

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

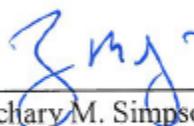
In re the Matter of the Application of :  
Gulfport Energy Corporation, for :  
Unit Operation : Application Date: February 17, 2016  
 : Supplement Date: June 1, 2016  
Neal East Unit :

**FIRST SUPPLEMENT TO APPLICATION**

On February 17, 2016, 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 Neal East Unit located in Belmont County, Ohio (the “Unitization Application”). Gulfport files this First Supplement to Application to reflect the following changes:

- Revised Unitization Application
- Revised Exhibit A to the Unit Operating Agreement
- Revised Exhibit A1 to the Unit Operating Agreement
- Revised Exhibit A-2 to the Unit Operating Agreement
- Revised Exhibit A-3 to the Unit Operating Agreement
- Revised Exhibit A-4 to the Unit Operating Agreement
- Revised Exhibit 4 – Prepared Testimony of Danny Watson
- Revised Exhibit DW-1 and DW-2 to Danny Watson’s Prepared Testimony
- Revised Exhibit 5 - Prepared Testimony of Jenae Allert
- Revised Exhibits JM-2 thru JM-4
- Revised Exhibit 6.1 to Exhibit 6 - Gulfport’s Working Interest Owner Approval Form.

Respectfully submitted,



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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: February 17, 2016
	:	Supplement Date: June 1, 2016
<u>Neal East Unit</u>	:	

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

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

Attorney for Applicant

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Exhibit 4 Prepared Direct Testimony of Danny Watson (“Reservoir Engineer”)

Exhibit 5 Prepared Direct Testimony of Jenae McCuistion (“Landman”)

Exhibit 6 Working Interest Owner Approval

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

In re the Matter of the Application of :  
Gulfport Energy Corporation, for :  
Unit Operation : Application Date: February 17, 2016  
:  
Neal East 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 “Neal East 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  
Gulfport Energy Corporation  
14313 N. May, Suite 100  
Oklahoma City, Oklahoma 73134  
Tel. (405) 848-8807  
E-mail: [zsimpson@gulfportenergy.com](mailto:zsimpson@gulfportenergy.com)

## II. PROJECT DESCRIPTION

The Neal East Unit is located in Belmont County, Ohio, and consists of seventy-one (71) 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 Neal East Unit is approximately 530.018 acres. Gulfport has the right to drill on and produce from approximately 405.273 acres of the proposed unit through its leasehold interest and joint venture agreement with Rice Drilling D., LLC, a closed trade agreement with XTO, Inc., and a closed trade agreement with Antero Resources Corporation – i.e., approximately seventy-one percent (76.46314%) of the unit area, which is above the sixty-five percent (65%) threshold required by Ohio Revised Code § 1509.28.<sup>1</sup> As more specifically described herein, Gulfport seeks authority to drill and complete one or more horizontal wells in the Unitized Formation from a single well pad located to the south of the Neal East 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 Neal East 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;<sup>2</sup> (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 ex-

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<sup>1</sup> See Prepared Direct Testimony of Jenae McCuiston at 2-3, attached as Exhibit 5.

<sup>2</sup> See Prepared Direct Testimony of Michael Buckner, attached as Exhibit 3.

ceeds its additional costs;<sup>3</sup> and (iii) testimony from an operational Landman with firsthand 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.<sup>4</sup>

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

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<sup>3</sup> See Prepared Direct Testimony of Danny Watson, attached as Exhibit 4.

<sup>4</sup> See Prepared Direct Testimony of Jenae McCuiston, attached as Exhibit 5.

percent of the unit's acreage. Once effective, production that is "allocated to a separately owned 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.<sup>5</sup> 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.<sup>6</sup>

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 Neal East Unit. The Unit Plan contemplates the potential drilling of approximately two horizontal wells from a single well pad, with laterals averaging in length approximately 10,200 feet, and with the potential for additional unit wells in the event they are necessary to fully recover the resource.<sup>7</sup> Gulfport estimates that the ultimate recovery from this unit development could be as much as 45 billion cubic feet (Bcf) of natural gas from the Unitized Formation.<sup>8</sup> 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

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<sup>5</sup> 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.

<sup>6</sup> Exhibit 3 at 3-5.

<sup>7</sup> See, e.g., Exhibit 5 at 4-5.

<sup>8</sup> 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.

– resulting in potentially no resource recovery from the Unitized Formation.<sup>9</sup> Second, simply relying on shorter horizontal laterals to develop the Unitized Formation underlying the Neal East Unit would be uneconomical. Oil and gas recovery from horizontal drilling methods is directly related to the length of the lateral – limit a lateral’s length and you limit its ultimate recovery. Here, in absence of unit operations being granted, the unleased and uncommitted tracts would prevent the development of all wells in the unit area and lead to stranding the corresponding reserves.<sup>10</sup>

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.<sup>11</sup>

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 Neal East Unit at present, is likely to be approximately \$11.081 million.<sup>12</sup> 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.<sup>13</sup> 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.<sup>14</sup> Payment of unit expenses is addressed generally in Article 3 of the Unit Agreement.<sup>15</sup> 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

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<sup>9</sup> *Id.* at 4-6.

<sup>10</sup> *Id.* at 4-6.

<sup>11</sup> *Id.* at 5-7.

<sup>12</sup> *Id.* at 7.

<sup>13</sup> See also, e.g., Exhibit 5 at 6-10.

<sup>14</sup> *Id.* at 7-10.

<sup>15</sup> *Id.*

Agreement because none are contemplated.<sup>16</sup> 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.<sup>17</sup> 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.<sup>18</sup> 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 seventy-one percent (76.46314%) 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 June 2016 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

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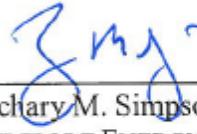
<sup>16</sup> Id. at 10.

<sup>17</sup> Id. at 10-13.

<sup>18</sup> Id. at 11-13.

issue an order authorizing Gulfport to operate the Neal East Unit according to the Unit Plan attached hereto.

Respectfully submitted,



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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 February 17, 2016, as approved by the  
Ohio Department of Natural Resources for the Neal East 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:**

<b>OPERATOR</b>	<b><u>Working Interest</u></b>
Gulfport Energy Corporation	66.9159%*
<b>NON OPERATOR</b>	
Rice Drilling D, LLC	9.547%
Eclipse Resources – Ohio, LLC	22.555403%
Unleased Mineral Owners	1.2117%*
<b>TOTAL:</b>	<b>100.000000%</b>

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

See Exhibit "A-2"

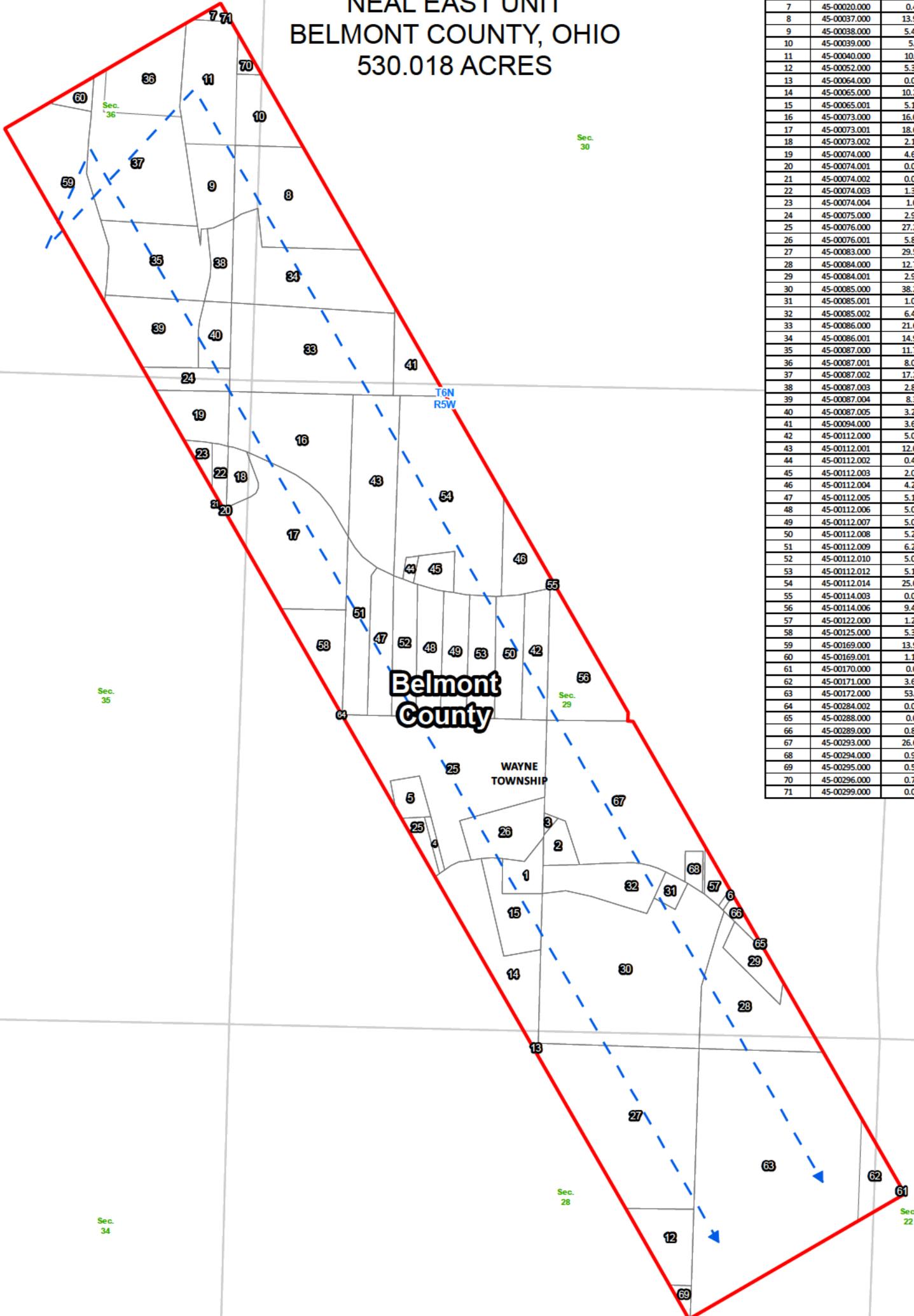
\*It is understood by the Parties that the working interests listed above are estimates and are subject to change based upon the verification of title, additional leasehold acquired within the Contract Area, and/or the participation or non-participation of unleased mineral interests and/or third parties.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

**End of Exhibit "A"**

# EXHIBIT "A-1"

## GULFPORT ENERGY CORPORATION NEAL EAST UNIT BELMONT COUNTY, OHIO 530.018 ACRES

MAP ID	PARCEL NUMBER	ACRES
1	45-00003.000	2.394
2	45-00005.000	1.87
3	45-00005.001	0.237
4	45-00006.000	0.535
5	45-00007.000	1.91
6	45-00013.000	0.178
7	45-00020.000	0.46
8	45-00037.000	13.964
9	45-00038.000	5.423
10	45-00039.000	5.1
11	45-00040.000	10.21
12	45-00052.000	5.304
13	45-00064.000	0.078
14	45-00065.000	10.215
15	45-00065.001	5.124
16	45-00073.000	16.042
17	45-00073.001	18.684
18	45-00073.002	2.113
19	45-00074.000	4.661
20	45-00074.001	0.015
21	45-00074.002	0.005
22	45-00074.003	1.338
23	45-00074.004	1.02
24	45-00075.000	2.916
25	45-00076.000	27.228
26	45-00076.001	5.894
27	45-00083.000	29.568
28	45-00084.000	12.741
29	45-00084.001	2.945
30	45-00085.000	38.252
31	45-00085.001	1.089
32	45-00085.002	6.416
33	45-00086.000	21.628
34	45-00086.001	14.999
35	45-00087.000	11.734
36	45-00087.001	8.022
37	45-00087.002	17.297
38	45-00087.003	2.885
39	45-00087.004	8.31
40	45-00087.005	3.222
41	45-00094.000	3.659
42	45-00112.000	5.027
43	45-00112.001	12.009
44	45-00112.002	0.445
45	45-00112.003	2.059
46	45-00112.004	4.223
47	45-00112.005	5.197
48	45-00112.006	5.049
49	45-00112.007	5.017
50	45-00112.008	5.292
51	45-00112.009	6.288
52	45-00112.010	5.099
53	45-00112.012	5.186
54	45-00112.014	25.016
55	45-00114.003	0.048
56	45-00114.006	9.482
57	45-00122.000	1.225
58	45-00125.000	5.317
59	45-00169.000	13.942
60	45-00169.001	1.154
61	45-00170.000	0.02
62	45-00171.000	3.621
63	45-00172.000	53.69
64	45-00284.002	0.003
65	45-00288.000	0.04
66	45-00289.000	0.804
67	45-00293.000	26.649
68	45-00294.000	0.984
69	45-00295.000	0.598
70	45-00296.000	0.764
71	45-00299.000	0.085



**Belmont  
County**

WAYNE  
TOWNSHIP

UNIT BOUNDARY - 530.018 ACRES

NEAL EAST  
WAYNE TOWNSHIP BELMONT COUNTY, OHIO

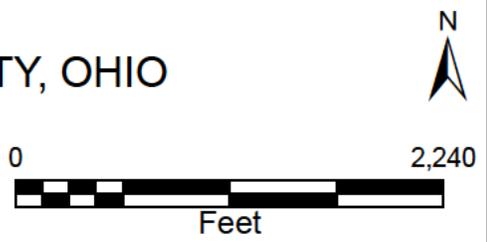


Exhibit "A-2"  
Leases Within the Contract Area

Attached to and made a part of that certain Unit Operating Agreement dated February 17, 2016 as approved by the Ohio Department of Natural Resources for the Neal East 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	ECLIPSE WORKING INTEREST	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
1	3287	Barry M. & Stacey L. West	Y	2.39400	0.45168%	45-00003.000	Wayne	Belmont	OH	0.00452	0.004517			0.00452	57400 New Castle Road	Jerusalem	OH	43747
2	RICE	Theodore R. Uivari Jr.	Y	1.87000	0.35282%	45-00005.000	Wayne	Belmont	OH	0.00353		0.00353		0.00353	51241 Campfire Road	Jerusalem	OH	43747
3	3213	Dwayne E. Stottler	Y	0.23700	0.04472%	45-00005.001	Wayne	Belmont	OH	0.00045	0.000447			0.00045	58780 Sandy Ridge Road	Barnesville	OH	43713
4	3405	Richard A. & Cynthia J. Lallathin	Y	0.53500	0.10094%	45-00006.000	Wayne	Belmont	OH	0.00101	0.001009			0.00101	57414 Stumpton Road	Barnesville	OH	43713
5	3405	Richard A. & Cynthia J. Lallathin	Y	1.91000	0.36037%	45-00007.000	Wayne	Belmont	OH	0.00360	0.003604			0.00360	57414 Stumpton Road	Barnesville	OH	43713
6	3393	Eric J. & Tonya S. Bates	Y	0.17800	0.03358%	45-00013.000	Wayne	Belmont	OH	0.00034	0.000336			0.00034	57285 New Castle Road	Jerusalem	OH	43747
7	TBD	John A. Juzwick Jr.	Y	0.46000	0.08679%	45-00020.000	Wayne	Belmont	OH	0.00087	0.00087			0.00087	500 Will Street	Quaker City	OH	43773
8	TBD	Marietta Coal Company	Y	13.96400	2.63463%	45-00037.000	Wayne	Belmont	OH	0.02635	0.02635			0.02635	67705 Friends Church Road	Saint Clairsville	OH	43950
9	TBD	Marietta Coal Company	Y	5.42300	1.02317%	45-00038.000	Wayne	Belmont	OH	0.01023	0.01023			0.01023	67705 Friends Church Road	Saint Clairsville	OH	43950
10	RICE	William A. Campbell	Y	5.10000	0.96223%	45-00039.000	Wayne	Belmont	OH	0.00962		0.00962		0.00962	58482 Sandy Ridge Road	Barnesville	OH	43713
11	RICE	William A. Campbell	Y	10.21000	1.92635%	45-00040.000	Wayne	Belmont	OH	0.01926		0.01926		0.01926	58482 Sandy Ridge Road	Barnesville	OH	43713
12	ECLIPSE	Damon K. Detling, divorced and not remarried	Y	*5.30400	ECLIPSE	45-00052.000	Wayne	Belmont	OH	0.00000				0.00000	56960 Shry Road	Jerusalem	OH	43747
13	9244	L.D. & Rebecca Jenins et al	Y	0.07800	0.00276%	45-00064.000	Wayne	Belmont	OH	0.00003	0.000028			0.00003	P.O. Box 51	Cashion	OK	73016
13	9244	First Ranger Capital LLC	Y		0.00006%	45-00064.000	Wayne	Belmont	OH	0.00000	0.000001			0.00000	7045 Aspen Wood Trail	Fort Worth	TX	76132
13	9317	Flatiron Energy Partners, LLC	Y		0.00155%	45-00064.000	Wayne	Belmont	OH	0.00002	0.000015			0.00002	P.O. Box 601559	Dallas	TX	75360
13	9317	Four HC Utica LLC	Y		0.00037%	45-00064.000	Wayne	Belmont	OH	0.00000	0.000004			0.00000	12377 Merit Drive Suite 1200	Dallas	TX	75251
13	9317	Highpoint Energy Partners, VI	Y		0.00625%	45-00064.000	Wayne	Belmont	OH	0.00006	0.000063			0.00006	2236 Cahaba Valley Drive Suite 100	Birmingham	AL	35242
13	9317	Nelson Bunker Hunt Trust Estate	Y		0.00276%	45-00064.000	Wayne	Belmont	OH	0.00003	0.000028			0.00003	5910 North Central Expressway Suite 1350	Dallas	TX	75206
13	9317	Tejas Resources, LLC	Y		0.00006%	45-00064.000	Wayne	Belmont	OH	0.00000	0.000001			0.00000	8351 Deerwood Forest Drive	Fort Worth	TX	76126
14	9244	L.D. & Rebecca Jenins et al	Y	10.21500	0.48182%	45-00065.000	Wayne	Belmont	OH	0.00482	0.004818			0.00482	P.O. Box 51	Cashion	OK	73016
14	9317	First Ranger Capital LLC	Y		0.00723%	45-00065.000	Wayne	Belmont	OH	0.00007	0.000072			0.00007	7045 Aspen Wood Trail	Fort Worth	TX	76132
14	9317	Flatiron Energy Partners, LLC	Y		0.20237%	45-00065.000	Wayne	Belmont	OH	0.00202	0.002024			0.00202	P.O. Box 601559	Dallas	TX	75360
14	9317	Four HC Utica LLC	Y		0.04813%	45-00065.000	Wayne	Belmont	OH	0.00048	0.000481			0.00048	12377 Merit Drive Suite 1200	Dallas	TX	75251
14	9317	Highpoint Energy Partners, VI	Y		0.81915%	45-00065.000	Wayne	Belmont	OH	0.00819	0.008191			0.00819	2236 Cahaba Valley Drive Suite 100	Birmingham	AL	35242
14	9317	Nelson Bunker Hunt Trust Estate	Y		0.36137%	45-00065.000	Wayne	Belmont	OH	0.00361	0.003614			0.00361	5910 North Central Expressway Suite 1350	Dallas	TX	75206
14	9317	Tejas Resources, LLC	Y		0.00723%	45-00065.000	Wayne	Belmont	OH	0.00007	0.000072			0.00007	8351 Deerwood Forest Drive	Fort Worth	TX	76126
15	3287	Barry M. & Stacey L. West	Y	5.12400	0.96676%	45-00065.001	Wayne	Belmont	OH	0.00967	0.009668			0.00967	57400 New Castle Road	Jerusalem	OH	43747
16	3426	Andy J. & Susan J. Weaver	Y	16.04200	3.02669%	45-00073.000	Wayne	Belmont	OH	0.03027	0.030267			0.03027	57981 Sandy Ridge Road	Barnesville	OH	43713
17	3424	Andy J. & Susan J. Weaver	Y	18.68400	3.52516%	45-00073.001	Wayne	Belmont	OH	0.03525	0.035252			0.03525	5765 Lyrice Drive	Clinton	OH	44216
18	3418	Wenger Holding LLC	Y	2.11300	0.39867%	45-00073.002	Wayne	Belmont	OH	0.00399	0.003987			0.00399	21005 New Gottengen Road	Salesville	OH	43778
19	3426	Andy J. & Susan J. Weaver	Y	4.66100	0.87940%	45-00074.000	Wayne	Belmont	OH	0.00879	0.008794			0.00879	57981 Sandy Ridge Road	Barnesville	OH	43713
20	3424	James R. & Mary F. Wilcox	Y	0.01500	0.00283%	45-00074.001	Wayne	Belmont	OH	0.00003	0.000028			0.00003	5765 Lyrice Drive	Clinton	OH	44216
21	9543	Jacob E. & Wayne E. Miller	Y	0.00500	0.00094%	45-00074.002	Wayne	Belmont	OH	0.00001	0.000009			0.00001	1954 Township Road 661	Dundee	OH	44624
22	3418	Marty E. Sr. & Ada Y Weaver	Y	1.33800	0.25244%	45-00074.003	Wayne	Belmont	OH	0.00252	0.002524			0.00252	32999 Miltonsburg Calais Road	Woodsfield	OH	43793
23	3426	Andy J. & Susan J. Weaver	Y	1.02000	0.19245%	45-00074.004	Wayne	Belmont	OH	0.00192	0.001924			0.00192	57981 Sandy Ridge Road	Barnesville	OH	43713
24	3426	Andy J. & Susan J. Weaver	Y	2.91600	0.55017%	45-00075.000	Wayne	Belmont	OH	0.00550	0.005502			0.00550	57981 Sandy Ridge Road	Barnesville	OH	43713
25	3405	Richard A. & Cynthia J. Lallathin	Y	27.22800	5.13718%	45-00076.000	Wayne	Belmont	OH	0.05137	0.051372			0.05137	57414 Stumpton Road	Barnesville	OH	43713
26	2171	Richard A. Cline	Y	5.89400	1.11204%	45-00076.001	Wayne	Belmont	OH	0.01112	0.011120			0.01112	57458 Stumptown Road	Barnesville	OH	43713
27	ECLIPSE	Brian K. & Barry M. West	Y	*29.56800	ECLIPSE	45-00083.001	Wayne	Belmont	OH	0.00000				0.00000	57400 New Castle Road	Jerusalem	OH	43747
28	ECLIPSE	Brian K. & Barry M. West	Y	*12.47100	ECLIPSE	45-00084.000	Wayne	Belmont	OH	0.00000				0.00000	57400 New Castle Road	Jerusalem	OH	43747
29	3422	Larry K. & Wilma M. West (Trustees) (50% GPOR)	Y	1.47250	0.27782%	45-00084.001	Wayne	Belmont	OH	0.00278	0.002778			0.00278	57244 New Castle Road	Jerusalem	OH	43747
29	ECLIPSE	Larry & Wilma West, husband and wife (ECR 50%)	Y	*1.47300	ECLIPSE	45-00084.001	Wayne	Belmont	OH	0.00000			50%	0.00000	57244 New Castle Road	Jerusalem	OH	43748

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	ECLIPSE WORKING INTEREST	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
30	ECLIPSE	Brian K. & Barry M. West	Y	*38.25200	ECLIPSE	45-00085.000	Wayne	Belmont	OH	0.00000			100%	0.00000	57400 New Castle Road	Jerusalem	OH	43747
31	3420	Brian K. West	Y	1.08900	0.20546%	45-00085.001	Wayne	Belmont	OH	0.00205	0.002055			0.00205	57239 New Castle Road	Jerusalem	OH	43747
32	3289	Barry M. & Stacey L. West	Y	6.41600	1.21052%	45-00085.002	Wayne	Belmont	OH	0.01211	0.012105			0.01211	57400 New Castle Road	Jerusalem	OH	43747
33	3395	John D. Bush	Y	21.62800	1.36021%	45-00086.000	Wayne	Belmont	OH	0.01360	0.013602			0.01360	58285 Sandy Ridge	Barnesville	OH	43713
33	3395	Mikel S. Lease	Y		1.36021%	45-00086.000	Wayne	Belmont	OH	0.01360	0.013602			0.01360	14483 Cayuga Dr.	Columbia Station	OH	44028
33	3395	Daniel R. Lease	Y		1.36021%	45-00086.000	Wayne	Belmont	OH	0.01360	0.013602			0.01360	38160 Crook St.	Grafton	OH	44044
34	ECLIPSE	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (ECR 30%)	Y	*4.5000	ECLIPSE	45-00086.001	Wayne	Belmont	OH	0.00000			30%	0.00000	560 Walnut	Leetonia	OH	44431
34	13473	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (AR 70%)	Y	10.49930	1.98093%	45-00086.001	Wayne	Belmont	OH	0.01981	0.019809			0.01981	560 Walnut	Leetonia	OH	44431
35	3395	John D. Bush	Y	11.73400	0.73796%	45-00087.000	Wayne	Belmont	OH	0.00738	0.007380			0.00738	58285 Sandy Ridge	Barnesville	OH	43713
35	3395	Mikel S. Lease	Y		0.73796%	45-00087.000	Wayne	Belmont	OH	0.00738	0.007380			0.00738	14483 Cayuga Dr.	Columbia Station	OH	44028
35	3395	Daniel R. Lease	Y		0.73796%	45-00087.000	Wayne	Belmont	OH	0.00738	0.007380			0.00738	38160 Crook St.	Grafton	OH	44044
36	9914	Mary W. Hershberger	Y	8.02200	1.51353%	45-00087.001	Wayne	Belmont	OH	0.01514	0.015135			0.01514	58995 Warrick Road	Barnesville	OH	43713
37	9914	Mary W. Hershberger	Y	17.29700	3.26347%	45-00087.002	Wayne	Belmont	OH	0.03263	0.032635			0.03263	58995 Warrick Road	Barnesville	OH	43713
38	ECLIPSE	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (ECR 30%)	Y	*.86600	ECLIPSE	45-00087.003	Wayne	Belmont	OH	0.00000			30%	0.00000	58305 Sandy Ridge Road	Barnesville	O	43713
38	13473	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (AR 70%)	Y	2.01950	0.38102%	45-00087.003	Wayne	Belmont	OH	0.00381	0.003810			0.00381	58305 Sandy Ridge Road	Barnesville	O	43713
39	3395	John D. Bush	Y	8.31000	0.52262%	45-00087.004	Wayne	Belmont	OH	0.00523	0.005226			0.00523	58285 Sandy Ridge	Barnesville	OH	43713
39	3395	Mikel S. Lease	Y		0.52262%	45-00087.004	Wayne	Belmont	OH	0.00523	0.005226			0.00523	14483 Cayuga Dr.	Columbia Station	OH	44028
39	3395	Daniel R. Lease	Y		0.52262%	45-00087.004	Wayne	Belmont	OH	0.00523	0.005226			0.00523	38160 Crook St.	Grafton	OH	44044
40	3395	John D. Bush Etal	Y	3.22200	0.20263%	45-00087.005	Wayne	Belmont	OH	0.00203	0.002026			0.00203	58285 Sandy Ridge	Barnesville	OH	43713
40	3395	Mikel S. Lease	Y		0.20263%	45-00087.005	Wayne	Belmont	OH	0.00203	0.002026			0.00203	14483 Cayuga Dr.	Columbia Station	OH	44028
40	3395	Daniel R. Lease	Y		0.20263%	45-00087.005	Wayne	Belmont	OH	0.00203	0.002026			0.00203	38160 Crook St.	Grafton	OH	44044
41	5056	Baugher Grain Farms Inc	Y	3.65900	0.69035%	45-00094.000	Wayne	Belmont	OH	0.00690	0.006904			0.00690	1380 Hapes Mill Road	Taneytown	MD	21787
42	RICE	Andrew Schrock	Y	5.02700	0.94846%	45-00112.000	Wayne	Belmont	OH	0.00948		0.00948		0.00948	11 B. SR 604	West Salem	OH	44287
43	13430	Ashley A. Ingold	Y	12.00900	2.26577%	45-00112.001	Wayne	Belmont	OH	0.02266	0.022658			0.02266	39305 W. Captina Hwy	Barnesville	OH	43713
44	13427	Emanuel and Anna Weaver	Y	0.44500	0.08396%	45-00112.002	Wayne	Belmont	OH	0.00084	0.000840			0.00084	39311 W. Captina Hwy	Barnesville	OH	43713
45	13427	Emanuel and Anna Weaver	Y	2.05900	0.38848%	45-00112.003	Wayne	Belmont	OH	0.00388	0.003885			0.00388	39311 W. Captina Hwy	Barnesville	OH	43713
46	RICE	Kent E. & Deanne E. Adams III	Y	4.22300	0.79677%	45-00112.004	Wayne	Belmont	OH	0.00797		0.00797		0.00797	P.O. Box 245	Fredericksburg	OH	44627
47	Unleased Mineral Owner	J. J. Detweiler Enterprises Inc	N	UNLEASED	UNLEASED	45-00112.005	Wayne	Belmont	Ohio	0.00000				0.00000	2814 Edison	Uniontown	OH	44685
48	9149	Stewart F. & Nancy I. Bridgeman	Y	5.04900	0.95261%	45-00112.006	Wayne	Belmont	OH	0.00953	0.009526			0.00953	3030 Polly Road	Ravenna	OH	44266
49	9149	Stewart F. & Nancy I. Bridgeman	Y	5.01700	0.94657%	45-00112.007	Wayne	Belmont	OH	0.00947	0.009466			0.00947	3030 Polly Road	Ravenna	OH	44266
50	RICE	Andrew Schrock	Y	5.29200	0.99846%	45-00112.008	Wayne	Belmont	OH	0.00998		0.00998		0.00998	11 B. SR 604	West Salem	OH	44287
51	6037	Jacob L. & Ronald L. Stouffer	Y	6.28800	1.18637%	45-00112.009	Wayne	Belmont	OH	0.01186	0.011864			0.01186	600 Jefferson Street, Suite 2000	Houston	TX	77002
52	9149	Stewart F. & Nancy I. Bridgeman	Y	5.09900	0.96204%	45-00112.010	Wayne	Belmont	OH	0.00962	0.009620			0.00962	3030 Polly Road	Ravenna	OH	44266
53	12828	Mannie E. Gircsis	Y	5.18600	0.97846%	45-00112.012	Wayne	Belmont	OH	0.00978	0.009785			0.00978	3477 W. 126th Street	Cleveland	OH	44111
54	13044	James T. & Misty D. Moore	Y	25.01600	4.71984%	45-00112.014	Wayne	Belmont	OH	0.04720	0.047198			0.04720	39309 West Captina Highway	Barnesville	OH	43713
55	RICE	Kent E. & Deanne E. Adams III	Y	0.04800	0.00906%	45-00114.003	Wayne	Belmont	OH	0.00009		0.00009		0.00009	P.O. Box 245	Fredericksburg	OH	44627
56	RICE	James M. Valentine	Y	9.48200	1.78900%	45-00114.006	Wayne	Belmont	OH	0.01789		0.01789		0.01789	10206 Champion Avenue	Cleveland	OH	44111
57	RICE	Sandra S. Shepard Etal as Trustee (Remaindermen)	Y	RM	RM	45-00122.000	Wayne	Belmont	OH	0.00000			RM	0.00000	4857 Sandstone Drive	Conover	NC	28613
57	Rice	M. Joan Shepherd (Life Estate)	Y	1.22500	0.2311%	45-00122.000	Wayne	Belmont	Ohio	0.00231		0.00231		0.00231	PO Box 137	Bethesda	OH	43719
58	3402	Joe P. & Lizzie J. Hershberger	Y	5.31700	1.00317%	45-00125.000	Wayne	Belmont	OH	0.01003	0.010032			0.01003	57459 Shry Road	Barnesville	OH	43713
59	9925	Danette L. Warrick Etal	Y	13.94200	2.63048%	45-00169.000	Wayne	Belmont	OH	0.02630	0.013152	0.01315		0.02630	58612 Warrick Road	Barnesville	OH	43713
60	RICE	George C. & Deborah L. Reinacher	Y	1.15400	0.21773%	45-00169.001	Wayne	Belmont	OH	0.00218		0.00218		0.00218	58466 Warrick Road	Barnesville	OH	43713
61	3421	Bruce A. & Krista West	Y	0.02000	0.00377%	45-00170.000	Wayne	Belmont	OH	0.00004	0.000038			0.00004	56965 Stumptown School Road	Jerusalem	OH	43747
62	3422	Larry K. & Wilma M. West (Trustees)	Y	3.62100	0.68318%	45-00171.000	Wayne	Belmont	OH	0.00683	0.006832			0.00683	57244 New Castle Road	Jerusalem	OH	43747

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	ECLIPSE WORKING INTEREST	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
63	3422	Larry K. & Wilma M. West (Trustees) (50% GPOR)	Y	26.84500	5.06492%	45-00172.000	Wayne	Belmont	OH	0.05065	0.050649			0.05065	57244 New Castle Road	Jerusalem	OH	43747
64	3286	Jeffrey L. Wehr	Y	0.00300	0.00057%	45-00284.002	Wayne	Belmont	OH	0.00001	0.000006			0.00001	57062 Stumptown Road	Barnesville	OH	43713
65	3420	Brian K. & Shelley S. West	Y	0.04000	0.00755%	45-00288.000	Wayne	Belmont	OH	0.00008	0.000075			0.00008	57239 New Castle Road	Jerusalem	OH	43747
66	3420	Brian K. West	Y	0.80400	0.15169%	45-00289.000	Wayne	Belmont	OH	0.00152	0.001517			0.00152	57239 New Castle Road	Jerusalem	OH	43747
67	3213	E. Dwayne Stottler	Y	26.64900	5.02794%	45-00293.000	Wayne	Belmont	OH	0.05028	0.050279			0.05028	58780 Sandy Ridge Road	Barnesville	OH	43713
68	2147	Carol B. Stottler	Y	0.98400	0.18565%	45-00294.000	Wayne	Belmont	OH	0.00186	0.001857			0.00186	57470 New Castle Road	Barnesville	OH	43713
69	2151	Jake & Delila Weaver (Trustees)	Y	0.59800	0.11283%	45-00295.000	Wayne	Belmont	OH	0.00113	0.001128			0.00113	56539 Shry Road	Jerusalem	OH	43747
70	3434	James T. & Mary Jo Moore	Y	0.76400	0.14415%	45-00296.000	Wayne	Belmont	OH	0.00144	0.001441			0.00144	58601 Sandy Ridge Road	Barnesville	OH	43713
71	3434	James T. & Mary Jo Moore	Y	0.08500	0.01604%	45-00299.000	Wayne	Belmont	OH	0.00016	0.000160			0.00016	58601 Sandy Ridge Road	Barnesville	OH	43713

<b>TOTAL NET LEASED ACRES:</b>	<b>405.273</b>	<b>76.46314%</b>
<b>TOTAL UNIT ACRES:</b>	<b>530.01800</b>	

<b>76.46314%</b>	<b>0.669159</b>	<b>0.09547</b>
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**76.463142%**

END OF EXHIBIT "A-2"

**Exhibit "A-3"  
Unitized Parties**

Attached to and made a part of that certain Unit Operating Agreement dated February 17, 2016 as approved by the Ohio Department of Natural Resources for the Neal East 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	UNIT PARTICIPATION	ADDRESS	CITY	STATE	ZIP CODE
47	Unleased Mineral Owner	J. J. Detweiler Enterprises Inc	N	5.197	0.98053%	45-00112.005	Wayne	Belmont	Ohio	0.9805%	2814 Edison	Uniontown	OH	446.85

<b>TOTAL UNITIZED ACRES:</b>	5.197	0.98053%
<b>TOTAL UNIT ACRES:</b>	530.018	

Unleased

END OF EXHIBIT "A-3"

**Exhibit "A-4"**

**Tracts with Uncommitted Working Interest Owners Within the Neal East Contract Area**

Attached to and made a part of that certain Unit Operating Agreement dated February 17, 2016 as approved by the Ohio Department of Natural Resources for the Neal East Unit

TRACT NUMBER	UNCOMMITTED WORKING INTEREST OWNER	ADDRESS	LEASED Y/N	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	TOWNSHIP	COUNTY	STATE	UNIT PARTICIPATION
12	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	5.304	0.010007207	45-00052.000	Wayne	Belmont	Ohio	1.00072%
27	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	29.568	0.055786785	45-00083.001	Wayne	Belmont	Ohio	5.57868%
28	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	12.741	0.024038806	45-00084.000	Wayne	Belmont	Ohio	2.40388%
29	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP (50%)	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	1.473	0.002778208	45-00084.001	Wayne	Belmont	Ohio	0.27782%
30	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	38.252	0.072171134	45-00085.000	Wayne	Belmont	Ohio	7.21711%

TRACT NUMBER	UNCOMMITTED WORKING INTEREST OWNER	ADDRESS	LEASED Y/N	SURFACE ACRES IN UNIT	TRACT PARTICIPATION	TAX MAP PARCEL ID NUMBERS	TOWNSHIP	COUNTY	STATE	UNIT PARTICIPATION
34	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP (30%)	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	4.500	0.008490278	45-00086.001	Wayne	Belmont	Ohio	0.84903%
38	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP (30%)	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	0.866	0.001632963	45-00087 .003	Wayne	Belmont	Ohio	0.16330%
63	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP (50%)	Eclipse Resources – Ohio, LLC Eclipse Resources I, LP 2121 Old Gatesburg Road, Suite 110 State College, PA 16803  Attention: Chad Volk	Y	26.845	0.050649223	45-00172.000	Wayne	Belmont	Ohio	5.06492%

<b>TOTAL UNCOMMITTED WI</b>	<b>119.548</b>	<b>22.555460%</b>
<b>TOTAL UNIT ACRES</b>	<b>530.018</b>	

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: February 17, 2016  
: Supplement Date: June 1, 2016  
Neal East Unit :

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**PREPARED TESTIMONY OF DANNY WATSON, P.E.  
ON BEHALF OF GULFPORT ENERGY CORPORATION**

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

Attorney for Applicant,  
Gulfport Energy Corporation

Date: June 1, 2016

**PREPARED DIRECT TESTIMONY OF DANNY WATSON, P.E.**

1 **Q1. Please introduce yourself.**

2 A1. My name is Danny Watson and my business address is 14313 N. May, Oklahoma City,  
3 Oklahoma 73134. I am Resource Development Manager for Gulfport Energy  
4 Corporation.

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

6 A2. I am testifying in support of the Application of Gulfport Energy Corporation for Unit  
7 Operation filed with respect to the Neal East Unit, consisting of seventy-one (71) separate  
8 tracts of land totaling approximately 530.018 acres in Belmont County, Ohio. My  
9 testimony addresses the following: (1) unit operations for the Neal East Unit are  
10 reasonably necessary to increase substantially the recovery of oil and gas and (2) the  
11 value of the estimated additional recovery due to unit operations exceeds the estimated  
12 additional costs.

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

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

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

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

17 **Q5. Do you hold a professional licensure?**

18 A5. I am a registered Professional Engineer in the state of Oklahoma.

19 **Q6. How long have you been a Reservoir Engineer for Gulfport?**

20 A6. Two years.

21 **Q7. What other work experiences have you had?**

22 A7. With 7 years of experience, I have worked for Marshall Miller & Associates as a  
23 Reservoir Engineer, Chesapeake Energy as a Completions/Production Engineer, and  
24 Gulfport Energy as a Reservoir Engineer as well as in my current role as Resource  
25 Development Manager.

26 **Q8. What does being a reservoir engineer entail?**

27 A8. I perform reserve evaluations estimating reserves and recoveries. I analyze the economics  
28 and risk assessment of developmental wells and projects. I calculate how many  
29 hydrocarbons are believed to exist or remain on Gulfport properties as well as how much  
30 we can economically expect to produce.

31 **Q9. How do you do that?**

1 A9. There are several methods available such as volumetric analysis, utilizing analogous  
2 offset production, and decline-curve analysis that can be used to make projections about  
3 how much hydrocarbon exists and how much can be produced. Geologic data, drilling  
4 and fracturing techniques, and costs are considered to estimate economics.

5 **Q10. Did you perform any calculations to support Gulfport's application for unitization**  
6 **for the proposed Neal East Unit?**

7 A10. Yes, I did.

8 **Q11. And did you perform those calculations yourself, or did someone assist you?**

9 A11. I performed the calculations myself.

10 **Q12. What sort of calculations were you asked to perform?**

11 A12. Under the current un-unitized acreage, Gulfport would be not be able to drill any  
12 horizontal wells when considering the 500 feet limit of the unleased parcels. If the  
13 acreage were approved for full development, Gulfport would be able to drill 2 horizontal  
14 wells (approximately 10,263' average lateral length) from a single pad in an adjacent  
15 unit. I estimated the reserves for each scenario in this two-well unit.

16 **Q13. Why horizontal wells?**

17 A13. The vast majority of unconventional shale reservoirs cannot be produced at economic  
18 flow rates and do not produce economic volumes of oil and gas without the use of  
19 horizontal drilling and the assistance of stimulation treatments like hydraulic fracturing.  
20 This largely explains why Utica Shale exploration and production in Ohio is a recent  
21 development. The permeability of shale formations, including the Utica formation, is  
22 extremely low. In order for hydrocarbons found in the shale reservoir to flow at economic  
23 rates, the surface area open to flow must be maximized. Thus far, horizontal multi-stage,  
24 hydraulically-fractured wells are the most efficient way that the oil and gas industry has  
25 been able to maximize the surface area exposed to the reservoir for flow purposes.

26 **Q14. How are horizontal wells drilled?**

27 A14. Horizontal drilling is the process of drilling down vertically to a point commonly  
28 referred to as the kickoff point, and then gradually turning the wellbore to drill and place  
29 the wellbore in the desired hydrocarbon bearing formation – in this case, the Utica shale –  
30 horizontally in order to maximize the areal contact of the reservoir. This technology,  
31 along with hydraulically fracturing the formation, is required to economically develop

1 unconventional resources like shale gas formations.

2 **Q15. How deep is the kickoff point that you are referring to?**

3 A15. It depends on the well being drilled, but for the proposed Neal East Unit, it is likely to be  
4 approximately 9,050' TVD (true vertical depth) based on data gathered from an offset  
5 that was recently drilled.

6 **Q16. Is horizontal drilling common in the oil and gas industry?**

7 A16. Yes. The oil and gas industry has been drilling horizontal wells for many years. Also,  
8 hydraulic fracturing has been used in the oil and gas industry for more than seventy years.  
9 The combination of hydraulic fracturing and horizontal drilling is what is allowing shale  
10 formations like the Utica to finally be developed.

11 **Q17. Is it fair to say, then, that horizontal wells are the predominant method used to  
12 develop shale formations like the Utica today?**

13 A17. Yes.

14 **Q18. Turning specifically to the Neal East Unit, have you made an estimate of the  
15 production you anticipate from the proposed unit's operations?**

16 A18. Yes, I have evaluated and estimated the production potential from the Utica formation in  
17 the Neal East Unit and believe that the gross production from unitized operations, as  
18 proposed in this application, if successful, could be as much as 45 BCF of gas.

19 **Q19. How did you make those estimates?**

20 A19. From analogy of offset Utica horizontal wells and from decline-curve analysis. There are  
21 horizontal Utica wells located within approximately one mile of the proposed unit that I  
22 believe have similar characteristics in terms of fluid type and production profile;  
23 therefore, data from those wells were used in my calculations.

24 **Q20. Once you had that data from the other Utica shale wells, what did you do with it?**

25 A20. I used actual production data from those wells to develop an average Utica production  
26 profile or "type curve" using decline-curve analysis. With all wells, production and  
27 pressure is highest at the onset and gradually decreases to a point where production  
28 cannot be sustained without some degree of additional stimulation. These declines can be  
29 plotted and, for wells within the same formation, tend to exhibit similar characteristics.  
30 In the type curve process, data from the first day of production for all the wells are all  
31 aligned, and the production volumes are then averaged. This will produce the average

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

5 **Q21. I see that you've qualified your calculations as an estimate. Does that mean that you**  
6 **cannot calculate the production from these wells ahead of time with mathematical**  
7 **certainty?**

8 A21. Yes, that is correct. The ultimate recovery of a well cannot be known until it has  
9 produced its last drop, which will not be for many years. However, we have established  
10 production and test data in the area.

11 **Q22. In your professional opinion, would it be economic to develop the Neal East Unit**  
12 **using traditional vertical drilling?**

13 A22. No. These unconventional reservoirs cannot be produced at economic flow rates or do  
14 not produce economic volumes of oil and gas without the use of horizontal drilling and  
15 the assistance of stimulation treatments. This largely explains why the Utica Shale had  
16 not been developed prior to the recent horizontal activity in Ohio.

17 **Q23. Are the estimates that you made based on good engineering practices and accepted**  
18 **methods in the industry?**

19 A23. Yes

20 **Q24. Do you have the calculations you performed?**

21 A24. Yes. The summary of my calculations are attached to this prepared testimony as Exhibit  
22 "DW-1"

23 **Q25. Can you summarize what your calculations show?**

24 A25. First, I looked at the economics of non-unitization. In this case, Gulfport has to avoid the  
25 unleased parcels and, as a result, will not be able to drill any laterals.

26 **Q26. Did you also estimate what could be recovered if operations in this area are unitized,**  
27 **as is being proposed by this application?**

28 A26. Yes. In that case, Gulfport does not have to avoid the unleased parcels, and Gulfport is  
29 able to fully develop the unit with two horizontal laterals. The Neal East A and B laterals  
30 would each measure approximately 10,263'.

31 **Q27. Can you summarize what those calculations show?**

1 A27. Yes. Gulfport cannot economically develop the acreage under the non-unitized scenario.  
2 If unitization occurs, Gulfport will be able to produce approximate 45 bcf of gas over the  
3 productive life of the two wells.

4 **Q28. Is the unitized recovery due solely to being able to drill beneath the currently**  
5 **unleased parcels?**

6 A28. No. The oil and gas from those unleased parcels accounts for part of the increase, but the  
7 majority of the increase is from what would otherwise be stranded reserves that would  
8 not be produced unless the Division approves the unitization application for full unit  
9 operation. That oil and gas would forever be left behind if not produced through unit  
10 operation by these wells. Drilling an additional well or wells to try to recover those  
11 stranded reserves is simply not economically feasible.

12 **Q29. Let's shift our focus to the economic calculations for this project. Have you made**  
13 **an estimate of the economics of the proposed development of the Neal East Unit?**

14 A29. Yes

15 **Q30. Would you walk us through your economic evaluation, beginning with your**  
16 **estimate of the anticipated revenue stream from the Neal East Unit development?**

17 A30. During the reserve estimation process, not only were the ultimate reserve numbers  
18 estimated, but the production profile of the reservoir hydrocarbons over time was also  
19 developed. The production profile and a price scenario were used to develop the  
20 revenues that are expected from the proposed unit's development.

21 **Q31. What do you mean when you say "production profile over time of the reservoir**  
22 **hydrocarbons," and why is it important?**

23 A31. I am referring to the actual production we expect on a daily or monthly basis for the  
24 well's entire life. This is important when doing an economic evaluation in which revenue  
25 from future production is discounted in order to obtain the net present value and rate of  
26 return for the specific project.

27 **Q32. What price scenario did you use?**

28 A32. A six-year forward strip price for May 31, 2016 was used. This is the market's current  
29 view of what gas and oil prices will be in the future and are not guaranteed to be the price  
30 received for the produced hydrocarbons from the Neal East Unit. I have attached those  
31 figures as Exhibit "DW-2".

1 **Q33. What about anticipated capital and operating expenses?**

2 A33. Capital and operating expenses were incorporated as well. The total estimated capital is  
3 based on the anticipated capital costs for both the drilling and completion processes. The  
4 basis for this estimate comes from recent costs we have experienced with our Utica  
5 formation development in the state of Ohio. These costs were adjusted to correspond to  
6 the respective lateral length of each lateral within the proposed unit. Incorporated in the  
7 analysis are both fixed and variable cost estimates.

8 **Q34. Based on this information and your professional judgment, does the value of the**  
9 **estimated recovery from the operations proposed for the Neal East Unit exceed its**  
10 **estimated costs?**

11 A34. Yes. The total estimated cost of developing the Neal East Unit is approximately \$22.2  
12 million. Undiscounted Net Cash Flow is \$48.8 million and using a 10% discount rate, the  
13 net present value is approximately \$17.3 million.

14 **Q35. In your professional opinion, do you believe that the proposed unit operations for**  
15 **the Neal East Unit are reasonably necessary to increase substantially the ultimate**  
16 **recovery of oil and gas from the unit area?**

17 A35. Yes. It is my professional opinion that unit operations are reasonably necessary to  
18 increase substantially the ultimate recovery of oil and gas from the unit area. This area  
19 would not be able to be developed without unit operations. Further, unit operation will  
20 protect the correlative rights of all of the mineral owners by effectively and efficiently  
21 draining all of the reserves, eliminating any waste of mineral resources associated with  
22 stranded reserves. There is no doubt in my mind that unit operation will substantially  
23 increase the ultimate recovery of oil and gas from this unit area.

24 **Q36. In your professional opinion, does the value of increased recovery attributable to**  
25 **unit operations exceed the estimated additional costs of unit operation?**

26 A36. Yes. To increase the exposure to the reservoir and produce the maximum amount of  
27 hydrocarbons, placing horizontal wells across the entire proposed unit is ideal. This limits  
28 the capital cost by limiting the number of required surface locations and wells and  
29 maximizes the production from the proposed unit's operations. Without the proposed  
30 unit operations, we would not be able to develop this area. As indicated above, the  
31 estimated development of the proposed unit would require \$22.2 million in capital, and

1 would have an undiscounted net cash flow of \$48.8 million and a net present value  
2 discounted at 10% per annum of approximately \$17.3 million. Thus, the value of the  
3 increased recovery significantly outweighs the increased cost of unitized operation.  
4 Financially, it makes sense to operate as a unit.

5 **Q37. And your opinions are based on your education and professional experience?**

6 A37. Yes

7 **Q38. Does this conclude your testimony?**

8 A38. Yes.

**EXHIBIT "DW-1"**NEAL EAST UNIT

<b>Lateral Length and Capital</b>				
Well Name	Unit Lateral Length (ft)	Unit Dev. Cost (M\$)	Non-Unit Lat. Length (ft)	Non-Unit Dev. Cost (M\$)
NEAL EAST A	10,263	11,081	0	0
NEAL EAST B	10,263	11,081	0	0
TOTAL	20,526	22,162	0	0

<b>Reserve and Economic Summary</b>		
	Full Dev. Totals	Partial Dev. Totals
Gross Condensate (MBbls.)	0	0
Gross Residue Gas (Bcf)	45	0
Equivalent EUR (Bcfe)	45	0
Undis. Net Cash Flow (M\$)	48,796	0
PV 10% (M\$)	17,256	0

EXHIBIT "DW-2"

STRIP PRICES AS OF MAY 31, 2016

DATE	OIL PRICE <u>\$/BBL.</u>	GAS PRICE <u>\$/MCF</u>
July-Dec 2016	50.80	2.53
Jan-Dec 2017	51.90	3.00
Jan-Dec 2018	52.68	3.03
Jan-Dec 2019	53.98	3.05
Jan-Dec 2020	55.29	3.13
Jan-Dec 2021	56.45	3.27
To Life	58.35	3.60

**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: February 17, 2016  
 : Supplement Date: June 1, 2016  
Neal East Unit :

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**PREPARED TESTIMONY OF JENAE C. ALLERT  
ON BEHALF OF GULFPORT ENERGY CORPORATION**

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

Attorney for Applicant,  
Gulfport Energy Corporation

Date: June 1, 2016

**PREPARED DIRECT TESTIMONY OF JENAE C. ALLERT**

1   **INTRODUCTION.**

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

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

5   **Q2.   Who is your employer?**

6   A2.   Gulfport Energy Corporation.

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

8   A3.   I am Coordinator – Land & Legal.

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

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

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

16  A5.   I earned a Bachelor of Science specializing in Leadership Development from Texas  
17       A&M University in May of 2005. In May of 2009, I graduated with a Juris Doctor  
18       from Texas A&M University School of Law. I was admitted to the State Bar of  
19       Texas in November 2009.

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

21  A6.   In May of 2006 I started my career in the oil and gas industry working for Dale  
22       Resources, LLC. I started in the Title Department and ultimately became the  
23       Curative Manager. While in the Title Department at Dale Resources, LLC, I  
24       managed a team of 6-10 curative agents who worked to cure title defects for clients  
25       operating wells in the Barnett Shale located in Fort Worth, Texas. I stayed with Dale  
26       Resources, LLC until April of 2010 when I accepted an Operational Landman  
27       position with Chesapeake Energy Corporation ("Chesapeake"). My primary role as  
28       an Operational Landman for Chesapeake Energy Corporation was to ready wells to  
29       drill according to their drilling program in the Barnett Shale. In November 2011 I  
30       transferred to Chesapeake's Utica group operated at Chesapeake's headquarters in

1 Oklahoma City. My primary role in the Utica group was to ready wells to drill  
2 according to their drilling program in the Utica Shale. My area of responsibility  
3 included Ohio. In December 2013 I accepted a position at Vantage Energy, LLC  
4 (“Vantage”) as Operational Land Manager – PA. My primary role was to oversee  
5 the Appalachia Land Department so that Vantage could develop their Marcellus  
6 Shale asset primarily located in Southwestern Pennsylvania. In April 2015, I joined  
7 Gulfport where I have been working to develop our assets in Ohio and West Virginia.

8 **Q7. What do you do as Coordinator – Land & Legal?**

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

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

25 A8. Yes, I am a member of the American Association of Professional Landmen and the  
26 Oklahoma City Association of Professional Landmen.

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

29 A9. Yes, I have been accepted as an expert witness by the Texas Railroad Commission  
30 in regard to Rule 37 spacing matters in Texas for horizontal development in the  
31 Barnett Shale formation.

1 **Q10. Were you involved in the preparation of Gulfport Energy Corporation's**  
2 **Application for Unitization with respect to the Neal East Unit?**

3 A10. Yes, after our initial lease acquisition covering the relevant land, I have assisted in  
4 the formation of the Neal East Unit in its present configuration and have been  
5 involved with the preparation of this application for Unitization.

6 **Q11. Can you generally describe the Neal East Unit?**

7 A11. Sure. The Neal East Unit consists of seventy-one (71) distinct parcels of land  
8 totaling approximately 530.018 acres of land in Wayne Township, Belmont County,  
9 State of Ohio.

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

11 **Q12. The Application submitted by Gulfport indicates that it holds the oil and gas**  
12 **operational rights to 405.273 acres of the proposed 530.018 acre Unit. Would**  
13 **you describe how Gulfport acquired its rights?**

14 A12. Gulfport Energy Corporation began acquiring these leasehold rights in May 2013  
15 through its own leasing efforts as well as a Joint Venture with Rice Drilling D LLC,  
16 ("Rice") headquartered in Canonsburg, PA. Additionally, Gulfport has secured the  
17 right to develop the interest of XTO Energy, Inc ("XTO"), by virtue of an executed  
18 trade agreement. Finally, Gulfport negotiated and closed on an agreement with  
19 Antero Resources Corporation ("Antero") wherein Gulfport was conveyed all of  
20 Antero's interest in the Neal East Unit.

21 **Q13. What percentage of the total acreage of the Neal East Unit is represented by the**  
22 **oil and gas rights held by Gulfport?**

23 A13. Gulfport holds leases of record for 66.9159%. **Q14. Have other working interest**  
24 **owners in the Neal East Unit approved the Unit Plan prior to filing this**  
25 **application?**

26 A14. Yes. Pursuant to the terms of the Unrecorded Development Agreement between  
27 Gulfport and Rice, the parties agree that Gulfport is to be the applicant and operator  
28 for units within Wayne Township and that the applicant shall have the authority to  
29 execute all necessary documents associated with the unitization on behalf of both  
30 Parties' oil and gas interest with the unitized area. As a result, the Application is  
31 brought on behalf of 76.46314% of the owners within the Neal East Unit, which is

1 above the 65% threshold required by the statute.

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

4 A15. Gulfport has been working a trade agreement covering tracts 12, 27-30, 34, 38, and  
5 63 as depicted on Exhibit JM-1.3 with Eclipse Resources – Ohio, LLC and Eclipse  
6 Resources I, LP (“ECR”) since June of 2015. Unit Tracts 12, 27-30, 34, 38, and 63  
7 are composed of 119.548 net acres and represent an undivided 22.5554604% of the  
8 Neal East Unit. Gulfport has been in constant communication with ECR, and we are  
9 working as diligently as we can to come to terms of a mutually acceptable trade  
10 agreement. One thing of note as to the ECR tracts: While Gulfport shows ECR to  
11 own the oil and gas rights under the respective tracts, they are the subject of either  
12 litigation or an affidavit filed in the county records of Belmont County by ECR as  
13 successor-in-interest to Oxford Oil Company. Depending on the outcome of this  
14 litigation, Gulfport may own the oil and gas rights. In other words, Gulfport has  
15 taken a lease for the interest should the subject litigation ruling be unfavorable to  
16 ECR.

17  
18 Further, Unit Tracts there is an unleased tract within the Unit (Tract 47). Gulfport  
19 has been working to lease Tract 47 since October of 2013.

20  
21 **Q16. Have you prepared a log detailing Gulfport’s efforts to obtain an agreement**  
22 **from the uncommitted working interest owners in the proposed Unit?**

23 A16. Yes. I have outlined Gulfport’s communications in Exhibits JM-1.1 – 1.4.

24 **Q17. Could you describe the location of the leased and unleased tracts within the Neal**  
25 **East Unit?**

26 A17. Yes. Exhibit JM-2, JM-3, and JM-4 are attached hereto, with plats showing each of  
27 the tracts in the Neal East Unit.

28 **Q18. Are there other operators that have an interest within the Neal East Unit?**

29 A18. No.

30 **UNIT PLAN PROVISIONS.**

31 **Q19. Would you describe generally the development plan for the Neal East Unit?**

1 A19. Gulfport plans to develop the Neal East Unit from a northern pad site that is an  
2 estimated 1,027 feet off the northern Unit boundary line and an estimated 2,242 feet  
3 from the eastern Unit boundary line and 196 feet from the western Unit boundary  
4 line. The pad will be adequately built to drill multiple horizontal wells with a  
5 southeasterly orientation in the Unit. The Unit is currently configured to include  
6 multiple horizontal wellbores, with projected lateral lengths of approximately 10,263  
7 feet.

8 **Q20. Can you describe the location of the proposed wellbores within the Neal East**  
9 **Unit?**

10 A20. Yes. I have attached as Exhibit JM-3 & JM-4 to my testimony a plat showing the  
11 configuration of the wellbores. It shows the pad site located just outside the western  
12 boundary of the Neal East Unit with two wellbores configured to be drilled parallel  
13 in a southeasterly direction spaced 827 feet apart on an approximate 30 degree angle.  
14 Gulfport has not permitted any units which lie adjacent to the Neal East Unit.

15 **Q21. Do you know where the drilling and completion equipment will be located on**  
16 **the pad?**

17 A21. Yes, we have been in contact with the surface owner of the parcel of our proposed  
18 pad site and plan to develop our surface location pursuant to the terms of our agree-  
19 ment. We have acquired a surface use agreement with the surface owner of said par-  
20 cel.

21 **Q23. If the Division were to issue an order authorizing the proposed Unit, and if**  
22 **Gulfport agreed with the terms and conditions of that order, how long**  
23 **thereafter would Gulfport drill the exploratory well contemplated by the**  
24 **petition?**

25 A23. We plan to drill the initial well in the first quarter of 2017.

26 **Q24. Does Gulfport have a specific timeline for drilling an additional well in the Neal**  
27 **East Unit?**

28 A24. A subsequent well will be drilled at some indeterminate time following the drilling  
29 of the initial well.

30 **Q25. What are the benefits to this type of Unit development?**

31 A25. Developing the Neal East Unit in the manner previously described protects the

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

14 **Q26. So is it fair to say that the benefits of this type of development are substantial?**

15 A26. Yes, the type of development planned by Gulfport for the Neal East Unit offers  
16 significant benefits not only to the operator, but also to the landowners in the Unit  
17 and the surrounding area.

18 **Q27. Are you familiar with the Unit Plan proposed by Gulfport for the Neal East  
19 Unit?**

20 A27. Yes. The Unit Plan proposed by Gulfport is set out in two documents attached to the  
21 Application. The first, the Unit Agreement, establishes the non-operating  
22 relationship between the parties in the Unit. The second, the Unit Operating  
23 Agreement, establishes how the Unit will be explored, developed, and produced.

24 **Q27a. Let's turn first to the Unit Agreement, marked as Exhibit 1 to the Application.  
25 Would you describe briefly what it does?**

26 A27a. Yes. The Unit Agreement in effect combines the oil and gas rights in the Neal East  
27 Unit so that they can be developed as if they were part of a single oil and gas lease.

28 **Q28. Are mineral rights to all geological formations combined under the Unit  
29 Agreement?**

30 A28. No. The Unit Agreement only Unitizes the oil and gas rights located fifty feet above  
31 the top of the Utica Shale to fifty feet below the base of the Point Pleasant formation,

1 defined in the Agreement as the “Unitized Formation,” to allow development of the  
2 Utica Shale formation.

3 **Q29. How will production proceeds from the Neal East Unit be allocated among**  
4 **royalty interest owners and working interest owners in the Unit?**

5 A29. On a surface-acreage basis. Under Article 4 of the Unit Agreement, every tract is  
6 assigned a tract participation percentage based on surface acreage and shown on  
7 Exhibits A-2, A-3, and A-4 to the Unit Operating Agreement. Article 5 of the Unit  
8 Agreement allocates production based on each individual’s proportionate ownership  
9 of that tract participation.

10 **Q30. Why use a surface-acreage basis as the method of allocation?**

11 A30. Based on the testimony of Michael Buckner attached to the Application as Exhibit 3,  
12 a surface-acreage basis is an appropriate method of allocation because the formation  
13 thickness and reservoir quality of the Unitized Formation is expected to be consistent  
14 across the Neal East Unit.

15 **Q31. Would you go through an example from Exhibit A-2 to the Unit Operating**  
16 **Agreement to illustrate how a surface-acreage allocation would be applied to**  
17 **the Neal East Unit?**

18 A31. Yes. The fifth column on Exhibit A-2 to the Unit Operating Agreement, entitled  
19 “Surface Acres in Unit,” shows the number of surface acres in each tract of land  
20 within the Neal East Unit. Column 6 on Exhibit A-2 shows the related tract  
21 participation of each tract, which is calculated by taking the total number of surface  
22 acres in the tract and dividing it by the total number of surface acres in the Unit. So,  
23 for example, if you look at Tract Number 1 on Exhibit A-2, it shows that the Barry  
24 M. & Stacey L. West (“West”) tract comprises 2.394 surface acres in the 530.018  
25 acre Neal East Unit, which equates to a tract participation of approximately 0.45168  
26 (2.394/530.018).

27 **Q32. What does that mean in terms of production allocated to that particular West**  
28 **tract?**

29 A32. It would mean that roughly 0.45168% of all production from the Neal East Unit  
30 would be allocated to the West tract, and would be distributed based on the terms of  
31 the lease or other pertinent documents affecting the ownership to production

1 proceeds from the tract.

2 **Q33. In your experience, is that a customary way to allocate production in a Unit?**

3 A33. In my experience, surface-acreage allocation is both fair and customary for  
4 horizontal shale development.

5 **Q34. How are Unit expenses allocated?**

6 A34. Similarly to production, Unit expenses are allocated on a surface-acreage basis.  
7 Article 3 of the Unit Agreement provides that expenses, unless otherwise allocated  
8 in the Unit Operating Agreement, will be allocated to each tract of land within the  
9 Unit based on the proportion that the surface acres of each particular tract bears to  
10 the surface acres in the entire Unit.

11 **Q35. Who pays the Unit expenses?**

12 A35. Working interest owners.

13 **Q36. Do the royalty owners pay any part of the Unit expenses?**

14 A36. No. Royalty interest owners are responsible only for their proportionate share of  
15 taxes and post-production costs, which are deducted from their share of the proceeds  
16 from sales of production of hydrocarbons from the Unit area.

17 **Q37. Let's turn to the Unit Operating Agreement, marked as Exhibit 2 to the**  
18 **Application. It appears to be based upon a form document. Could you please**  
19 **identify that form document?**

20 A37. Yes. The Unit Operating Agreement is based upon *A.A.P.L. Form 610 – Model Form*  
21 *Operating Agreement – 1982*, which we typically use when we enter into joint  
22 operating agreements with other parties.

23 **Q38. Are you familiar with the custom and usage of the Form 610 and other similar**  
24 **agreements in the industry?**

25 A38. Yes. The Form 610, together with its exhibits, is commonly used in the industry and  
26 is frequently modified to address the development objectives of the parties. As a  
27 landman, I have been involved in negotiating and modifying versions of A.A.P.L.  
28 operating agreements.

29 **Q39. Turning to the Unit Operating Agreement in particular, does it address how**  
30 **Unit expenses are determined and paid?**

31 A39. Yes. Article III of the Unit Operating Agreement provides that all costs and liabilities

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

6 **Q40. What is the purpose of the document marked as Exhibit C in connection with**  
7 **the Neal East Unit Operating Agreement?**

8 A40. The document presents information concerning how Unit expenses are determined  
9 and paid.

10 **Q41. At the top of each page of Exhibit C, there appears a label that reads: “COPAS**  
11 **2005 Accounting Procedure, Recommended by COPAS, Inc.” Are you familiar**  
12 **with this society?**

13 A41. Yes, COPAS stands for the Council of Petroleum Accountants Societies.

14 **Q42. Is this COPAS document used in oil and gas operations across the country?**

15 A42. Yes. It is commonly used in the industry.

16 **Q43. In your opinion, is this COPAS document generally accepted in the industry?**

17 A43. Yes. This was drafted by an organization whose membership encompasses various  
18 companies and sectors across the industry, and, as a result, is designed to be fair.

19 **Q44. Will there be in-kind contributions made by owners in the Unit area for Unit**  
20 **operations, such as contributions of equipment?**

21 A44. No, Gulfport Energy does not anticipate in-kind contributions for the Unit Opera-  
22 tions.

23 **Q45. Are there times when a working interest owner in the Unit chooses not to – or**  
24 **cannot – pay their allocated share of the Unit expenses?**

25 A45. Yes. Joint Operating Agreements account for such occurrences, which are not  
26 uncommon. The agreements allow working interest owners the flexibility to decline  
27 to participate in an operation that they may not believe will be a profitable venture  
28 or that they cannot afford. The remaining parties can then proceed at their own risk  
29 and expense.

1 **Q46. Generally, how is the working interest accounted for when an owner chooses**  
2 **not to participate in an operation?**

3 A46. A working interest owner who cannot or chooses not to participate in an operation is  
4 considered a non-consenting party. If the remaining working interest owners decide  
5 to proceed with the operation, the consenting parties bear the full cost and expense  
6 of the operation. A non-consenting party is deemed to have relinquished its interest  
7 in that operation until the well revenues pay out the costs that would have been  
8 attributed to that party, plus a prescribed risk penalty or non-consent penalty.

9 **Q47. What is a risk penalty or non-consent penalty, and why are they included in the**  
10 **agreement?**

11 A47. A risk penalty or non-consent penalty is a means to compensate consenting parties  
12 for the financial risks of proceeding with a well that may be a non-producer when  
13 one or more working interest owners do not consent to pay their share of the costs of  
14 drilling said well. A non-consent penalty can also serve as a means to allow a  
15 working interest owner to finance participation in a well when unable to advance its  
16 share of drilling costs.

17 **Q48. Can a working interest owner choose to go non-consent in the initial well in the**  
18 **Neal East Unit?**

19 A48. Yes. If a working interest owner chooses not to participate in the Unit's initial well,  
20 Article VI.A of the Unit Operating Agreement provides that the working interest  
21 owner shall be deemed to have relinquished to the other parties its working interest  
22 in the Unit with a back-in provision with a risk factor of 300%.

23 **Q49. Does the Unit Operating Agreement treat the initial well and subsequent**  
24 **operations differently in terms of going non-consent, and if so, why?**

25 A49. Yes. Subsequent operations have a smaller risk factor of 200%. A lack of  
26 information as to whether the well will be economic makes participation in the initial  
27 well a riskier endeavor than subsequent operations, when information gained from  
28 the initial well reduces the risk factor going forward. Therefore, it is common for  
29 joint operating agreements to distinguish risk factors between initial and subsequent  
30 operations.

31 **Q50. But if the working interest owner still has a royalty interest in the Unit, that**

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

2 A50. Yes. The royalty interest would still be paid even if the working interest is being  
3 used to pay off a risk factor.

4 **Q51. What is the risk factor for subsequent operations set out in the Unit Operating  
5 Agreement?**

6 A51. 200%, as set out in Article VI.B of the Unit Operating Agreement.

7 **Q52. Are the percentages included in the Unit Operating Agreement unusual?**

8 A52. No, not for joint operating agreements used in horizontal drilling programs. Because  
9 of the significant costs associated with drilling horizontally to the Utica Shale (often  
10 in excess of \$10,000,000 to plan, drill, and complete) and because the Utica Shale is  
11 an unconventional play (where uneven geological performance is likely), it is  
12 common for companies to incorporate into their joint operating agreements a risk  
13 factor proportionate to the substantial financial commitment.

14 **Q53. Have you seen risk factor levels of 200% to 300% in other parts of the country  
15 that you've worked in and are familiar with?**

16 A53. Yes. Those numbers are not unusual, and in fact higher numbers are sometimes seen  
17 in the early stages of a play's development due to the relative lack of information and  
18 the corresponding risk.

19 **Q54. How are decisions made regarding Unit operations?**

20 A54. Article V of the Unit Operating Agreement designates Gulfport as the Unit Operator,  
21 with full operational authority for the supervision and conduct of operations of the  
22 Unit. Additionally, except where otherwise provided, Article XV of the Unit  
23 Operating agreement sets forth a voting procedure for any decision, determination or  
24 action to be taken by the Unit participants. Under the voting procedure, each Unit  
25 participant has a vote that corresponds in value to that participant's allocated  
26 responsibility for the payment of Unit expenses.

27 **Q55. I believe you've already described generally the documents in Exhibits A and C  
28 to the Unit Operating Agreement. Let's turn therefore to Exhibit B of the Unit  
29 Operating Agreement. What is it?**

30 A55. Exhibit B is Gulfport's standard oil and gas lease form, which we attached to the  
31 joint operating agreement to govern any unleased interests owned by the parties.

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

5 **Q56. Does this oil and gas lease contain standard provisions that Gulfport uses in**  
6 **connection with its drilling operations in Ohio and elsewhere?**

7 A56. Yes.

8 **Q57. Moving on to Exhibit D of the Unit Operating Agreement, would you describe**  
9 **what it is?**

10 A57. Exhibit D is the insurance exhibit to the joint operating agreement. It outlines  
11 coverage amounts and limitations, and the insurance terms for operations conducted  
12 under the Unit Operating Agreement.

13 **Q58. Are the terms of insurance contained in Exhibit D substantially similar to those**  
14 **employed in connection with Gulfport's other Unitized projects in the State of**  
15 **Ohio?**

16 A58. Yes.

17 **Q59. Based upon your education and professional experience, do you view the terms**  
18 **of Exhibit D as reasonable?**

19 A59. Yes.

20 **Q60. Would you next describe Exhibit E of the Unit Operating Agreement?**

21 A60. Exhibit E is the Gas Balancing Agreement, which sets out the rights and obligations  
22 of the parties with respect to marketing and selling any production from the Contract  
23 Area.

24 **Q61. Would you give me an example of how Exhibit E might come into play?**

25 A61. Yes. Assuming that Company A is the operator of a well, and Company B is the  
26 non-operator, the fact that Company A will drill, complete, and secure pipeline to the  
27 well, does not preclude Company B from negotiating its own marketing agreements.  
28 In the event that Company B wishes to do so, the Gas Balancing Agreement would  
29 provide protection for both companies on volumes, underproduction, failure to take  
30 production, maintaining the leases, etc.

31 **Q62. Are the terms contained in Exhibit E substantially similar to those employed in**

1            **connection with Gulfport’s other Unitized projects in the State of Ohio?**

2    A62.    Yes.

3    **Q63.    Has Gulfport documented which of the working interest owners included within**  
4            **the Neal East Unit have given their consent to the proposed Unitization?**

5    A63.    Yes.    Exhibit 6.1 to the application documents the approvals for the Unit Plan  
6            received from working interest owners included with the Neal East Unit up to the  
7            time the Application was filed.

8    **Q64.    Does the Application contain a list of those mineral owners who have not**  
9            **previously agreed to enter into any oil and gas lease with respect to the tracts**  
10           **they own within the Neal East Unit?**

11   A64.    Yes, Exhibit A-3 to the Unit Operating Agreement lists the “Unitized parties,” being  
12            the fee mineral owners who remain unleased.

13   **Q65.    In your professional opinion, given your education and experience, are Unit**  
14            **operations for the proposed Neal East Unit reasonably necessary to increase**  
15            **substantially the ultimate recovery of oil and gas?**

16   A65.    Yes.    Unit operations for the Neal East Unit will minimize waste and allow for the  
17            most efficient recovery of oil and gas. By drilling horizontally, Gulfport can develop  
18            a larger area with a much smaller surface disturbance than through the drilling of  
19            vertical wells. Without Unit operations, we would not be able to develop the Unit  
20            area, so it’s fair to say that Unit operations are necessary to increase substantially the  
21            recovery of oil and gas. I believe that the Neal East Unit represents a reasonable and  
22            efficient means to develop the Utica Shale.

23   **Q66.    Does this conclude your testimony?**

24   A66.    Yes.

**AFFIDAVIT OF FACT**

STATE OF OKLAHOMA                    )  
  ) SS  
COUNTY OF OKLAHOMA                )

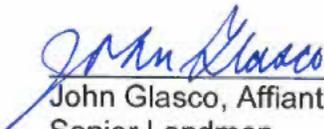
Tract # 7 (45-00020.000), 8 (45-00037.000), 9 (45-00038.000)

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

1. Affiant, John Glasco, is employed by Gulfport Energy Corporation ("Gulfport") as Senior Landman. Affiant's job responsibilities include negotiating acreage trade agreements with other operators throughout the state of Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant's knowledge and belief.
2. The Affiant has reviewed that certain trade agreement between Gulfport and XTO Energy, Inc. ("XTO"), executed on October 19, 2015 (the "XTO Trade Agreement").
3. The Affiant states that Tracts 7 (45-00020.000), 8 (45-00037.000), and 9 (45-00038.000) ("XTO Tracts"), as referenced in the Neal East Unitization Application, are subject to the XTO Trade Agreement.
4. The Affiant further states that on May 14, 2016 the XTO Trade Agreement and corresponding Assignment of Leases for the XTO Tracts were made effective so that now all of XTO's right, title, and interest in the XTO Tracts is now vested in Gulfport.
5. Pursuant to its rights under the XTO Trade Agreement and Assignment of Leases, Gulfport is the owner of the XTO Tracts in the Neal East Unitization Application.

Further Affiant sayeth naught.

Dated this 3<sup>rd</sup> day of Jan 2016

  
 \_\_\_\_\_  
 John Glasco, Affiant  
 Senior Landman  
 Gulfport Energy Corporation

**ACKNOWLEDGEMENT**

STATE OF OKLAHOMA )  
COUNTY OF Oklahoma ) SS

The foregoing instrument was sworn to before me, a Notary Public in and for the State of Oklahoma, and subscribed in my presence this 3<sup>rd</sup> day of June, 2016, by John Glasco, 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:

08/14/17

Kristin Heath  
Notary Public

Kristin Heath  
Printed Name of Notary

(SEAL)



# EXHIBIT "JM-2"

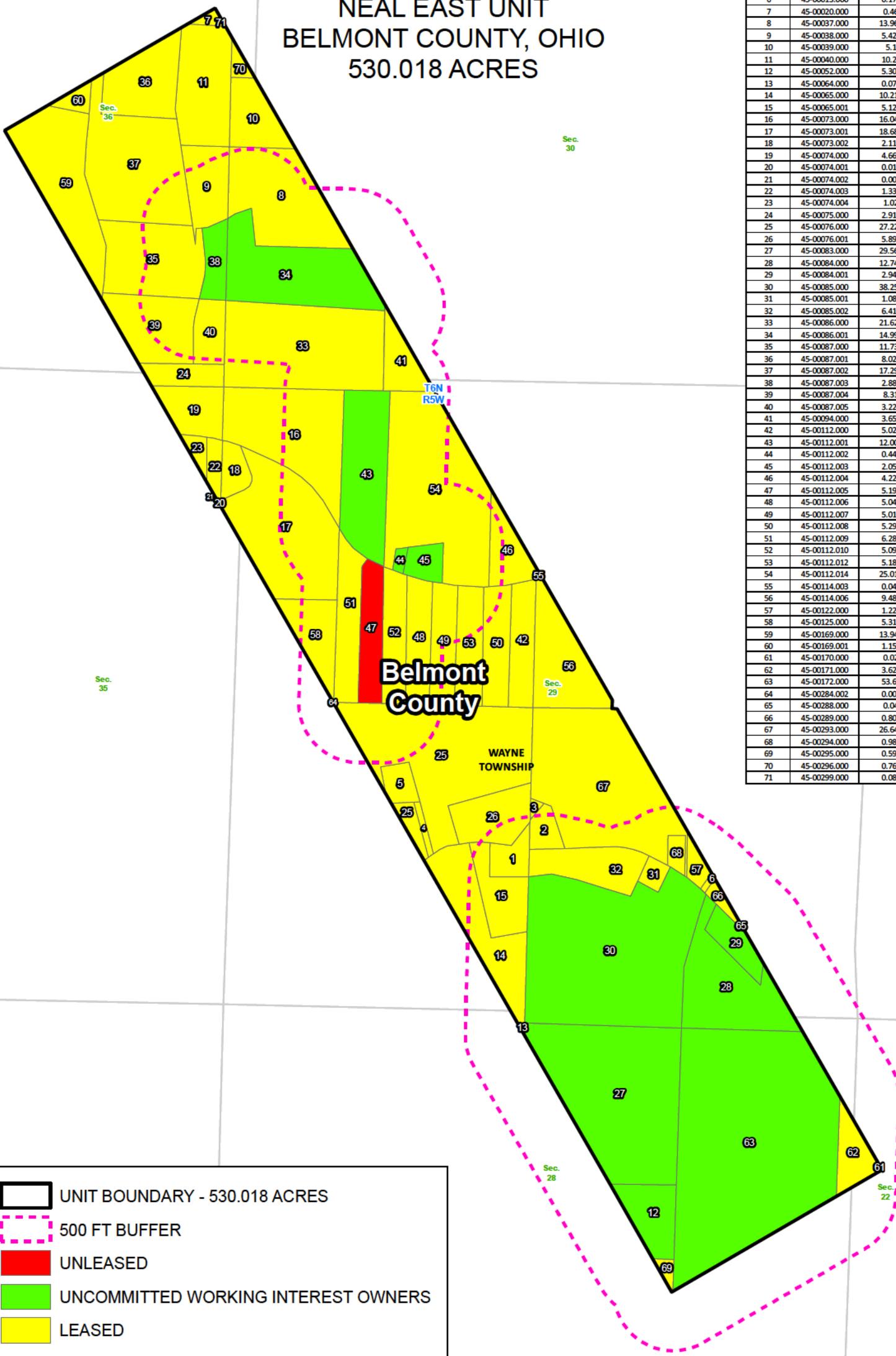
## GULFPORT ENERGY CORPORATION

### NEAL EAST UNIT

### BELMONT COUNTY, OHIO

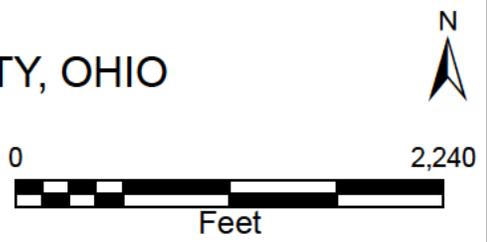
530.018 ACRES

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6	45-00013.000	0.178
7	45-00020.000	0.46
8	45-00037.000	13.964
9	45-00038.000	5.423
10	45-00039.000	5.1
11	45-00040.000	10.21
12	45-00052.000	5.304
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16	45-00073.000	16.042
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19	45-00074.000	4.661
20	45-00074.001	0.015
21	45-00074.002	0.005
22	45-00074.003	1.338
23	45-00074.004	1.02
24	45-00075.000	2.916
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26	45-00076.001	5.894
27	45-00083.000	29.568
28	45-00084.000	12.741
29	45-00084.001	2.945
30	45-00085.000	38.252
31	45-00085.001	1.089
32	45-00085.002	6.416
33	45-00086.000	21.628
34	45-00086.001	14.999
35	45-00087.000	11.734
36	45-00087.001	8.022
37	45-00087.002	17.297
38	45-00087.003	2.885
39	45-00087.004	8.31
40	45-00087.005	3.222
41	45-00094.000	3.659
42	45-00112.000	5.027
43	45-00112.001	12.009
44	45-00112.002	0.445
45	45-00112.003	2.059
46	45-00112.004	4.223
47	45-00112.005	5.197
48	45-00112.006	5.049
49	45-00112.007	5.017
50	45-00112.008	5.292
51	45-00112.009	6.288
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71	45-00299.000	0.085



- UNIT BOUNDARY - 530.018 ACRES
- 500 FT BUFFER
- UNLEASED
- UNCOMMITTED WORKING INTEREST OWNERS
- LEASED

NEAL EAST  
WAYNE TOWNSHIP BELMONT COUNTY, OHIO



# EXHIBIT "JM-3"

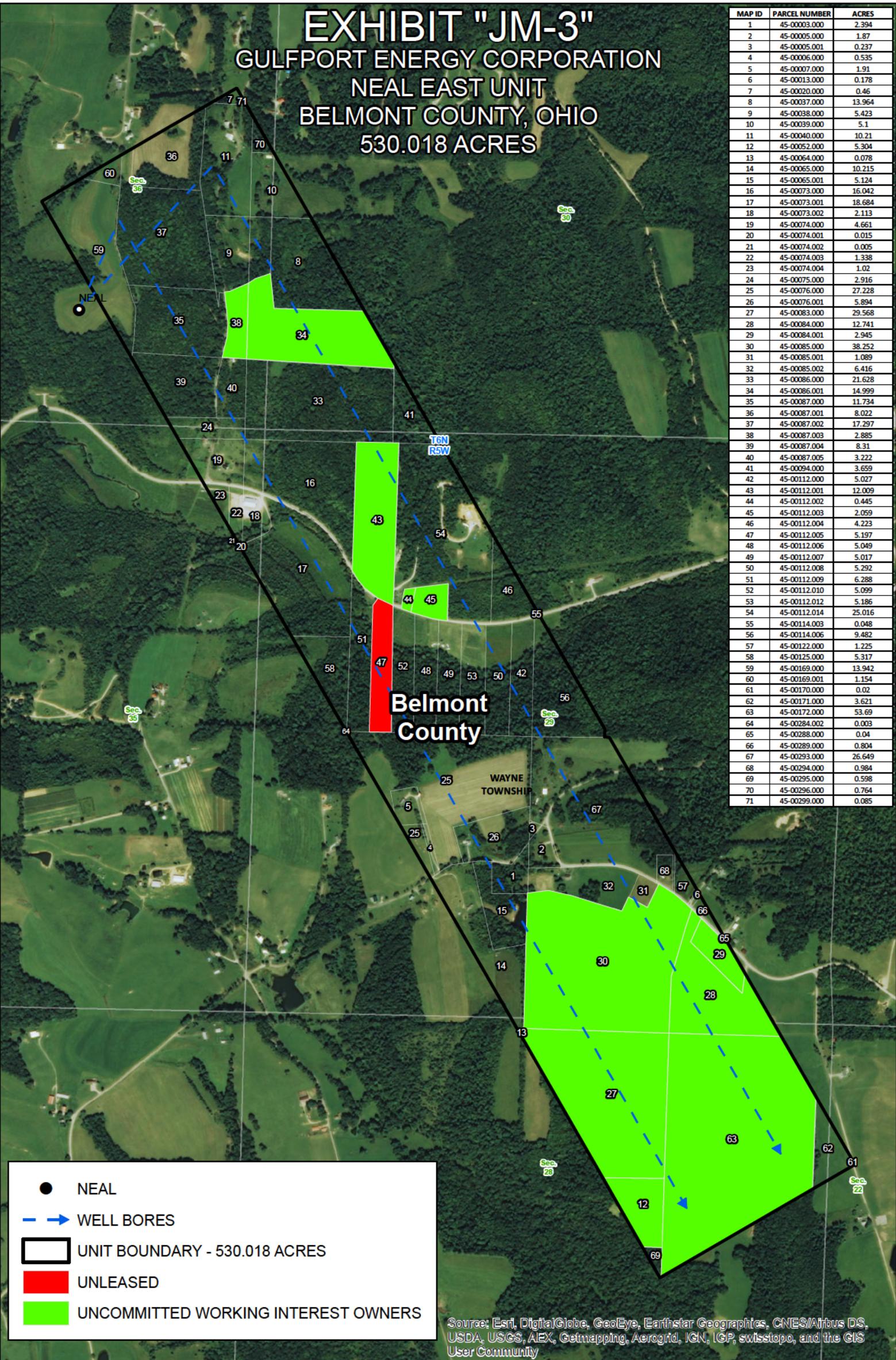
## GULFPORT ENERGY CORPORATION

### NEAL EAST UNIT

#### BELMONT COUNTY, OHIO

530.018 ACRES

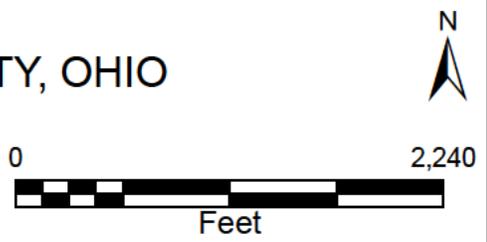
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14	45-00065.000	10.215
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53	45-00112.012	5.186
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68	45-00294.000	0.984
69	45-00295.000	0.598
70	45-00296.000	0.764
71	45-00299.000	0.085



- NEAL
- WELL BORES
- ▭ UNIT BOUNDARY - 530.018 ACRES
- ▭ UNLEASED
- ▭ UNCOMMITTED WORKING INTEREST OWNERS

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

NEAL EAST  
WAYNE TOWNSHIP BELMONT COUNTY, OHIO



# EXHIBIT "JM-4"

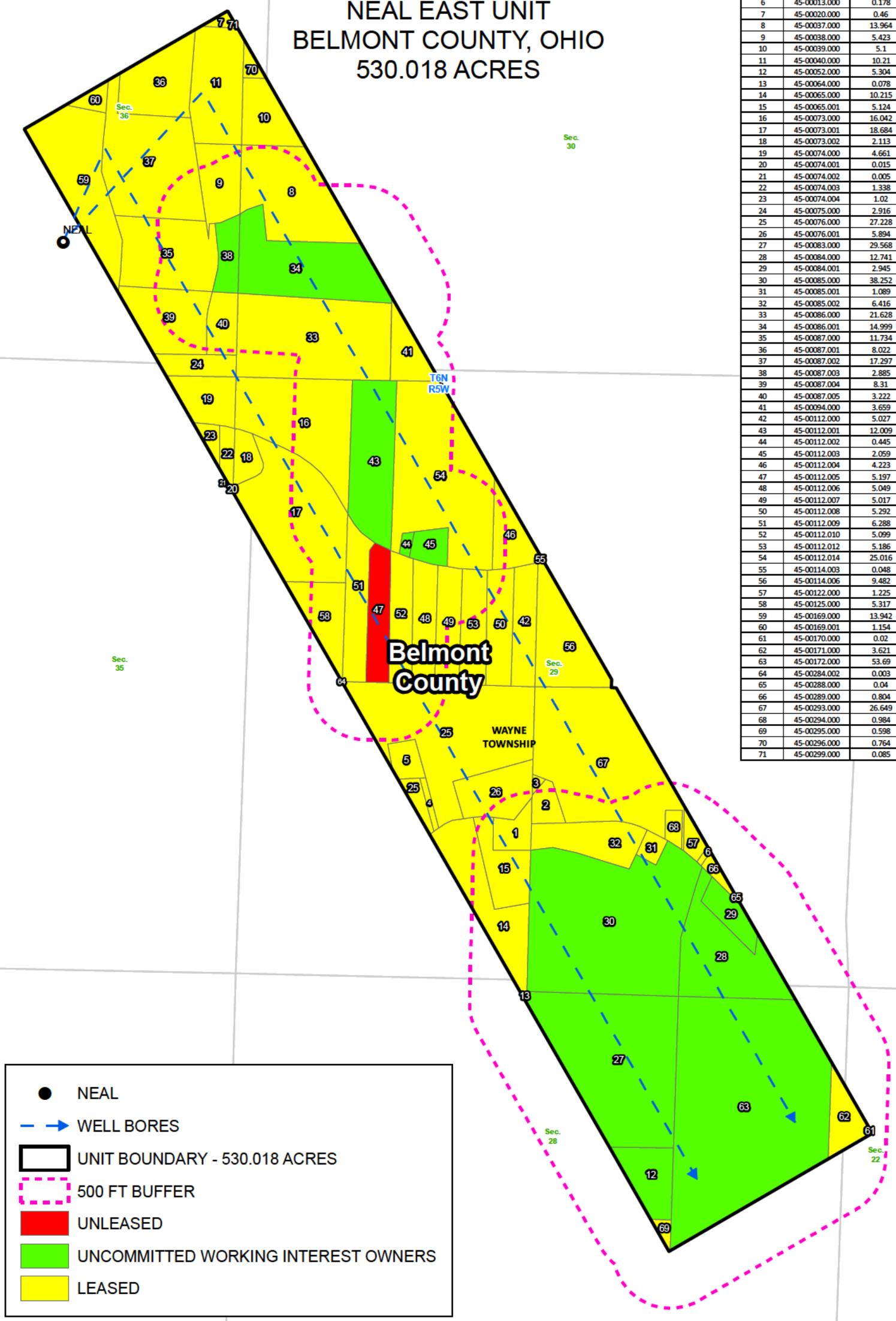
## GULFPORT ENERGY CORPORATION

### NEAL EAST UNIT

### BELMONT COUNTY, OHIO

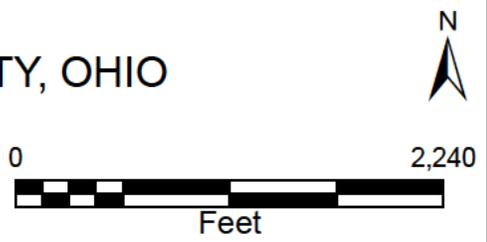
530.018 ACRES

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43	45-00112.001	12.009
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69	45-00295.000	0.598
70	45-00296.000	0.764
71	45-00299.000	0.085



- NEAL
- ▶ WELL BORES
- ▭ UNIT BOUNDARY - 530.018 ACRES
- - - 500 FT BUFFER
- UNLEASED
- UNCOMMITTED WORKING INTEREST OWNERS
- LEASED

NEAL EAST  
WAYNE TOWNSHIP BELMONT COUNTY, OHIO



WORKING INTEREST OWNER

APPROVAL OF

UNIT PLAN FOR THE

NEAL EAST UNIT

WAYNE 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 Neal East Unit, Wayne 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 Neal East 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 a portion of the Working Interest controlled by Rice Drilling D, 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.

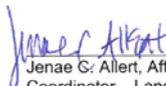
WORKING INTEREST OWNER

TRACT NO. 1-11, 13-26, 29, 31-46, 48-71

TRACT ACREAGE: 405.273 NET ACRES

RELATED WORKING INTEREST PERCENTAGE: 76.46314%

**Gulfport Energy Corporation**

  
\_\_\_\_\_  
Jenae C. Allert, Affiant  
Coordinator – Land & Legal  
Gulfport Energy Corporation

By:

Date: 6/3/2016

Exhibit "6.1"

Attached to and made a part of that certain Unit Operating Agreement dated February 17, 2016 as approved by the Ohio Department of Natural Resources for the Neal East Unit

TRACT NUMBER	LESSOR/OWNER	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBERS
1	Barry M. & Stacey L. West	2.394	45-00003.000
2	Theodore R. Ujvari Jr.	1.870	45-00005.000
3	Dwayne E. Stottler	0.237	45-00005.001
4	Richard A. & Cynthia J. Lallathin	0.535	45-00006.000
5	Richard A. & Cynthia J. Lallathin	1.910	45-00007.000
6	Eric J. & Tonya S. Bates	0.178	45-00013.000
7	John A. Juzwick Jr.	0.460	45-00020.000
8	Marietta Coal Company	13.964	45-00037.000
9	Marietta Coal Company	5.423	45-00038.000
10	William A. Campbell	5.100	45-00039.000
11	William A. Campbell	10.210	45-00040.000
13	L.D. & Rebecca Jenins et al First Ranger Capital LLC Flatiron Energy Partners, LLC Four HC Utica LLC Highpoint Energy Partners, VI Nelson Bunker Hunt Trust Estate Tejas Resources, LLC	0.078	45-00064.000
14	L.D. & Rebecca Jenins et al First Ranger Capital LLC Flatiron Energy Partners, LLC Four HC Utica LLC Highpoint Energy Partners, VI Nelson Bunker Hunt Trust Estate Tejas Resources, LLC	10.215	45-00065.000
15	Barry M. & Stacey L. West	5.124	45-00065.001
16	Andy J. & Susan J. Weaver	16.042	45-00073.000
17	Andy J. & Susan J. Weaver	18.684	45-00073.001
18	Andy J. & Susan J. Weaver	2.113	45-00073.002
19	Andy J. & Susan J. Weaver	4.661	45-00074.000
20	James R. & Mary F. Wilcox	0.015	45-00074.001
21	Jacob E. & Wayne E. Miller	0.005	45-00074.002
22	Marty E. Weaver Sr. & Ada Y Weaver	1.338	45-00074.003
23	Andy J. & Susan J. Weaver	1.020	45-00074.004
24	Andy J. & Susan J. Weaver	2.916	45-00075.000
25	Richard A. & Cynthia J. Lallathin	27.228	45-00076.000
26	Richard A. Cline	5.894	45-00076.001
29	Larry K. & Wilma M. West (Trustees) (50% GPOR)	1.473	45-00084.001
31	Brian K. West	1.089	45-00085.001
32	Barry M. & Stacey L. West	6.416	45-00085.002
33	John D. Bush Mikel S. Lease Daniel R. Lease	21.628	45-00086.000

TRACT NUMBER	LESSOR/OWNER	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBERS
34	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (70%)	10.499	45-00086.001
35	John D. Bush Mikel S. Lease Daniel R. Lease	11.734	45-00087.000
36	William & Mary W. Hershberger	8.022	45-00087.001
37	William & Mary W. Hershberger	17.297	45-00087 .002
38	Ronald L. Stouffer and Jacob L. Stouffer, father and son* (70%)	2.0195	45-00087 .003
39	John D. Bush Mikel S. Lease Daniel R. Lease	8.310	45-00087 .004
40	John D. Bush Mikel S. Lease Daniel R. Lease	3.222	45-00087 .005
41	Baugher Grain Farms Inc	3.659	45-00094.000
42	Buckeye Minerals & Royalties, LLC Vine Royalty, LLC	5.027	45-00112.000
43	Ashley A. Ingold	12.00900	45-00112.001
44	Emanuel and Anna Weaver	0.44500	45-00112.002
45	Emanuel and Anna Weaver	2.05900	45-00112.003
46	Kent E. & Deanne E. Adams III	4.223	45-00112.004
48	Stewart F. & Nancy I. Bridgeman	5.049	45-00112.006
49	Stewart F. & Nancy I. Bridgeman	5.017	45-00112.007
50	Buckeye Minerals & Royalties, LLC Vine Royalty, LLC	5.292	45-00112.008
51	Rodney & Bobbie L. Peters	6.288	45-00112.009 nka 45-00354.000
52	Stewart F. & Nancy I. Bridgeman	5.099	45-00112.010
53	Mannie E. Gircsis	5.186	45-00112.012
54	James T. & Misty D. Moore	25.016	45-00112.014
55	Kent E. & Deanne E. Adams III	0.048	45-00114.003
56	James M. Valentine	9.482	45-00114.006
57	M. Joan Shepherd (Life Estate) Sandra S. Shepard Etal as Trustee (Remaindermen)	1.225	45-00122.000
58	Joe P. & Lizzie J. Hershberger	5.317	45-00125.000
59	Neal & Sandra E. Warrick	13.942	45-00169.000
60	George C. & Deborah L. Reinacher	1.154	45-00169.001
61	Bruce A. & Krista West	0.020	45-00170.000
62	Larry K. & Wilma M. West (Trustees)	3.621	45-00171.000
63	Larry K. & Wilma M. West (Trustees)	26.845	45-00172.000
64	Jeffrey L. Wehr	0.003	45-00284.002
65	Brian K. & Shelley S. West	0.040	45-00288.000
66	Brian K. West	0.804	45-00289.000
67	E. Dwayne Stottler	26.649	45-00293.000
68	Carol B. Stottler	0.984	45-00294.000
69	Jake & Delila Weaver (Trustees)	0.598	45-00295.000

TRACT NUMBER	LESSOR/OWNER	SURFACE ACRES IN UNIT	TAX MAP PARCEL ID NUMBERS
70	James T. & Mary Jo Moore	0.764	45-00296.000
71	James T. & Mary Jo Moore	0.085	45-00299.000
<b>TOTAL NET LEASED</b>		<b>405.273</b>	

**AFFIDAVIT OF FACT**

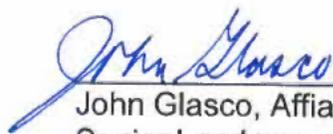
STATE OF OKLAHOMA                    )  
  ) SS  
COUNTY OF OKLAHOMA                )

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

1. Affiant, John Glasco, is employed by Gulfport Energy Corporation ("Gulfport") as Senior Landman. Affiant's job responsibilities include negotiating acreage trade agreements with other operators throughout the state of Ohio. Affiant has personal knowledge of the matters set forth in this affidavit, and the following information is true to the best of Affiant's knowledge and belief.
2. The Affiant has reviewed that certain development agreement between Gulfport and Rice Drilling D LLC ("Rice"), executed on October 14, 2013 (the "Rice Development Agreement").
3. The Affiant states that Tracts 2, 10-11, 42, 46, 50, 55-57, 59-60 ("Rice Tracts"), as referenced in the Neal East Unitization Application, are subject to the Rice Development Agreement.
4. The Affiant further states that the Rice Development Agreement grants Gulfport the authorization to drill and develop the Rice Tracts and further that when a unitization application is deemed necessary, Gulfport shall have the authority to execute all necessary documents associated with the unitization application and subsequent unitization order on behalf of both Parties' oil and gas interest within the unitized area (here, the Rice Tracts).
5. Pursuant to its rights under the Rice Development Agreement, Gulfport has the necessary rights to commit the respective interest of the Rice Tracts to the Neal East Unitization Application.

Further Affiant sayeth naught.

Dated this 3<sup>rd</sup> day of June,  
2016.

  
\_\_\_\_\_  
John Glasco, Affiant  
Senior Landman  
Gulfport Energy Corporation

**ACKNOWLEDGEMENT**

STATE OF OKLAHOMA            )  
  ) SS  
COUNTY OF Oklahoma    )

The foregoing instrument was sworn to before me, a Notary Public in and for the State of Oklahoma, and subscribed in my presence this 3<sup>rd</sup> day of June, 2016, by John Glasco, 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:

08/14/17

Kristin Heath  
Notary Public

Kristin Heath  
Printed Name of Notary

(SEAL)

