employer?

A2. Gulfport Energy Corporation.

Q3. What is your position with Gulfport?

A3. I am a Landman.

Q4. Please describe your professional responsibilities at Gulfport.

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

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

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

Q6. Please briefly describe your professional experience.

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

Q7. What do you do as a Landman?

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

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

Q8. Are you a member of any professional associations?

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

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

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

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

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

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

Q11. Can you generally describe the Thompson Southwest Unit?

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

EFFORTS MADE BY GULFPORT TO LEASE UNIT TRACTS.

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

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

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

A13. Approximately 49.9655%

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

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

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

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

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

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

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

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

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

A18. Yes.

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

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

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

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

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

UNIT PLAN PROVISIONS.

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

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

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

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

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

A23. Yes, we have been in contact with the surface owner of the parcel of our proposed pad site and plan to develop our surface location pursuant to the terms of our agreement. We have acquired a surface use agreement with the surface owner of said parcel.

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

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

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

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

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

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

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

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

unit and the surrounding area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Q37. How are unit expenses allocated?

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

Q38. Who pays the unit expenses?

A38. Working interest owners.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A47. No, Gulfport Energy does not anticipate in-kind contributions for the Unit Operations.

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

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

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

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

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

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

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

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

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

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

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

royalty interest would remain in place and be paid?

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

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

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

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

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

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

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

Q57. How are decisions made regarding unit operations?

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

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

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

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

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

A59. Yes.

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

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

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

A61. Yes.

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

A62. Yes.

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

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

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

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

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

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

A65. Yes.

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

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

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

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

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

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

Q69. Does this conclude your testimony?

A69. Yes.

Exhibit "CM-1.1"

AFFIDAVIT OF EFFORTS TO LEASE THE NORFOLK SOUTHERN RAILWAY COMPANY

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

Tax Parcel # 43-90010.000

Township of Washington

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

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

2. The Affiant ordered a title opinion covering the subject parcel. In accordance to an original title opinion rendered dated June 6, 2014, full undivided ownership in the mineral interest was shown to be unleased and owned by Norfolk Southern Railway Company.

3. Pursuant to the aforementioned title opinion, the oil and gas interest in the above-referenced parcel of land is owned by the Norfolk Southern Railway Company, as to an undivided one hundred percent (100%) interest in and under the above referenced Tax Parcel (Thompson Southeast Unit surveyed – 5.538 acres).

4. The Affiant further states, that on January 17, 2014 a Lease Agreement Letter was signed by and between Gulfport Energy Corporation and Pocahontas Land Corporation, as agent of Norfolk Southern Railway Company; that granted the leasehold rights covering 48.2 acres to Gulfport Energy Corporation. These acres are not within the subject unit but are within Belmont County, Ohio.

5. On or about March 7, 2014, Gulfport Energy Corporation began acquiring title opinions for all parcels potentially owned by the Norfolk Southern Railway Company.

6. On April 17, 2014, a request to amend the Lease Letter Agreement dated January 17, 2014 was sent to Pocahontas Land to acquire an additional 18.401 acres within Belmont County (but not within the proposed unit).

7. On or about April 25, 2014, a letter was sent to the NFSRR requesting the current Lease Agreement, dated January 17, 2014, was amended to include all parcels owned by the Railroad within Wayne, Washington, and York townships in Belmont County, OH.

8. On May 6, 2014, Pocahontas Land Corporation, as Agent for Norfolk Southern railway Company agreed to amend that certain Lease Agreement dated January 17, 2014 to include the proposed 18.401 net acres.

9. On December 12, 2014, Pocahontas Land Corporation agreed to a second lease agreement amendment that would cover an additional 75 net acres located within Belmont County but not within the proposed unit.

10. On February 3, 2015, a proposal for third lease agreement amendment was sent to Pocahontas Land to add the remaining 69 approximate acres that are unleased within the three townships proposed to be leased found in the letter dated 4/25/2014.

11. On April 13, 2015, Gulfport followed up the proposal with a phone call and e-mail. To date, Gulfport has had no response from Pocahontas regarding the proposal to amend the lease agreement.

12. The Affiant states that Gulfport will continue to make every effort to amend the current lease agreement with the Norfolk Southern Railway Company to include the parcels that are found within this unit.

Further Affiant sayeth naught.

Dated this 16 day of June, 2015.

Christen Morgan

Christen S. Morgan, Affiant
Landman, RPL
Gulfport Energy Corporation

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS
COUNTY OF Canadian)

The foregoing instrument was sworn to before me, a Notary Public in and for the State of Ohio, and subscribed in my presence this 16th day of June, 2015, ~~2014,~~ by Christen S. Morgan, known to me or satisfactorily proven to be the Affiant in the foregoing instrument, who acknowledged the above statements to be true as Affiant verily believes.

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

My Commission Expires:
9/3/18
02014969

Karen Kay Terry
Notary Public

KAREN KAY TERRY
Printed Name of Notary

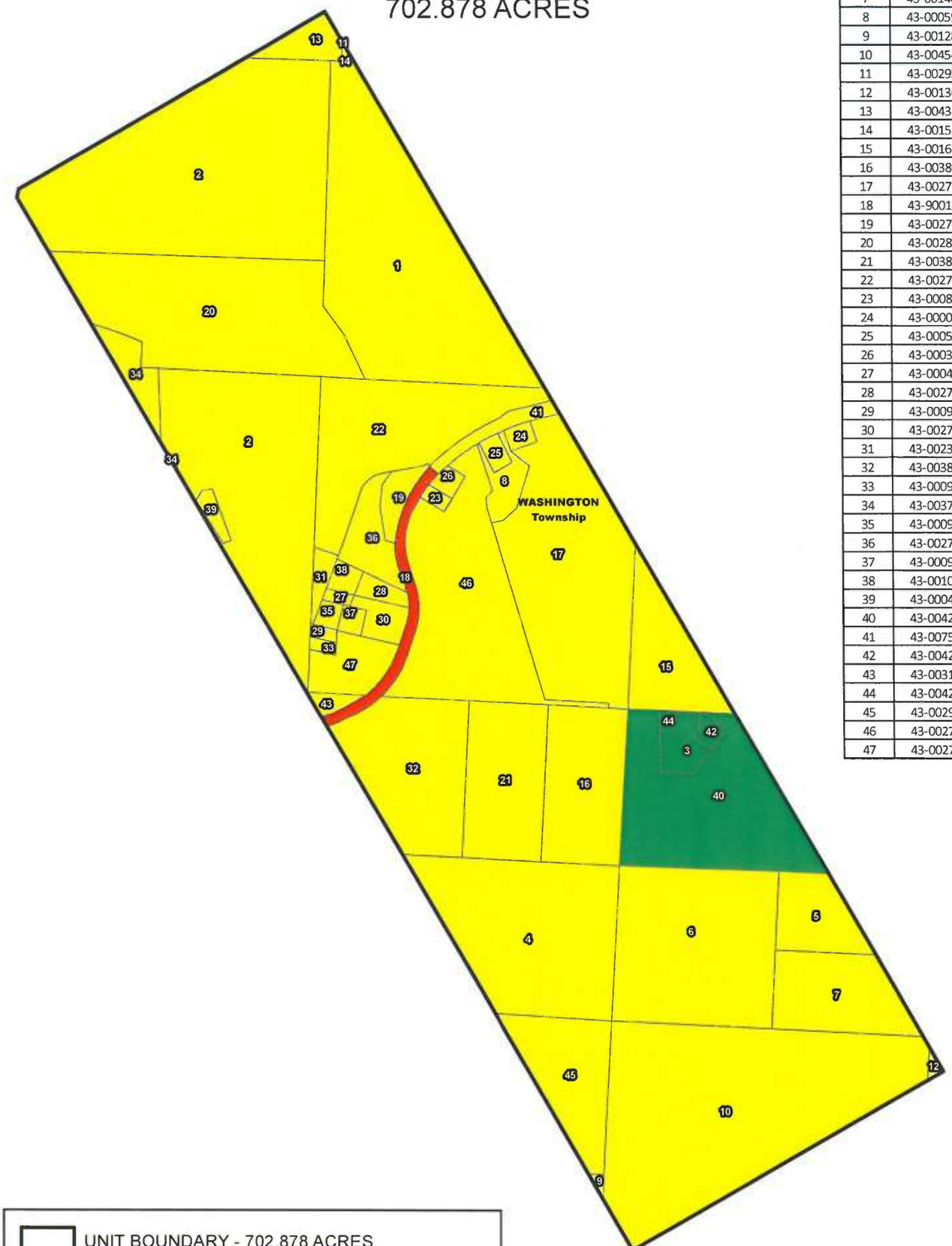
(S E A L)

Belmont County

EXHIBIT "CM-2"

GULFPORT ENERGY CORPORATION
THOMPSON SOUTHWEST UNIT
BELMONT COUNTY, OHIO
702.878 ACRES

MAP ID	PARCEL NUMBER
1	43-00469.000
2	43-00286.000
3	43-00420.001
4	43-00727.000
5	43-00145.000
6	43-00454.001
7	43-00146.000
8	43-00059.000
9	43-00128.001
10	43-00454.000
11	43-00295.000
12	43-00136.000
13	43-00434.000
14	43-00158.000
15	43-00161.000
16	43-00386.000
17	43-00277.002
18	43-90010.000
19	43-00278.001
20	43-00285.000
21	43-00387.000
22	43-00278.000
23	43-00083.000
24	43-00001.000
25	43-00058.000
26	43-00033.000
27	43-00046.000
28	43-00278.005
29	43-00092.000
30	43-00278.004
31	43-00230.000
32	43-00388.000
33	43-00093.000
34	43-00377.000
35	43-00091.000
36	43-00278.002
37	43-00090.000
38	43-00109.000
39	43-00045.000
40	43-00420.000
41	43-00753.000
42	43-00420.002
43	43-00310.000
44	43-00420.003
45	43-00291.000
46	43-00277.000
47	43-00278.003



UNIT BOUNDARY - 702.878 ACRES
LEASED
UNCOMMITTED WORKING INTEREST OWNERS
UNLEASED

THOMPSON SOUTHWEST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

N

GULFPORT ENERGY CORPORATION

0 2,360
Feet

MAP ID	PARCEL NUMBER
1	43-00469.000
2	43-00286.000
3	43-00420.001
4	43-00727.000
5	43-00145.000
6	43-00454.001
7	43-00146.000
8	43-00059.000
9	43-00128.001
10	43-00454.000
11	43-00295.000
12	43-00136.000
13	43-00434.000
14	43-00158.000
15	43-00161.000
16	43-00386.000
17	43-00277.002
18	43-90010.000
19	43-00278.001
20	43-00285.000
21	43-00387.000
22	43-00278.000
23	43-00083.000
24	43-00001.000
25	43-00058.000
26	43-00033.000
27	43-00046.000
28	43-00278.005
29	43-00092.000
30	43-00278.004
31	43-00230.000
32	43-00388.000
33	43-00093.000
34	43-00377.000
35	43-00091.000
36	43-00278.002
37	43-00090.000
38	43-00109.000
39	43-00045.000
40	43-00420.000
41	43-00753.000
42	43-00420.002
43	43-00310.000
44	43-00420.003
45	43-00291.000
46	43-00277.000
47	43-00278.003

THOMPSON SOUTHWEST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

N

GULFPORT ENERGY CORPORATION

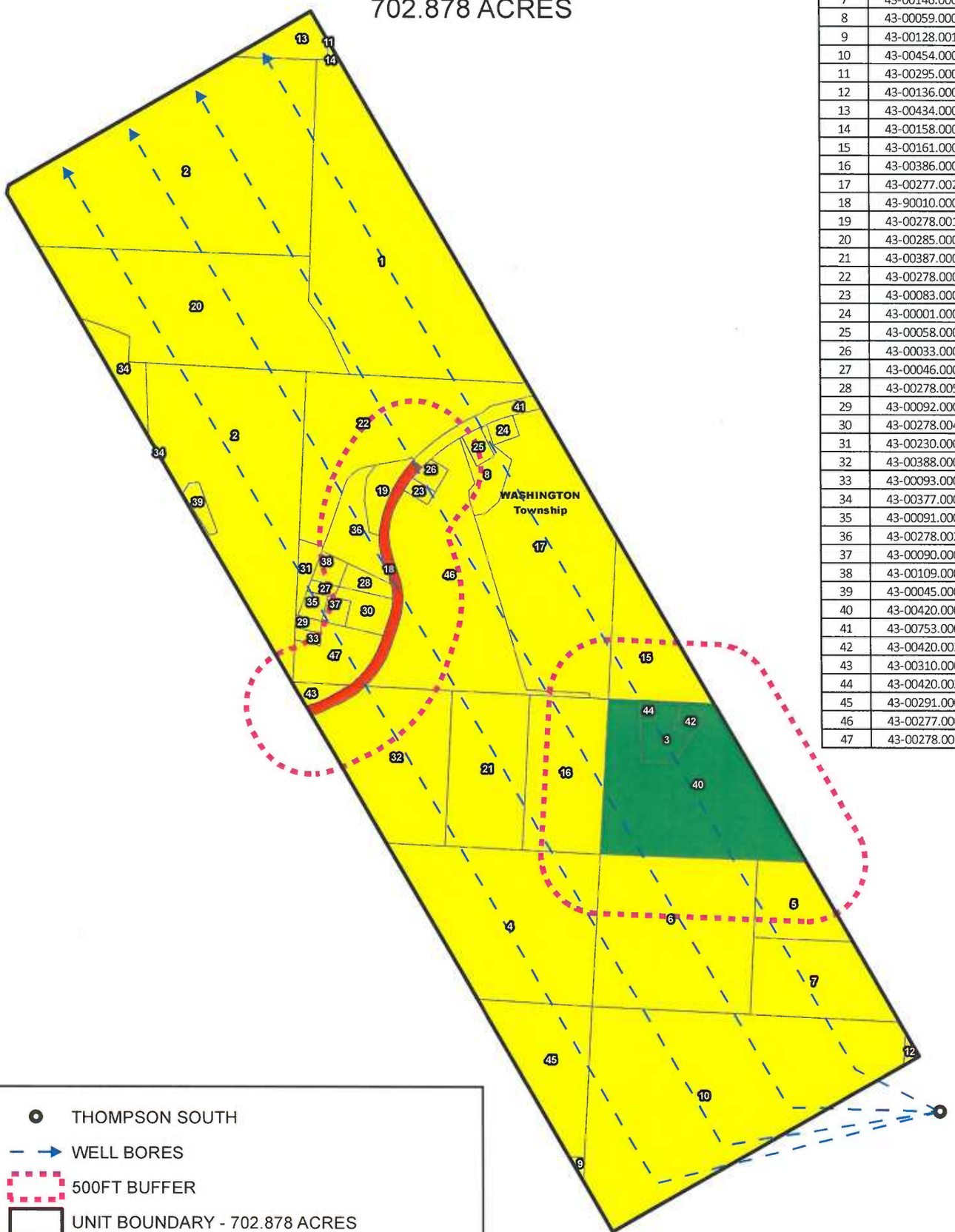
0 2,360
Feet

Belmont County

EXHIBIT "CM-4"

GULFPORT ENERGY CORPORATION
THOMPSON SOUTHWEST UNIT
BELMONT COUNTY, OHIO
702.878 ACRES

MAP ID	PARCEL NUMBER
1	43-00469.000
2	43-00286.000
3	43-00420.001
4	43-00727.000
5	43-00145.000
6	43-00454.001
7	43-00146.000
8	43-00059.000
9	43-00128.001
10	43-00454.000
11	43-00295.000
12	43-00136.000
13	43-00434.000
14	43-00158.000
15	43-00161.000
16	43-00386.000
17	43-00277.002
18	43-90010.000
19	43-00278.001
20	43-00285.000
21	43-00387.000
22	43-00278.000
23	43-00083.000
24	43-00001.000
25	43-00058.000
26	43-00033.000
27	43-00046.000
28	43-00278.005
29	43-00092.000
30	43-00278.004
31	43-00230.000
32	43-00388.000
33	43-00093.000
34	43-00377.000
35	43-00091.000
36	43-00278.002
37	43-00090.000
38	43-00109.000
39	43-00045.000
40	43-00420.000
41	43-00753.000
42	43-00420.002
43	43-00310.000
44	43-00420.003
45	43-00291.000
46	43-00277.000
47	43-00278.003



- THOMPSON SOUTH
- WELL BORES
- 500FT BUFFER
- UNIT BOUNDARY - 702.878 ACRES
- LEASED
- UNCOMMITTED WORKING INTEREST OWNERS
- UNLEASED

THOMPSON SOUTHWEST
WASHINGTON TOWNSHIP BELMONT COUNTY, OHIO

N

GULFPORT ENERGY CORPORATION

0 2,360
Feet

WORKING INTEREST OWNER

APPROVAL OF

UNIT PLAN FOR THE

THOMPSON SOUTHWEST 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 Southwest 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 Southwest 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. 1-17, 19-47

TRACT ACREAGE: 677.463 acres

RELATED WORKING INTEREST PERCENTAGE: 96.3841%

GULFPORT ENERGY CORPORATION

By: Christe Morgan Date: 10-16-15

Christen S. Morgan, RPL –Landman

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%)	0.001	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%)		43-00295.000
11	Donna Ritchey & James Ritchey, wife and husband (7.142%)		43-00295.000
11	Douglas Moellendick, a single man (7.142%)		43-00295.000
11	Dana Kubic, a single woman (7.142%)		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%)	0.187	43-00158.000
14	Barbara Kay Seib and William A. Seib (20%)		43-00158.000
14	Amy Bruny Kugler & James M. Kugler, wife and husband (20%)		43-00158.000
14	Stuart F. Bruny & Tracy L. Harrison-Bruney, husband and wife (20%)		43-00158.000
14	Scott Bruny, a single man (20%)		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
		677.463	