

#### west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

September 17, 2015

### WELL WORK PERMIT Re-Drill

This permit, API Well Number: 47-5101288, issued to CHEVRON APPALACHIA, LLC, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

Operator's Well No. STARCOVIC 1H

Farm Name: STARCOVIC, STEPHEN

API Well Number: 47-5101288
Permit Type: Re-Drill

Date Issued: 09/17/2015

05	1	0	1	2	B1 80. 47-51	- 01288 R
					OPERATOR V	VELL NO. 1H
					Well Pad Na	me: Starcovic

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

1) Well Opera	tor: Chevron Ap	palachia, LLC	49449935	Marshall	Cameron, WV	7.5
At helicitation	-		Operator ID	County	District Quadrangle	
2) Operator's	Well Number: 1H		Well P	ad Name: Sta	covic	
3) Farm Name	e/Surface Owner:	Stephen M & Kimberly A	Starcovic Public Ro	oad Access: C	R 25/Main Street	
4) Elevation, c	current ground:	1168' E	levation, propose	d post-construc	tion: _1168'	
5) Well Type	(a) Gas X	Oil _	Un	derground Stor	age	
	Other					
	(b)If Gas Sha	llow X	Deep			
	Hor	rizontal X			gu 1/28/15	
	d: Yes or No Yes		2000			
	arget Formation(s ling to Marcellus	), Depth(s), Antio	cipated Thickness	and Expected	Pressure(s):	
8) Proposed To	otal Vertical Dept	h: N/A				
9) Formation a	at Total Vertical D	epth: N/A				
10) Proposed	Total Measured D	epth: N/A				
11) Proposed I	Horizontal Leg Le	ngth: N/A				
12) Approxim	ate Fresh Water S	trata Depths:	179' GL			
13) Method to	Determine Fresh	Water Depths:	1 mile survey radius arou	nd the pad, using sur	round water wells & lowest stream bed ele	vation
14) Approxim	ate Saltwater Dep	ths: 1863'-2103	' GL; 2298'-2518	GL		
15) Approxim	ate Coal Seam De	pths: 825'				
16) Approxim	ate Depth to Possi	ble Void (coal m	ine, karst, other):	N/A		
	osed well location ving or adjacent to		Yes X	N	lo	
(a) If Yes, pr	ovide Mine Info:	Name: Mars	shall County Min	e (238' adjac	ent)	
(4) 11 130, [1		Depth: 825'				
		Service and the service of the servi	burgh Seam			
		-	NSOL Energy	BE	CEIVED	
				Office of	f Oil and Gas	

WW-6B	
(04/15)	

API NO. 47-57 1 01288 2 8 8R

OPERATOR WELL NO. 1H
Well Pad Name: Starcovic

18)

#### CASING AND TUBING PROGRAM

TYPE	Size (in)	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling (ft)	INTERVALS: Left in Well (ft)	CEMENT: Fill-up (Cu. Ft.)/CTS
Conductor							
Fresh Water	13-3/8"				1172		1814
Coal							
Intermediate	9-5/8"				2495		1474
Production	5-1/2"				10377		1607
Tubing							
Liners							

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TYPE	Size (in)	Wellbore Diameter (in)	Wall Thickness (in)	Burst Pressure (psi)	Anticipated Max. Internal Pressure (psi)	Cement Type	Cement Yield (cu. ft./k)
Conductor							
Fresh Water							
Coal							
Intermediate							
Production							
Tubing							
Liners	1 1						

### **PACKERS**

Kind:	see attached	
Sizes:		
Depths Set:		
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WW-6B	
(04/15)	

<b>EXIST</b>	ING	CAS	ING

API NO. 47-51	01288
<b>OPERATOR WELL</b>	NO. 1H
Well Pad Name:	Starcovic

## 18)

## CASING AND TUBING PROGRAM

TYPE	Size (in)	New or Used	<u>Grade</u>	Weight per ft. (lb/ft)	FOOTAGE: For Drilling (ft)	INTERVALS: Left in Well (ft)	CEMENT: Fill-up (Cu. Ft.)/CTS
Conductor		_					
Fresh Water	13-3/8"				1172	1172	1814
Coal						·	
Intermediate	9-5/8"				2495	2495	1474
Production	5-1/2"				10377	10377	1607
Tubing							
Liners							

TYPE	Size (in)	Wellbore Diameter (in)	<u>Wall</u> <u>Thickness</u> (in)	Burst Pressure (psi)	Anticipated Max. Internal Pressure (psi)	Cement Type	Cement Yield (cu. ft./k)
Conductor							
Fresh Water							
Coal							
Intermediate			<del></del>				
Production							
Tubing					<del></del>		
Liners			- · · · · · · · · · · · · · · · · · · ·				<u> </u>

### **PACKERS**

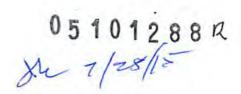
Kind:	see attached		
Sizes:			
Depths Set:			

# API NO. 49-55 1-0128 2 8 8 1/2 OPERATOR WELL NO. 1H

Well Pad Name: Starcovic

Page 3/13/2015

19) Describe proposed well work, including the drilling and	l plugging back of any pilot hole:
see attached	
20) Describe fracturing/stimulating methods in detail, inclu	iding anticipated max pressure and max rate:
N/A	
21) Total Area to be disturbed, including roads, stockpile ar	rea, pits, etc., (acres): N/A
22) Area to be disturbed for well pad only, less access road	(acres): N/A
23) Describe centralizer placement for each casing string:	
N/A	
24) Describe all cement additives associated with each ceme	ent type:
N/A	
25) Proposed borehole conditioning procedures:	
A	
See attached	RECEIVED
	Office of Oil and Gas
	JUL <b>3 1</b> 2015
	WV Department of
*Note: Attach additional sheets as needed.	Environmental Protection



"Work scope for the Starcovic 1H and 2H is clean out the wells and to return them to a producible state. The intention is to move in a workover rig and remove cement plugs, bentonite gel and cast-iron bridge plug in the vertical section. The scope will also include cleaning out the casing, installation of a packer and tubing."

- Move in and rig up containment, surface rental equipment, and other auxiliary equipment.
- · Mobilize rig and pressure-testing equipment to location. Spot equipment on pad.
- · Check pressure in casing; bleed any residual pressure off.
- Rig up class 3 BOP and equipment. Test BOP stack at low and high pressure.
- · Rig up and run in hole with bit, drill collars and tubing. Tag cement.
- · Drill out all cement plugs and mill through cast-iron bridge plug.
- Circulate water to clean debris. Pump minimum of two hole sweeps surface to surface to ensure cement/plug debris is removed.
- Remove milling equipment, rig up wire line, pressure-test lubricator and run in hole with 4.5" gauge ring. Check diameter and note any tight spots. Remove gauge ring.
- Rig up packer assembly and set downhole ~6800 feet.
- Rig up tubing assembly and swab wellbore down to ~4000' static fluid level.
- · Run in hole with tubing assembly and latch into packer.
- Pump packer fluid down casing annulus with BOP open to allow air to escape wellbore. Once full allow 15
  mins for air to dissipate. Then refill packer fluid at slow pumping speed. Test casing to 1000 psi to ensure
  good seal.
- . Rig down BOP stack and rig up Christmas tree. Rig up and run in hole with wireline to pull plug in profile.
- Establish production rate and monitor before turning over to operations.

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API Number 47 - 51	- 01288 R
Operator's Well No	o. 1H

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

#### FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Chevron Appalachia, LLC OP Code 4944990	35
Watershed (HUC 10) Middle Grave Creek - Grave Creek Quadrangle Cameron, WV 7.5'	
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes	No 🗸
If so, please describe anticipated pit waste: cement cuttings  Will a synthetic liner be used in the pit? Yes No V If so, what ml.?	
Proposed Disposal Method For Treated Pit Wastes:	
Land Application Underground Injection ( UIC Permit Number	)
Reuse (at API Number	)
Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	
Will closed loop system be used? If so, describe: N/A	
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. freshwater	esh water
-If oil based, what type? Synthetic, petroleum, etc. N/A	
Additives to be used in drilling medium? N/A	
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. removed offsite	
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust)	
-Landfill or offsite name/permit number? Arden Landfill - Permit # 100172; South Hills Landfill - Per	mit # 100592
Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associated West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the permittee it was properly disposed.	ciated waste rejected at any ermittee shall also disclose
I certify that I understand and agree to the terms and conditions of the GENERAL WATER on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental P provisions of the permit are enforceable by law. Violations of any term or condition of the general law or regulation can lead to enforcement action.  I certify under penalty of law that I have personally examined and am familiar with the application form and all attachments thereto and that, based on my inquiry of those individual obtaining the information, I believe that the information is true, accurate, and complete. I am a penalties for submitting false information, including the possibility of fine or imprisonment.	rotection. I understand that the permit and/or other applicable information submitted on this immediately responsible for
Company Official Signature Company Official Signature	JUL 8 1 2015
Company Official (Typed Name) Jenny Hayes	002 01 2013
Company Official Title Permitting Team Lean	WV Department of
	Environmental Protection
Subscribed and sworn before me this 24th day of July . 20 15  Kustu Bioucs Notary Pub	COMMONWEALTH OF PENNSYLVAI
My commission expires Sept 2, 2018  Notary Pub	
My commission expires	MEMBER. PENNSYLVANIA ASSOCIATION OF HOTAL

# 05101288R

Operator's Well No. 1H

Chevron Appalachi	a, LLC			
Proposed Revegetation Trea	tment: Acres Disturbed N	one	Prevegetation pH	
Lime	Tons/acre or to corre	ct to pH		
Fertilizer type				
Fertilizer amount_		lbs/acre		
Mulch		_Tons/acre		
		Seed Mixtures		
т	emporary		Perma	nent
Seed Type	lbs/acre		Seed Type	lbs/acre
		_		
hotocopied section of involutional involution of involutional involution of involution	Pad ce C	lee	pad a (or	
			~	
			4	
Title: 0: / 4 (	sas luggeste	Date:_	7/28/1	<u></u>
Field Reviewed?	( ) Yes			

7/28/12

# CHEVRON APPALACHIA, LLC



# West Virginia Well Site Safety Plan

Starcovic Pad
Well # 1H
508 Starcovic Drive
Cameron, WV 26033
Cameron District
(39.831708, -80.589725)
Marshall County, West Virginia

Prepared in Conformance with:

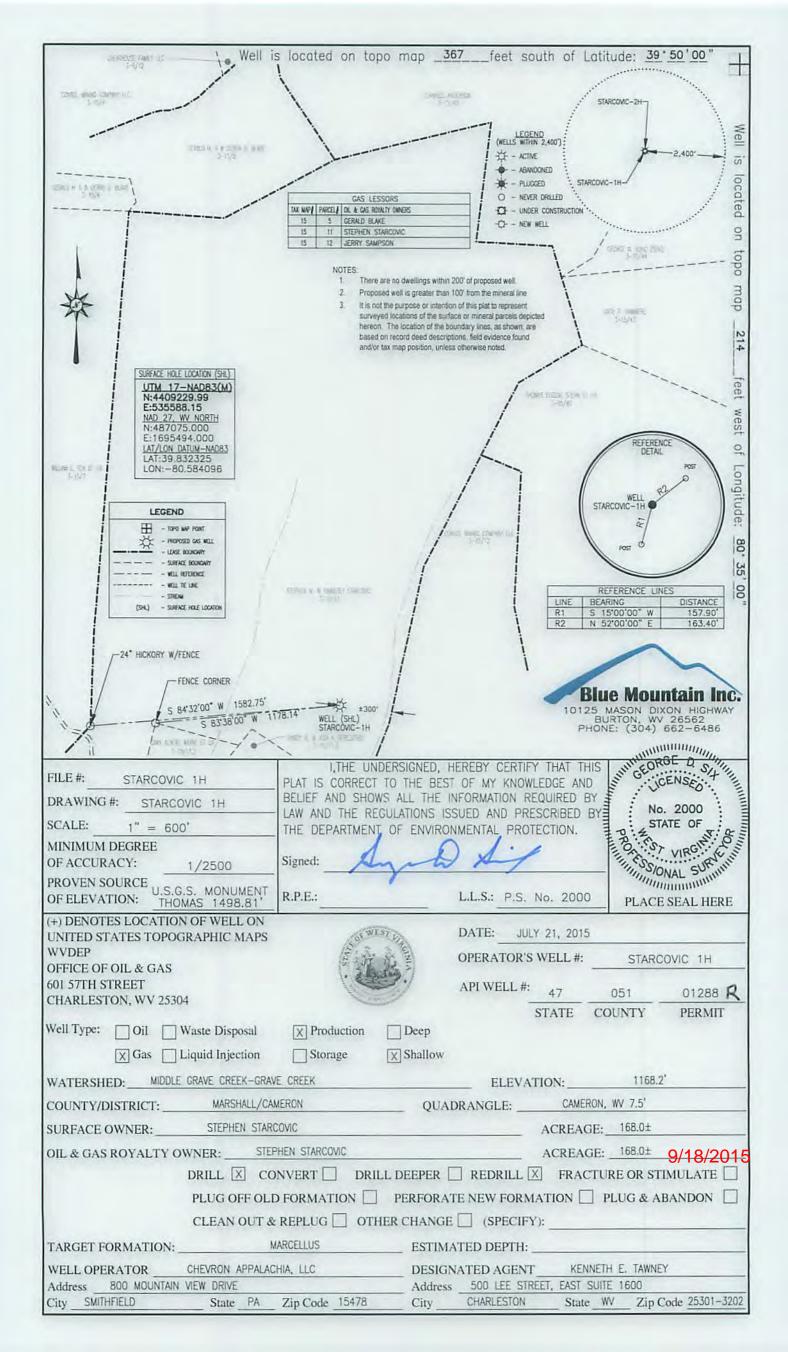
West Virginia's Code §22-6A and Legislative Rule §35-8-5.7 and
West Virginia Department of Environmental Protection's, Office of Oil and Gas documents: "Well Site
Safety Plan Standards" (issued August 25, 2011), and
"Deep Well Drilling Procedures and Site Safety Plan Requirements" (issued October 22, 2012)

#### Revision 3

Original: September 2012 Revised: June 2013 Revised: May 2014 Revised: January, 2015 Revised: March, 2015

NOTE: This Site Safety Plan has been developed for work being performed on previously drilled and completed wells. The standard template format used for Chevron Site Safety Plans normally encompasses all phases of well drilling and completion operations conducted by Chevron. The scope of the work being performed pertinent to this Site Safety Plan involves the drilling out of a plug, preparing a previously drilled and completed well for tubing installation, and placing the well back into production. As such, certain portions of this all-encompassing plan may not be pertinent to this operation and will be noted throughout the plan.

Office of Oil and Gas



Operator's Well No.	1H

#### INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6A, Section 5(a)(5) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Lease Name or Number	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
866537	Starcovic, Stephen M. et ux.	TriEnergy, Inc.	12.5%	657/627 & 741/100
866572	Blake, Gerald H. II et ux.	AB Resorces LLC	12.5%	685/275
866627	Sampson, Jerry L. et ux.	AB Resources LLC	12.5%	685/279
866649	Johnson, Maxine G.	AB Resources LLC	12.5%	689/93
866574	Beresford, Randy R. et ux.	AB Resources LLC	12.5%	685/273
866632	Workman, James E. et ux.	AB Resources LLC	12.5%	685/290

#### Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby acknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator:	Chevron Appalachia, LLC	
By:	Jenny Layer	
Its:	Permitting Team Lead FI	
	Office of Oil and Gas	

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WV Department of Environmental Protection 9/18/2015

					ASSIGNMENT	ASSIGNMENT	TAX MAP
Lessee	Lessee	Lessee	Royalty	DB/PG	1	2	
866537	Starcovic, Stephen M. et ux.	TriEnergy, Inc.	12.5%	657/627 & 741/100	19/623 - TRIENERGY, INC. to AB Resources LLC	756/397 - AB Resources LLC to Chevron U.S.A. Inc.	03-0015-0011
866572	Blake, Gerald H. II et ux.	AB Resorces LLC	12.5%	685/275	756/397 - AB Resources LLC to Chevron U.S.A. Inc.	]	03-0015-0006
866627	Sampson, Jerry L. et ux.	AB Resources LLC	12.5%	685/279	756/397 - AB Resources LLC to Chevron U.S.A. Inc.		03-0015-0012
866649	Johnson, Maxine G.	AB Resources LLC	12.5%	689/93	756/397 - AB Resources LLC to Chevron U.S.A. Inc.		03-0015-0012
866574	Beresford, Randy R. et ux.	AB Resources LLC	12.5%	685/273	756/397 - AB Resources LLC to Chevron U.S.A. Inc.		03-0015-0011-0003
866632	Workman, James E. et ux.	AB Resources LLC	12.5%	685/290	756/397 - AB Resources LLC to Chevron U.S.A. Inc.		03-0015-0011-0002
		Ī -					

total acreage comprising the unit.

TRIENERGY HOLDINGS LLC PO BOX 89 SEWICKLEY PA 15143 This Lease Agreement is made as of the \_\_\_\_\_19th\_\_

#### OIL AND GAS LEASE

\_ day of \_

TriEnergy, Inc. West Virginia

, <u>2006</u> between

Stephen M. Starcovic and Kim Starcovic, his wife
of RD# 4, Box 152, D. Cameron, WV 26033 as Lessor, (whether one or more), and TriEnergy, Inc., P.O. Box 89, 412 Beaver Street, 2 <sup>nd</sup> floor, Sewickley, PA 15143, as Lessee.
as Lessor. (whether one or more), and Trienergy, Inc., P.O. Box 89, 412 Beaver Street, 2 most, Sewiclasy, 12 to 15 of the sum of One Dollar (\$1.00) in hand paid, the receipt of which is hereby acknowledged,
and in further consideration of the covenants and agreements herein contained. Lessor hereby leases and lets exclusively to Lessee, its
wassers and assigns for the purpose of exploring for developing producing and marketing oil and gas, including member gas
present in any coal seam, along with all hydrocarbon substances produced in association therewith, the following described failut
(2) DESCRIPTION - All that certain tract of land situate in the
On the North by: TILOMAL STELM
On the Past by: JERRY JAMPICO
On the South by: RANDY BEREIFORD
On the West by: WAI. Fox
107 00 seems more or loca
County 12x 1 aree 110.
being the same tract of land acquired by Lessor by virtue of a from from, as recorded in the office of
the Recorder of Deeds in said county in Volume 551, Page 495. This lease includes any interest in said property
which Lessor hereafter acquires by reversion, prescription or otherwise.
(3) TERM - Subject to the other provisions contained herein, this lease shall be in force for a primary term of three (3) years from the date of this lease and for so long thereafter as oil, gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained pursuant to the provisions hereof.
(4) Royalty Payment - (a) For crude oil, including condensate, Lessee shall pay to the Lessor, as royalty, free of production cost, one-eighth (1/8th) of the proceeds realized by Lessee from the sale of all crude oil produced and sold from the leased premises. (b) For gas (including casing-head gas) and all other substances covered hereby, the royalty shall be one-eighth (1/8th) of the proceeds realized by Lessee from the sale thereof, with no deduction of any costs incurred by Lessee or its affiliates to gather, transport, compress, dehydrate or otherwise treat such gas prior to the point of custody transfer into pipelines or other facilities owned by a regulated utility or pipeline company or a non-affiliated third party.
If the Lessee chooses to make this leasehold part of a unit for an enhanced recovery project and surplus gas is marketed from that unit, then any payment for gas marketed shall be divided pro rata among the various Lessors in such unit in accordance with the number of acres each owns in said unit from which gas is taken in the recovery, provided however, that if Lessee produces or purchases gas outside the unit and uses it in said unit, then Lessee shall pay for gas marketed only to the extent that it exceeds the outside gas produced or purchased. Lessee may use gas produced from the leased premises, without charge, for injection into wells located on said leased premises or on a unit of which the leased premises is part, and for said purpose may commingle said gas with gas produced elsewhere.
(5) LESSOR'S INTEREST - If Lessor owns a less interest in the above-described land than the entire and undivided estate herein leased, then the royalties, shut-in royalties and rentals herein provided shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the leased premises shall hereafter be subdivided, the premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire leased acreage.
(6) RENTAL PAYMENT - This lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the leased premises or lands pooled herewith within one-hundred twenty (120) days from the date of this lease and prosecuted with due and reasonable diligence, or unless the Lessee shall pay to the Lessor, in advance, every twelve (12) months until work for the drilling of a well is commenced, the rate ofFive and 00/100 Dollars (\$5.00) per net acre leased for each twelve (12) months during which the commencement of such work is delayed.
Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor either:
(a) To the Lessor direct, at the address above stated;
(b) If the Lessor consists of two or more persons, then to same as lessor above, who is hereby appointed the agent of the Lessor to receive such payments;
(7) CONTINUING OPERATIONS - If, at the end of the primary term or any time thereafter, this lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production on the leased premises or lands pooled therewith, this lease shall remain in force as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, as long thereafter as production continues in paying quantities.

(8) POOLING - Lessee is hereby granted the right to pool or unitize the leased premises, or any part thereof, with any other property for the production of any substance covered hereby, so as to create one or more drilling or production units. Said drilling or production units shall not exceed six hundred forty (640) acres. In the event this lease is so unitized, the Lessor agrees to accept in lieu 2015

of the royalty herein before recited, such proportion of the royalty above provided as the acreage contributed by this lease bears to the

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thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of a written declaration describing the unit and stating the date of termination.	
Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall, except for the payment of royalties, be treated as if it were production drilling or reworking operations on the leased premises.	.~ 'Y
(9) GAS STORAGE - Lessee shall have the exclusive right, upon written notice to the Lessor, to use any formation matter lights necessary to store and produce such stored gas. Lessees	33
Eagrees to pay Lessor an annual rental of Two Dollars (\$2.00) per acre for all hands which Lessee wishes to use for the storage of gas	12/19/06

Lessee shall create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy

Lessee further agrees to pay Lessor, as liquidated damages for the drilling, operation and maintenance of each well on the leased premises which is utilized for the storage of gas, as well as for the necessary or useful surface rights and privileges relating thereto, the sum of One Hundred Dollars (\$100.00) payable in one sum within three (3) months after each well now existing or hereafter drilled upon the leased premises is so utilized. Lessee agrees to give Lessor written notice of the used of the leased premises or any well drilled thereon for the storage of gas. The storage rights may be assigned or exercised in conjunction with other leases in the general vicinity.

payable in advance while the premises are so used and so long as storage payment is made all provisions of this lease shall remain in full

(10) ANCILLARY RIGHTS - Lessor grants to the Lessee the right to ingress and egress over, under and through said leased premises with the right to transport by pipelines or otherwise, oil, gas, water and their constituents from the leased premises and other lands regardless of the source of such substances and the exclusive right of injecting water, air, brine, gas and other fluids into subsurface strata. The right of ingress and egress granted hereby shall apply to the entire leased premises not-with-standing any release or other termination affecting any portion thereof. The right of placing electric and telephone lines over the leased premises; the right to erect necessary buildings, tanks, towers, stations or other structures thereon; the right to use free from royalty sufficient oil, gas and water produced from the leased premises for all operations thereon (provided it finds water at its own expense); the right to subdivide and release the premises and the right to surrender this lease at any time and thereupon to be discharged from all obligations, covenants and conditions beginning.

When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within two hundred (200) feet from any house now on the leased premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease and within a reasonable time thereafter.

- (11) SHUT-IN ROYALTY Notwithstanding anything herein to the contrary if all wells on the leased premises, or on a unit that includes all or a part of the leased premises, capable of producing gas in paying quantities are shut-in for a period of one year and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force or when this lease is not otherwise kept in force by other provisions of this lease, the Lessee may maintain this lease in effect by tendering to Lessor a shut-in royalty equal to the delay rental provided for herein. Said shut-in gas royalty shall be paid or tendered to the Lessor on or before the end of each year in which the wells are shut-in. Upon payment of the shut-in gas royalty as provided herein, this lease will continue in force during all of the time or times while such wells are shut-in.
- (12) TAXES All taxes assessed or payable on the oil and gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the oil and gas or operations under this lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the leased premises or producing oil or gas from the leased premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the leased premises, but no change or division in ownership of the leased premises shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

(16) OPTION TO RENEW - Lessor further covenants that it will not grant an oil and gas lease or similar right for oil and gas covering the premises herein leased, or any portion thereof to any other party during the primary term of the lease and Lessee is hereby granted the right or option to extend the term of this lease for an additional five (5) year term commencing for a period ending sixty (60) days after the initial primary term of this lease at the rate of \$5.00 per net acre for an additional five (5) year term.

(17) ARBITRATION - Any question concerning this lease or performance thereunder shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed by aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.

(18) ACCEPTANCE - This lease shall be deemed to be accepted by the Lessee upon execution by the undersigned duly authorized official of the Lessee.

(19) WAIVER IN WRITING - The failure of either party to enforce or exercise any provision of this extrapl of or itiend Gas or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.

Lessee shall create the unitereof to the Lesson's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lesson's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filling of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall, except for the payment of royalties, he treated as if it were production drilling or reworking operations on the leased premises.

underlying the leased premises for the storage of gas and shall have all rights necessary to store and produce such stored gas. Lessees agrees to pay Lessor an annual rental of Two Dollars (\$2.00) per acre for all lands which Lessee wishes to use for the storage of gas payable in advance while the premises are so used and so long as storage payment is made all provisions of this lease shall remain in full

Lessee further agrees to pay Lessor, as liquidated damages for the drilling, operation and maintenance of each well on the leased premises which is utilized for the storage of gas, as well as for the necessary or useful surface rights and privileges relating thereto, the sum of One Hundred Dollars (\$100.00) payable in one sum within three (3) months after each well now existing or hereafter drilled upon the leased premises is so utilized. Lessee agrees to give Lessor written notice of the used of the leased premises or any well drilled thereon for the storage of gas. The storage rights may be assigned or exercised in conjunction with other leases in the general vicinity.

(10) ANCILLARY RIGHTS - Lessor grants to the Lessee the right to ingress and egress over, under and through said leased premises with the right to transport by pipelines or otherwise, oil, gas, water and their constituents from the leased premises and other lands regardless of the source of such substances and the exclusive right of injecting water, air, brine, gas and other fluids into subsurface strata. The right of ingress and egress granted hereby shall apply to the entire leased premises not-with-standing any release or other termination affecting any portion thereof. The right of placing electric and telephone lines over the leased premises; the right to creet necessary buildings, tanks, towers, stations or other structures thereon; the right to use free from royalty sufficient oil, gas and water produced from the leased premises for all operations thereon (provided it finds water at its own expense); the right to subdivide and release the premises and the right to surrender this lease at any time and thereupon to be discharged from all obligations, covenants and conditions hereincontained.

When requested by Lessor in writing. Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within two hundred (200) feet from any house now on the leased premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon. Lessee shall have the right to remove its fixtures, equipment and materials, including well easing, from the leased premises during the term of this lease and within a reasonable time thereafter.

- (11) SHUT-IN ROYALTY Notwithstanding anything herein to the contrary if all wells on the leased premises, or on a unit that includes all or a part of the leased premises, capable of producing gas in paying quantities are shut-in for a period of one year and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force or when this lease is not otherwise kept in force by other provisions of this lease, the Lessee may maintain this lease in effect by tendering to Lessor a shut-in royalty equal to the delay rental provided for herein. Said shut-in gas royalty shall be paid or tendered to the Lessor on or before the end of each year in which the wells are shut-in. Upon payment of the shut-in gas royalty as provided herein, this lease will continue in force during all of the time or times while such wells are shut-in.
- (12) TAXES All taxes assessed or payable on the oil and gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the oil and gas or operations under this lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the leased premises or producing oil or gas from the leased premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the leased premises, but no change or division in ownership of the leased premises shall operate to enlarge the obligations or diminish the rights of the Lessec, Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

(16) OPTION TO RENEW - Lessor further covenants that it will not grant an oil and gas lease or similar right for oil and gas covering the premises herein leased, or any portion thereof to any other party during the primary term of the lease and Lessee is hereby granted the right or option to extend the term of this lease for an additional live (5) year term commencing for a period ending sixty (60) days after the initial primary term of this lease at the rate of \$5.00 per net acre for an additional five (5) year term.

(17) ARBITRATION - Any question concerning this lease or performance thereunder shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessoe and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.

(18) ACCEPTANCE - This lease shall be deemed to be accepted by the Lessee upon execution by the undersigned duly authorized official of the Lessee.

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(19) WAIVER IN WRITING - The failure of either party to enforce or exercise any provision of this Office of Oil and Gas or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parts.

- rilled hereunder is located over and at gas produced from the premises upon which a v (20) Free Gas - If there is su. above the amount required for operations by the Lessee hereunder, the Lessor owning the parcel of property upon which said well is located may use gas for domestic purposes, free of charge, in appliances furnished by said Lessor upon the premises subject to this lease, not to exceed 300,000 cubic feet of gas per annum. The necessary facilities, including meter, regulator, lines and connections shall be furnished and installed at the expense of the Lessor at the place of or near to the well and of the kind designated by Lessee. The use of gas thereunder shall be wholly at the risk of Lessor and without any liability to the Lessee for any accident or damage caused thereby, nor shall Lessee be liable for any shortage or failure in the supply of gas for said domestic use. Any gas used by the Lessor in excess of said annual amount shall be paid for at the prevailing field rate.
- (21) The location of any well, access road or pipeline shall be mutually agreed upon by Lessor and Lessee, which consent shall not be unreasonably withheld by Lessor.
- (22) Lessee shall indemnify and hold Lessor harmless from and against any and all direct and indirect liability, loss, cost. injury, damages, and expenses (including Attorney's fees) to any person or property arising from or in connection with the performance of it's drilling and production operations and any damages or injury by or arising from any act of negligence, omission, or default of the Lessee in connection with it's drilling and production operations on Lessor's property.
  - (23) Ground to be restored as near as possible to its original condition, as existed prior to drilling operations.
- (24) In the event any activity carried on by Lessee, pursuant to the Lease, disturbs, injures, or damages fresh water source or well on the premises, Lessee shall, at its sole cost and expense, use its best efforts to repair or correct any such disturbance, injury, or damage.
- (25) All access roads used by the Lessee pursuant to its drilling and producing operations on the leased premises shall be kept in a passable condition, free of significant ruts. Lessee shall utilize shale, gravel, or crushed stone and sluice pipes, where necessary, to maintain the condition of the roads. Upon request of Lessor, Lessee shall erect and maintain a gate on any access road used by Lessee. If the gate is locked, a key shall be furnished to the Lessor.
- (26) Lessor hereby warrants that Lessor is not currently receiving any bonus, rental, production royalty as the result of any prior oil and gas lease covering any or all of the subject premises, and that there are no commercially producing wells currently existing on the subject premises, or upon other lands within the boundaries of a drilling or production unit utilizing all or a part of the subject

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals. WITNESS: Lessor : Stephen M. Starcovic Social Security No. Phone No. en Kim Starcovic Lessor: Social Security No. Phone No. State of West Virginia SS: County of Marshall in the year 2006, before me, the undersigned, a Notary On the 197H day of DECEMBER Public in and for said state, personally appeared STEPHEN NI. STHKCEDUC HAND KIM , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument IN WITNESS WHEREOF, I hereunto set my hand and official scal. Official Seal My Commission Expires: JOHN F. SIMON
SENECA TRAIL REAL ESTATE BOX 774

EI KING WV 26241-0774

EI KING WV 26241-0774 Jan Pest MARSHALL County 10:16:01 AM Instrument No 1309042 Date Recorded 08/05/2011 Prepared by: Approve Document Type O&G Pages Recorded 4 Gray Montague, Land Agent 741-100 Book-Page Recording Fee \$10 50 ... Offic

III. 5 L

STATE OF	WEST	VIRGINIA,	MARSHALL	COUNTY,	SCT.:
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/IRGINIA, MARSHALL COUNTY, SCT.:	MA Depatation
JAN PEST, Clerk of the County Commission of said County, do hereby	certify that the annexed writing, bearing
day of December ,2006, was presented for and by me,	admitted to record in my office upon the
the parties therein named this 5+4 day of Quyust	3011at 10:16 o'clock A.M.
0	
TESTE:	fan (yast Clerk

above certificate as to

0 5 1 0 1 2 8 8 WEST VIRGINIA

#### OIL AND GAS LEASE

This Lease Agreement (the "Lease") is made and entered into this 6th day of July 2009 (the "Date Hereof") by and
between Gerald H. Blake II and Debra Blake, husband and wife
having an address of RD 4 Box 175, Cameron, West Virgina 26033
(hereinafter referred to as "Lessor"), and AB RESOURCES LLC, a Delaware limited liability company, having an address
of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to as "Lessee").

- (1) GRANTING PROVISION In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.
- (2) DESCRIPTION OF LANDS The lands covered by this Lease are those certain tracts or parcels of land situate in Cameron District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 28.07 acres, more or less. This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".
- (3) TERM OF LEASE Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of <u>Five (5) years</u> from the Date Hereof (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof.
- (4) LESSOR ROYALTIES Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:
  - (a) as royalty for crude oil (hereinafter "Oil"), Lessee shall deliver to the Lessor, free of cost, the equal one-eighth (1/8th or 12.5%) part of all Oil produced and saved from the Leased Premises or, at Lessee's option, Lessee may pay to Lessor such one-eighth (1/8th) of the gross proceeds realized by Lessee for all Oil produced, saved and sold from the Leased Premises; and,
  - (b) as royalty for natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), Lessee shall pay to Lessor the equal one-eighth (1/8<sup>th</sup> or 12.5%) of the gross proceeds realized by Lessee for all Gas produced and sold off the Leased Premises. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.
- (5) LESSOR'S INTEREST If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delayed rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

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(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessec pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of One Hundred dollars (\$ 100.00) per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

(9) ANCILLARY RIGHTS - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within one hundred (100) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

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- Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.
- (11) CESSATION OF PRODUCTION If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.
- (12) TAXES All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
- (16) OPTION TO EXTEND Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional five (5) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

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- (17) ARBITRATION Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.
- (18) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.
  - (19) GOVERNING LAW This Agreement shall be construed under the laws of the State of West Virginia.
- (20) HEADINGS The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.

Ocha Blake

#### (FOR DESCRIPTION SEE EXHIBIT "A" ATTACTED HERETO AND MADE A PART HEREOF)

(Gross acres 28.07 Lessor net mineral acres 25.89)

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Date Hereof.

LESSOR

Gerald H. Blake I

6. HB.

-

AB RESOURCES LIC

By: Gordon O. Yonel Its: Chief Executive Officer

This document prepared by: AB Resources LLC 6802 W. Snowville Rd., Suite E Brecksville, Ohio 4414

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9/18/2015

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#### - ACKNOWLEDGMENTS -

State of WEST VIRGINIA	: : ss	
County of MARSHALL	<b>:</b>	
On this the6 <sup>th</sup> day husband and wife West Virgina 26033	who, being by me duly swom did depos	ersonally came <u>Gerald H. Blake II and Debra Blake</u> , se and say that he resides at <u>RD 4 Box 175</u> , <u>Cameron</u> , to me that he signed his name to the annexed Lease.
IN WITNESS WHEREO  My Commission Expires: Oca	F, I hereunto set my hand and official seal	Notary Public (SEAL)
State of Ohio	,	OFFICIAL SEAL Notary Public, State Of West Virginia CHAD WINCE 1300 Henry Road South Charleston, WV 25303 My Commission Expires Oct. 1, 2018
State of Olifo	: ss	
County of Cuyahoga	. ~	
· · · · · ·	•	
On this the 3Th day o	Parker 2009, before me to	ersonally came Gordon O. Yonel, who, being by me duly
sworn, did depose and say that he is	s the <u>Chief Executive Officer</u> for <u>AB Resou</u>	urces LLC, the limited liability company described in and requisite authority vested in him by said limited liability
IN WITNESS WHEREO	F, I hereunto set my hand and official seal	0
My Commission Expires: \\-q	.3	Notary Public (SEAL)
		Patricia A. Gill Votary Public, State of Ohio My Commission Expires November 9, 2068 \ 3

Page 5 of 5

9/18/2015

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#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated, July 6, 2009, by and between
Gerald H. Blake II and Debra Blake, husband and wife having an address of RD 4 Box 175, Cameron, West Virgina 26033
Lessor and AB RESOURCES LLC, a Delaware limited liability company, as Lessee.
Lesson and AB RESOURCES LIDE, a Delaware infinited national company, as Lessee.
<u>Tract #1</u>
District of Cameron, County of Marshall.
Tax Map/Parcel # 03 15000500000000 Bounded currently or formerly as follows:
On the North by: 3-15-4, Strope ;
On the East by: 3-15-45, Yoho ;
On the South by: 3-15-11, Starcovic;
On the West by: <u>3-14-6, Knox</u> ;
Containing 23.71 acres, and more fully described in deed recorded in Book 513, at Page 583 of Marshall County, West Virginia  Tract #2
District of <u>Cameron</u> , County of Marshall.
Tax Map/Parcel # 03 15000600000000 Bounded currently or formerly as follows:
On the North by: 3-15-5, Blake;
On the East by: 3-15-5, Blake;
On the South by: 3-15-7, Fox;
On the West by: 3-14-6, Knox;
Containing <u>4.36</u> acres, and more fully described in deed recorded in Book <u>513</u> , at Page <u>583</u> of <u>Marshall</u> County, West Virginia

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WV Department of Environmental Protection

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WEST VIRGINIA

#### OIL AND GAS LEASE

1) Iwale		
Tilly Dept Well-culture fair poppe ) is inside and culture and and	2009 (	(the "Date
Hereof') by and between Jerry L. Sampson and Vickie A. Sampson, husband and wife		
having an address of Rd. 4 Box 144, Cameron, West Virginia 26033		<del></del>
(hereinafter referred to as "Lessor"), and AB RESOURCES LLC, a Delaware limited	l liability	company,
having an address of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to	as "Less	ee").

- (1) GRANTING PROVISION In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.
- (2) DESCRIPTION OF LANDS The lands covered by this Lease are those certain tracts or parcels of land situate in Cameron District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 26.38 acres, more or less. This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".
- (3) TERM OF LEASE Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of <u>Five (5) years</u> from the Date Hereof (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof.
- (4) LESSOR ROYALTIES Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:
  - (a) as royalty for crude oil (hereinafter "Oil"), Lessee shall deliver to the Lessor, free of cost, the equal one-eighth (1/8<sup>th</sup> or 12.5%) part of all Oil produced and saved from the Leased Premises or, at Lessee's option, Lessee may pay to Lessor such one-eighth (1/8<sup>th</sup>) of the gross proceeds realized by Lessee for all Oil produced, saved and sold from the Leased Premises; and.
  - (b) as royalty for natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), Lessee shall pay to Lessor the equal one-eighth (1/8<sup>th</sup> or 12.5%) of the gross proceeds realized by Lessee for all Gas produced and sold off the Leased Premises. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.
- (5) LESSOR'S INTEREST If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delayed rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

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(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessee pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of <u>one hundred dollars (\$100.00</u>) per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

(9) ANCILLARY RIGHTS - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within one hundred (100) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

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- Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.
- (11) CESSATION OF PRODUCTION If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.
- (12) TAXES All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
- (16) OPTION TO EXTEND Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional three (3) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

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- (17) ARBITRATION Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.
- (18) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.
  - (19) GOVERNING LAW This Agreement shall be construed under the laws of the State of West Virginia.
- (20) HEADINGS The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.
  - (21) Lessee hereby agrees to restore all lands used in its surface operations to as near the original condition as practicable.
- (22) Lessee shall have Lessor's current water supply sampled and tested prior to the drilling of any well on the leased premises. Should Lessor experience a material adverse change in the quality of Lessor's water supply, during or immediately after the completion of Lessee's drilling operations; Lessee shall, within forty-eight (48) hours of Lessor's written request, sample and test Lessor's water supply at Lessee's expense. Should such test reflect a material adverse change as the result of Lessee's drilling operations on the leased premises, Lessee, at Lessee's expense, agrees to provide Lessor with potable water until such time as Lessor's water source has been repaired or replaced with a source of substantially similar quality.
- (23) The location of any well(s) to be drilled on the lease premises s and/or access roads, pipelines and tank batteries from said wells) shall be approved by the Lessor or one of their representatives in writing prior to location thereof. Such approval shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Date Hereof.

LESSOR

Campi Samosan

Vickie A. Sampson &

LESSEE

AB RESOURCES LLC

By: Gordon O. Yonel

Its: Chief Executive Officer

This document prepared by: AB Resources LLC 6802 W. Snowville Rd., Suite E Brecksville, Ohio 4414

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#### - ACKNOWLEDGMENTS -

State of WEST VIRGINIA	\$	\.
County of MARSHALL	: SS	20.05
		I Samuel and Michig A Someon
On this the 17th day of	July 2009, before me personally car	me Jerry L. Sampson and Vickie A. Sampson, did depose and say that he resides at Rd, 4 Box 144,
husband and wife	who, being by me duly sworn o	, and he duly acknowledged to me that he signed
Cameron, West Virginia 26033 his name to the annexed Lease.		, and he duly acknowledged to the duty he signed
IN WITNESS WHEREOF.	I hereunto set my hand and official seal	0.110-
		(1/1/1
My Commission Expires: Ocf.	1, 2018	Notary Public (SEAL)
sworn, did depose and say that he is t	he Chief Executive Officer for AB Resou	OFFICIAL SEAL Notary Public, State Of West Virginia CHAD WINCE 1300 Henry Road South Charleston, WV 25303 My Commission Expires Oct. 1, 2018  ersonally came Gordon O. Yonel, who, being by me duly arces LLC, the limited liability company described in and requisite authority vested in him by said limited liability
IN WITNESS WHEREOF,	I hereunto set my hand and official seal	0
My Commission Expires:		Parme & Bul (SEAL)
11-4-13		Notary Public
		Patricia A. Gill Notary Public, State of Ohio My Commission Expires November 9, 2068 (3)

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#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated LLC, a Delaware limited liability company, as Lessee.

Tract #1

District of <u>Cameron</u> County of Marshall.

Tax Map/Parcel # 03 15001200000000 Bounded currently or formerly as follows:

On the North by: 3-15-40 Stern
On the East by: 3-15-40 Stern & small parcels
On the South by: Small parcels
On the West by: 3-15-11 Starcovic

Containing <u>26.38</u> acres, and more fully described in deed recorded in Book <u>531</u>, at Page <u>335</u> of <u>Marshall</u> County, West Virginia

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JUL 3 1 2015

WV Department of Environmental Protection

#### OIL AND GAS LEASE

This Lease Agreement (the "Lease") is made and entered into this 1	a day of September 2009 (the "Date Hereof") by and
	having an address of 12325
	(hereinafter referred to as "Lessor"), and
Pubeblo Rd., Gaithersburg, Maryland 20878	chief of 6002 W Spougille Boad Suite F
AB RESOURCES LLC, a Delaware limited liability company, he	aving an address of 6602 w. Showville Road, Sales 2
Brecksville, Ohio 44141 (hereinafter referred to as "Lessee").	

- (1) GRANTING PROVISION In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.
- (2) DESCRIPTION OF LANDS The lands covered by this Lease are those certain tracts or parcels of land situate in Cameron District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 26.38 gross acres, more or less, 13.19 (net mineral acres, more or less). This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".
- (3) TERM OF LEASE Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of <u>Five (5) years</u> from the Date Hereof (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof.
- (4) LESSOR ROYALTIES Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:
  - (a) as royalty for crude oil (hereinafter "Oil"), Lessee, or the crude Oil purchaser selected by Lessee, shall pay, free of production cost, an equal one-eight (1/8<sup>th</sup> or 12.5%) of the gross proceeds realize by Lessee for all Oil produced, saved and sold from the Leased Premises; and,
  - (b) as royalty for natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), Lessee shall pay to Lessor the equal one-eighth (1/8<sup>th</sup> or 12.5%) of the gross proceeds realized by Lessee for all Gas produced and sold off the Leased Premises. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.
- (5) LESSOR'S INTEREST If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delayed rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

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(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessee pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of one hundred dollars(\$100.00) per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

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- Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.
- (11) CESSATION OF PRODUCTION If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.
- (12) TAXES All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
- (16) OPTION TO EXTEND Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional five (5) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

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- (17) ARBITRATION Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.
- (18) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.
  - (19) GOVERNING LAW This Agreement shall be construed under the laws of the State of West Virginia.
- (20) HEADINGS The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Date Hereof.

LESSOR

Maxine G. Johnson

LESSEE

AB RESOURCES LLC

By: Gordon O. Yonel Its: Chief Executive Officer

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#### - ACKNOWLEDGMENTS -

State of MARYLAND :
State of MARYLAND  County of Montgomeny: ss  County of Montgomeny:
On this the 15th day of Septh 2009, before me personally came Maxine G. Johnson, a widow, who, being by me duly sworn did depose and say that she resides at 12325 Pubeblo Rd., Gaithersburg, Maryland 20878, and she duly acknowledged to me that she signed her name to the annexed Lease.
IN WITNESS WHEREOF, I hereunto set my hand and official seal
My Commission Expires: May 19th, 2012 (SEAL) Notary Public
LUZ ELENA ESTRADA  NOTARY PUBLIC  MONTGOMERY COUNTY  MARYLAND  MY COMMISSION EXPIRES MAY 19, 2012
State of Ohio :
County of Cuyahoga : ss
On this the 21 nd day of 0 2009. Defore me personally came Gordon O. Yonel, who, being by me duly sworn, did depose and say that he is the Chief Executive Officer for AB Resources LLC, the limited liability company described in any which executed the annexed Lease; and that he signed his name thereto by the requisite authority vested in him by said limited liability company.

This document prepared by: AB Resources LLC 6802 W. Snowville Rd., Suite E Brecksville, Ohio 4414

My Commission Expires: \\. ९ - ₹ 3

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



Patricia A. Gill
Notary Public, State of Ohio
My Commission Expires
November 9, 2068 \ 3

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Notary Public

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#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated \_\_ September 1 having 2009, by and between Maxine G. Johnson, a widow, having an address of 12325 Pubeblo Rd., Gaithersburg, Maryland 20878 and AB RESOURCES LLC, a Delaware limited liability company, as Lessee.

Tract #1

District of Cameron County of Marshall.

Tax Map/Parcel # 03 15001200000000 Bounded currently or formerly as follows:

On the North by: 3-15-40 Stern
On the East by: 3-15-40 Stern & small parcels
On the South by: Small parcels On the West by: 3-15-11 Starcovic

Containing 13.19 net Becket acres, 26.38 gross acres and more fully described in deed recorded in Will Book 44, at Page 715 & Will Book 45 at Page 245 of Marshall County, West Virginia

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JUL 3 1 2015

WV Department of **Environmental Protection** 

**WEST VIRGINIA** 

#### OIL AND GAS LEASE

Tills Lease Rejectificiti (die Detale ) is made and simulation and and and and and and and and and an	2009	(the	"Date
Hereof") by and between Randy R. Beresford and Jodie A. Beresford, husband and wife			
having an address of Rd.4 Box 152, Cameron, West Virginia 26033			
(hereinafter referred to as "Lessor"), and AB RESOURCES LLC, a Delaware limited	liabili	ty cor	npany,
having an address of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to	is "Les	isee")	•

- (1) GRANTING PROVISION In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.
- cameron
  District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 10.3 acres, more or less. This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".
- (3) TERM OF LEASE Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of <u>Five (5) years</u> from the Date Hereof (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof.
- (4) LESSOR ROYALTIES Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:
  - (a) as royalty for crude oil (hereinafter "Oil"), Lessee shall deliver to the Lessor, free of cost, the equal one-eighth (1/8<sup>th</sup> or 12.5%) part of all Oil produced and saved from the Leased Premises or, at Lessee's option, Lessee may pay to Lessor such one-eighth (1/8<sup>th</sup>) of the gross proceeds realized by Lessee for all Oil produced, saved and sold from the Leased Premises; and,
  - (b) as royalty for natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), Lessee shall pay to Lessor the equal one-eighth (1/8<sup>th</sup> or 12.5%) of the gross proceeds realized by Lessee for all Gas produced and sold off the Leased Premises. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.
- (5) LESSOR'S INTEREST If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delayed rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

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(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessee pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of One Hundred dollars (\$ 100.00 ) per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

(9) ANCILLARY RIGHTS - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within one hundred (100) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

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- (10) SHUT-IN ROYALTY Notwithstanding anything herein to the contrary, if all wells on the Leased Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.
- (11) CESSATION OF PRODUCTION If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.
- (12) TAXES All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
- (16) OPTION TO EXTEND Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional three (3) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

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- (17) ARBITRATION Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.
- (18) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.
  - (19) GOVERNING LAW This Agreement shall be construed under the laws of the State of West Virginia.
- (20) HEADINGS The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.
- (21) Anything herein to the contrary notwithstanding, Lessee shall not conduct drilling operations on the surface of the land covered by this lease without the written consent of Lessor; provided however, this restriction applies only to the surface of the land and shall not affect the right of Lessee to produce oil, gas and other minerals from under said land by directionally drilled wells or to place said land in a unit, or units, in accordance with the terms of this lease.
- (22) Lessee shall have Lessor's current water supply sampled and tested prior to the drilling of any well on the leased premises. Should Lessor experience a material adverse change in the quality of Lessor's water supply, during or immediately after the completion of Lessee's drilling operations; Lessee shall, within forty-eight (48) hours of Lessor's written request, sample and test Lessor's water supply at Lessee's expense. Should such test reflect a material adverse change as the result of Lessee's drilling operations on the leased premises, Lessee, at Lessee's expense, agrees to provide Lessor with potable water until such time as Lessor's water source has been repaired or replaced with a source of substantially similar quality.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Date Hereof.

LESSOR

Randy R. Beresford

Jodie A. Beresford

LESSEE

AB RESOURCES LLC

By: Gordon O. Yonel Its: Chief Executive Officer

This document prepared by: AB Resources LLC 6802 W. Snowville Rd., Suite E Brecksville, Ohio 4414

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## - ACKNOWLEDGMENTS -

State of WEST VIRGINIA	100	
County of MARSHALL	7 SS :	
On this the 13th day of husband and wife Cameron, West Virginia 26033	July 2009, before me personally came, who, being by me duly sworn did depose, and he duly acknowledged to me that he sign	
IN WITNESS WHEREOF, My Commission Expires: Oct.	I hereunto set my hand and official seal $1,2018$	Notary Public (SEAL)
		OFFICIAL SEAL Notary Public, State Of West Virginia CHAD WINCE 1300 Henry Road South Charleston, WV 25303 My Commission Expires Oct. 1, 2018
State of Ohio	: SS	
County of Cuyahoga		
sworn, did depose and say that he is the	he Chief Executive Officer for AB Resources LI	ly came Gordon O. Yonel, who, being by me duly C.C. the limited liability company described in and the authority vested in him by said limited liability
IN WITNESS WHEREOF,	I hereunto set my hand and official seal	0
My Commission Expires: \\A-1		Morary Public (SEAL)

Patricia A. Gill Notary Public, State of Ohio My Commission Expires November 9, 2068 \3

#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated <u>July 13, 2009</u>, by and between , <u>Randy R Beresford and Jodie A. Beresford, husband and wife</u>, having an address of <u>Rd.4 Box 152</u>, <u>Cameron, West Virginia 26033 as</u> Lessor and AB RESOURCES LLC, a Delaware limited liability company, as Lessee.

#### Tract#1

District of Marshall		
Tax Map/Parcel #	03 15001100030000 Bounded currently or formerly as for	llows:
On the North by:	3-1511 Starcovic	<u>.</u>
On the East by:	3-1511 Starcovic	_;
On the South by:	3-15-52 Gall & 3-15-11.4 City of Cameron	_;
	3-15-11.2 Gray & -1-11 Starcovic	:
Containing 10.3 213 of Marshall Co	acres, and more fully described in deed recorded in Book	_ at Page

End of Exhibit "A"

9/18/2015

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WV Department of Environmental Protection

## 05101288

**WEST VIRGINIA** 

#### OIL AND GAS LEASE

This Lease Agreement (the "Lease") is made and entered into this 12th day of July 2009 (the "Date Hereof") by and
between James E. Workman and Sandra Workman, husband and wife
having an address of 2465 Vermilion Road, Vermilion, Ohio 44089
(hereinafter referred to as "Lessor"), and AB RESOURCES LLC, a Delaware limited liability company, having an address
of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to as "Lessee").

- (1) GRANTING PROVISION In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.
- cameron District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 3.357 acres, more or less. This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".
- (3) TERM OF LEASE Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of <u>Five (5) years</u> from the Date Hereof (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof
- (4) LESSOR ROYALTIES Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:
  - (a) as royalty for crude oil (hereinafter "Oil"), Lessee shall deliver to the Lessor, free of cost, the equal one-eighth (1/8<sup>th</sup> or 12.5%) part of all Oil produced and saved from the Leased Premises or, at Lessee's option, Lessee may pay to Lessor such one-eighth (1/8<sup>th</sup>) of the gross proceeds realized by Lessee for all Oil produced, saved and sold from the Leased Premises; and,
  - (b) as royalty for natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), Lessee shall pay to Lessor the equal one-eighth (1/8th or 12.5%) of the gross proceeds realized by Lessee for all Gas produced and sold off the Leased Premises. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.
- (5) LESSOR'S INTEREST If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delayed rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

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Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

(9) ANCILLARY RIGHTS - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within one hundred (100) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

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(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessee pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of one hundre dollars (\$ 100.00 ) per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

- (7) CONTINUING OPERATIONS If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.
- (8) POOLING OR UNITIZATION Lessee is hereby granted the right to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

(9) ANCILLARY RIGHTS - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within one hundred (100) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

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- Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.
- (11) CESSATION OF PRODUCTION If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.
- (12) TAXES All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.
- (13) FORCE MAJEURE When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.
- (14) DEFAULT No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.
- (15) SUCCESSORS AND ASSIGNS All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
- (16) OPTION TO EXTEND Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional five (5) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

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- (17) ARBITRATION Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.
- (18) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.
  - (19) GOVERNING LAW This Agreement shall be construed under the laws of the State of West Virginia.
- (20) HEADINGS The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Date Hereof.

LESSOR

James E. Workman

Sandra Workman

LESSEE

AB RESOURCES LLC

By: Gordon O. Yonel
Its: Chief Executive Officer

This document prepared by: AB Resources LLC 6802 W. Snowville Rd., Suite E Brecksville, Ohio 4414

Page 4 of 5

## - ACKNOWLEDGMENTS -

Workman  2465 V annexed L	ease.	2009, before me pont who, before me pont who		James E. Workman and Som did depose and say that he leged to me that he signed his Notary Public	Sandra e resides at name to the  (SEAL)
State of O	hio	: : ss			
County of	Cuyahoga	:			
sworn, die	On this the 3rt day of depose and say that he is the cuted the annexed Lease; an	Suftember 2009, before e Chief Executive Officer for AB d that he signed his name thereto	Resources LLC, the	e limited liability company de	escribed in and
Му Сотп	nission Expires:	l hereunto set my hand and officia	ul seal	Parina Line Notary Public	(SEAL)
'	1-9-13			•	



Patricia A. Gill Notary Public, State of Ohio My Commission Expires November 9, 2098 (3

#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated July 12, 2009, by and between James E. Workman and Sandra Workman, husband and wife having an address of 2465 Vermilion Road, Vermilion, Ohio 44089 and AB RESOURCES LLC, a Delaware limited liability company, as Lessee.

### Tract #1

District of <u>Cameron</u> County of Marshall.

Tax Map/Parcel # 03 15001100020000 Bounded currently or formerly as follows:

On the North by: 03-15-11 Starcovic
On the East by: 03-15-11.3 Beresford
On the South by: 03-18-24 Chambers
On the West by: 03-15-11 Starcovic

Containing 3.357 acres, and more fully described in deed recorded in Book 454, at Page 34 of Marshall County, West Virginia

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Required Attachments:

#### STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE CERTIFICATION

	ce Certification: 07/29/2015	API No. 47-	51 _ 01288
		Operator's W	
		Well Pad Nar	
Notice has l	been given:		
Pursuant to th	ne provisions in West Virginia Code	§ 22-6A, the Operator has provided the require	red parties with the Notice Forms listed
	tract of land as follows:		
State:	West Virginia	LITATALAD 02 Dusting.	35588,15 1409229,99
County:	Marshall		R 25/Main St
District: Quadrangle:	Cameron, WV 7.5'		tarcovic
Watershed:	Middle Grave Creek - Grave Creek	Generally used farm flame.	talicovic
prescribed by it has provid information roof giving the requirements Virginia Cod	the secretary, shall be verified and sed the owners of the surface descri- equired by subsections (b) and (c), so surface owner notice of entry to su- of subsection (b), section sixteen of	every permit application filed under this shall contain the following information: (14) bed in subdivisions (1), (2) and (4), subsection sixteen of this article; (ii) that the requirevery pursuant to subsection (a), section ten of this article were waived in writing by the ender proof of and certify to the secretary the	A certification from the operator that (i) tion (b), section ten of this article, the irement was deemed satisfied as a result of this article six-a; or (iii) the notice e surface owner; and Pursuant to West
that the Ope	rator has properly served the require	perator has attached proof to this Notice Cert d parties with the following:	tification OOG OFFICE USE
	FCK ALL THAT APPLY		
, , , , , , , , , , , , , , , ,	ECK ALL THAT APPLY		ONLY
, , , , , , , , , , , , , , , ,		■ NOTICE NOT REQUIRED BECAUS SEISMIC ACTIVITY WAS CONDUCTED	E NO RECEIVED/
☐ I. NO	TICE OF SEISMIC ACTIVITY or		E NO RECEIVED/ NOT REQUIRED
☐ 1. NO	TICE OF SEISMIC ACTIVITY or	SEISMIC ACTIVITY WAS CONDUCTED	ONLY  E NO RECEIVED/ NOT REQUIRED  NDUCTED RECEIVED  E RECEIVED/
☐ 1. NO	TICE OF SEISMIC ACTIVITY OF	SEISMIC ACTIVITY WAS CONDUCTED  VEY or POST NO PLAT SURVEY WAS CON  NOTICE NOT REQUIRED BECAUS  NOTICE OF ENTRY FOR PLAT SURVE	ONLY  EE NO  D RECEIVED/ NOT REQUIRED  RECEIVED  RECEIVED/ NOT REQUIRED  NOT REQUIRED
☐ 1. NO	TICE OF SEISMIC ACTIVITY OF	SEISMIC ACTIVITY WAS CONDUCTED  VEY or  NO PLAT SURVEY WAS CON  NOTICE NOT REQUIRED BECAUS  NOTICE OF ENTRY FOR PLAT SURVE  WAS CONDUCTED OF  WRITTEN WAIVER BY SURFACE	ONLY  EE NO  D RECEIVED/ NOT REQUIRED  RECEIVED  RECEIVED/ NOT REQUIRED  NOT REQUIRED
☐ 1. NO ☐ 2. NO ☐ 3. NO ☐ 4. NO	TICE OF SEISMIC ACTIVITY OF	SEISMIC ACTIVITY WAS CONDUCTED  VEY or  NO PLAT SURVEY WAS CON  NOTICE NOT REQUIRED BECAUS  NOTICE OF ENTRY FOR PLAT SURVE  WAS CONDUCTED OF  WRITTEN WAIVER BY SURFACE	ONLY  E NO  D RECEIVED/ NOT REQUIRED  NDUCTED  RECEIVED  RECEIVED/ NOT REQUIRED  E OWNER

the required parties and/or any associated written waivers. For the Public Notice, the operator shall attach a copy of the Class II Legal Advertisement with publication date verification or the associated Affidavit of Publication. The attached Notice Forms and Certifications of Notice shall serve as proof that the required parties have been noticed as required under West and Volle 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made by affidavit of personal service, the return receipt card or other postal receipt for certified mailing.

The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to

the return receipt card or other postal receipt for certified mailing.

JUL 3 1 2015



#### Certification of Notice is hereby given:

6A. I certify that above, to the resignature confirming this Notice Cobtaining the interpretation.	nt as required under West Virginia Co equired parties through personal service mation. I certify under penalty of law the Certification and all attachments, and	de § 22-ce, by reg that I hav I that ba on is true,	6A, I have segistered mail repersonally sed on my in accurate and	the notice requirements within West Virginia Code § 22- erved the attached copies of the Notice Forms, identified or by any method of delivery that requires a receipt or examined and am familiar with the information submitted equiry of those individuals immediately responsible for a complete. I am aware that there are significant penalties entering the complete of the complete of the complete of the complete.
Well Operator:	Chevron Appalachia, LLC		Address:	800 Mountain View Drive
By:	Church Mulenty	<del></del>		Smithfield, PA 15478
Its:	Jenny Hayes		Facsimile:	724-564-3894
Telephone:	724-564-3700		Email:	
COMMOI K Sn My C	NWEAKTHARDESPENNSYLVANIA  NOTARIAL SEAL  Insten Brooks, Netary Public  Inithfield Bore, Fayette County  Commission Expires Sept 2, 2018  ENNEYLVANIA ASSOCIATION OF NOTARIES			rn before me this 29 day of July, 2015.  Pur Brown Notary Public Spires Sept 2, 2018.

#### Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

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WV Department of Environmental or 9/18/2015

WW-6A (9-13)

API NO. 47- 51	_ 01288	R	-
OPERATOR WE	ELL NO.	1H	
Well Pad Name:	Starcovic		

## STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requirement: notice si	aan be provided no iai	er man the ming date of permit application.
Date of Notice: 7/21/2015 Date Per	mit Application Filed	1: <u>7/30/15</u>
PERMIT FOR ANY WELL WORK		F APPROVAL FOR THE N OF AN IMPOUNDMENT OR PIT
Delivery method pursuant to West	Virginia Code § 22-0	5A-10(b)
□ PERSONAL □ REGIS SERVICE MAIL		METHOD OF DELIVERY THAT REQUIRES A RECEIPT OR SIGNATURE CONFIRMATION
sediment control plan required by secti- he surface of the tract on which the wi- oil and gas leasehold being developed described in the crosion and sediment of operator or lessee, in the event the trace more coal seams; (4) The owners of re- well work, if the surface tract is to be to impoundment or pit as described in sec- nave a water well, spring or water supprovide water for consumption by hum- proposed well work activity is to take p subsection (b) of this section hold inter- records of the sheriff required to be ma- provision of this article to the contrary. Code R. § 35-8-5.7.a requires, in part,	ion seven of this article, ell is or is proposed to be by the proposed well we control plan submitted at of land on which the vector of the surface tracused for the placement, etion nine of this article ply source located within ans or domestic animal place. (e)(1) If more that rests in the lands, the apaintained pursuant to se, notice to a lien holder that the operator shall	ceipt or signature confirmation, copies of the application, the erosion and and the well plat to each of the following persons: (1) The owners of record of the located; (2) The owners of record of the surface tract or tracts overlying the ork, if the surface tract is to be used for roads or other land disturbance as pursuant to subsection (c), section seven of this article; (3) The coal owner, well proposed to be drilled is located [sic] is known to be underlain by one or tor tracts overlying the oil and gas leasehold being developed by the proposed construction, enlargement, alteration, repair, removal or abandonment of any (5) Any surface owner or water purveyor who is known to the applicant to in one thousand five hundred feet of the center of the well pad which is used to las; and (6) The operator of any natural gas storage field within which the in three tenants in common or other co-owners of interests described in opplicant may serve the documents required upon the person described in the cetion eight, article one, chapter eleven-a of this code. (2) Notwithstanding any is not notice to a landowner, unless the lien holder is the landowner. W. Va. also provide the Well Site Safety Plan ("WSSP") to the surface owner and any esting as provided in section 15 of this rule.
☐ Application Notice ☐ WSSP N	otice DE&S Plan N	lotice   Well Plat Notice is hereby provided to:
SURFACE OWNER(s)		☐ COAL OWNER OR LESSEE /
Name: Stephen M Starcovic & Kimberly A Starc	povic	Name: Consolidation Coal Company
Address: 152 Loudenville Rd		Address: 1000 Consol Energy Drive
		Canonsburg, PA 15317
Name:		COAL OPERATOR Name:
Address.		
SURFACE OWNER(s) (Road and	or Other Disturbance	Address:
Name:		SURFACE OWNER OF WATER WELL
Address:		AND/OR WATER PURVEYOR(s)
Turies		Name:
Name:		Address:
Address:		:Van077'
		□ OPERATOR OF ANY NATURAL GAS STORAGE FIELD
SURFACE OWNER(s) (Impounds		Name:RECEIVED
Name:		Address: Office of Oil and Gas
Address:		Office of Oil are
		*Please attach additional forms if necessary

WV Department of Environment of 1892015

WW-6A
(8-13)

API NO. 47- 51	- 01288 R
OPERATOR WE	ELL NO. 1H
Well Pad Name:	Starcovic

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for well work or for a certificate of approval for the construction of an impoundment or pit.

#### This Notice Shall Include:

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control plan required by section seven of this article; and (3) the well plat.

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3) the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Pursuant to W. Va. Code R. § 35-8-5.7.a, the operator shall provide the Well Site Safety Plan to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Pursuant to W. Va. Code R. § 35-8-15.2.c, this notice shall: (1) contain a statement of the surface owner's and water purveyor's right to request sampling and analysis; (2) advise the surface owner and water purveyor of the rebuttable presumption for contamination or deprivation of a fresh water source or supply; advise the surface owner and water purveyor that refusal to allow the operator to conduct a pre-drilling water well test constitutes a method to rebut the presumption of liability; (3) advise the surface owner and water purveyor of his or her independent right to sample and analyze any water supply at his or her own expense; advise the surface owner and water purveyor whether or not the operator will utilize an independent laboratory to analyze any sample; and (4) advise the surface owner and or water purveyor that he or she can obtain from the Chief a list of water testing laboratories in the subject area capable of and qualified to test water supplies in accordance with standard acceptable methods.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting www.dep.wv.gov/oiland-gas/pages/default.aspx.

#### Well Location Restrictions

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the wellhead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted areas referenced as in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple regulation of the state of t of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report to the Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells asuthey relate to the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location with the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the well location with the well location restriction restrictions are required at the well location restriction restriction restriction required restriction required restriction r

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(8-13)	

API NO. 47-51 OPERATOR WELL NO. 1H Well Pad Name: Starcovic

examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

#### Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well. The operator shall provide an analysis to such surface landowner or water purveyor at their request.

#### Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments. A surface owner and water purveyor has an independent right to sample and analyze any water supply at his or her own expense. The laboratory utilized by the operator shall be approved by the agency as being certified and capable of performing sample analyses in accordance with this section.

#### Rebuttable Presumption for Contamination or Deprivation of a Fresh Water Source or Supply:

W. Va. Code § 22-6A-18 requires that (b) unless rebutted by one of the defenses established in subsection (c) of this section, in any action for contamination or deprivation of a fresh water source or supply within one thousand five hundred feet of the center of the well pad for horizontal well, there is a rebuttable presumption that the drilling and the oil or gas well or either was the proximate cause of the contamination or deprivation of the fresh water source or supply. (c) In order to rebut the presumption of liability established in subsection (b) of this section, the operator must prove by a preponderance of the evidence one of the following defenses: (1) The pollution existed prior to the drilling or alteration activity as determined by a predrilling or prealteration water well test. (2) The landowner or water purveyor refused to allow the operator access to the property to conduct a predrilling or prealteration water well test. (3) The water supply is not within one thousand five hundred feet of the well. (4) The pollution occurred more than six months after completion of drilling or alteration activities. (5) The pollution occurred as the result of some cause other than the drilling or alteration activity. (d) Any operator electing to preserve its defenses under subdivision (1), subsection (c) of this section shall retain the services of an independent certified laboratory to conduct the predrilling or prealteration water well test. A copy of the results of the test shall be submitted to the department and the surface owner or water purveyor in a manner prescribed by the secretary. (e) Any operator shall replace the water supply of an owner of interest in real property who obtains all or part of that owner's supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source with a comparable water supply where the secretary determines that the water supply has been affected by contamination, diminution or interruption proximately caused by the oil or gas operation, unless waived in writing by that owner. (f) The secretary may order the operator conducting the oil or gas operation to: (1) Provide an emergency drinking water supply within twenty-four hours; (2) Provide temporary water supply within seventy-two hours; (3) Within thirty days begin activities to establish a permanent water supply or submit a proposal to the secretary outlining the measures and timetables to be used in establishing a permanent supply. The total time in providing a permanent water supply may not exceed two years. If the operator demonstrates that providing a permanent replacement water supply cannot be completed within two years, the secretary may extend the time frame on case-by-case basis; and (4) Pay all reasonable costs incurred by the real property owner in securing a water supply. (g) A person as described in subsection (b) of this section aggrieved under the provisions of subsections (b), (e) or (f) of this section may seek relief in court... (i) Notwithstanding the denial of the operator of responsibility for the damage to the real property owner's water supply or the status of any appeal on determination of liability for the damage to the real property owner's water supply, the operator may not discontinue providing the required water service until authorized to do so by the secretary or a court of competent jurisdiction.

#### Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

Chief, Office of Oil and Gas Department of Environmental Protection 601 57th St. SE Charleston, WV 25304

RECEIVED Office of Oil and Gas

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT

WV Department of Environmental Protection

9/18/2015

WW-6A (8-13)

API NO. 47- 51 OPERATOR WELL NO. 1H Well Pad Name: Starcovic

#### Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have THIRTY (30) DAYS after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Pursuant to West Virginia Code § 22-6A-11(c)(2). Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

#### **Comment Requirements**

Your comments must be in writing and include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

Disclaimer: All comments received will be placed on our web site http://www.dep.wv.gov/oil-and-gas/Horizontal-Permits/Pages/default, aspx and the applicant will automatically be forwarded an email notice that such comments have been submitted. The applicant will be expected to provide a response to comments submitted by any surface owner, water purveyor or natural gas storage operator noticed within the application.

#### **Permit Denial or Condition**

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, including the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Office of Chicago

Will Department of Environmental Protection

9/18/2015

WW-6A (8-13)

Email:

API NO. 47-51 - 01288 OPERATOR WELL NO. 1H Well Pad Name: Starcovic

Notice is hereby given by:

Well Operator: Chevron Appalachia, LLC Telephone: 724-564-3700

Smithfield, PA 15478

Address: 800 Mountain View Drive

Facsimile: 724-564-3894

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and elephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL Kristen Brooks, Notary Public Smithfield Boro, Fayette County My Commission Expires Sept. 2, 2018

MEMBER, PENNSYLVANIA ASSOCIATION OF MOTARIES

Subscribed and sworn before me this 21St day of JULY 2015.

Notary Public

My Commission Expires Sept 2,2018

RECEIVED
Office of Oil and Gas JUL 3 1 2015 WV Department of Environmental Protection 9/18/2015

# STATE OF WEST VIRGINIA 05 101288 P DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF INTENT TO DRILL

Pursuant to W. Va. Code § 22-6A-16(b), the Notice of Intent to Drill is only required if the notice requirements of W. Va. Code § 22-6A-10(a) have NOT been met or if the Notice of Intent to Drill requirement has NOT been waived in writing by the surface owner.

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	D MAIL			
RETURN	RECEIPT REQU	ESTED		
or hand delivery, give ntal well: <i>Provided</i> , The n as of the date the notice waived in writing by	the surface owner at notice given po se was provided to the surface owner	notice of its intent to enter irsuant to subsection (a), so the surface owner: <i>Provi</i> . The notice, if required, so	er upon to section to ided, how shall inc	the surface owner's land for the purpose of en of this article satisfies the requirement wever, That the notice requirements of this clude the name, address, telephone number
y provided to the SI	URFACE OWN	IER(s):		
enville Rd	-	The second secon		
ameron				CR 25/Main Street
ameron, WV 7.5' iddle Grave Creek - Grave Cree	ek	Generally used farm	name:	Starcovic
nall Include: st Virginia Code § 22- er and electronic mail a ontal drilling may be ob th Street, SE, Charleston by given by: Chevron Appalachia, LLC 800 Mountain View Drive	6A-16(b), this no address of the op- tained from the S	otice shall include the na erator and the operator's secretary, at the WV Depa	me, add authoriz artment o	lress, telephone number, and if available ted representative. Additional information of Environmental Protection headquarter. lep.wv.gov/oil-and-gas/pages/default.aspx
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	or hand delivery, give that well: Provided, The as of the date the notice waived in writing by facsimile number and elements of the Starcovic & Kimberly A. Starcovic tenville Rd  by given: t Virginia Code § 22-67	or hand delivery, give the surface owner that well: Provided, That notice given put as of the date the notice was provided to be waived in writing by the surface owner facsimile number and electronic mail add by provided to the SURFACE OWN Starcovic & Klimberly A. Starcovic lenville Rd  Dy given:  It Virginia Code § 22-6A-16(b), notice is cr's land for the purpose of drilling a horizest Virginia arshall	or hand delivery, give the surface owner notice of its intent to entental well: Provided, That notice given pursuant to subsection (a), so has of the date the notice was provided to the surface owner: Provide waived in writing by the surface owner. The notice, if required, a facsimile number and electronic mail address of the operator and the composition of the SURFACE OWNER(s):    Starcovic & Kimberty A. Starcovic   Name:   Address:	Name: Address:  Toy given:  t Virginia Code § 22-6A-16(b), notice is hereby given that the undersigned er's land for the purpose of drilling a horizontal well on the tract of land as fest Virginia  UTM NAD 83  Easting: Northing:

Environmental Protection

051012882

WW-6A5 (1/12)

Operator Well 1	No. 1H
Obellion Hell	164

#### STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF PLANNED OPERATION

Notice Time Date of Notic	Requirement: notice shall be provided no ee: 07/21/2015 Date Permit Ap		date of permit	application.
Delivery met	hod pursuant to West Virginia Code § 2	2-6A-16(c)		
■ CERTI	FIED MAIL	HAND		
	RN RECEIPT REQUESTED	DELIVERY		
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return receipt the planned of required to be drilling of a damages to the (d) The notice of notice.	requested or hand delivery, give the surface peration. The notice required by this surface provided by subsection (b), section ten of horizontal well; and (3) A proposed surface surface affected by oil and gas operation as required by this section shall be given to	ce owner whose land bsection shall include this article to a surface use and compens s to the extent the da o the surface owner a	will be used for de: (1) A copy ace owner whose ation agreement mages are com	cation, an operator shall, by certified mail or the drilling of a horizontal well notice of of this code section; (2) The information are land will be used in conjunction with the at containing an offer of compensation for pensable under article six-b of this chapter, sted in the records of the sheriff at the time
	eby provided to the SURFACE OWNER s listed in the records of the sheriff at the ti			
The second second second second second	M. Starcovic & Kimberly A, Starcovic	Name:		
Address: 1521	17:	Address	:	
Cameron, WV 26	03			
operation on t State: County: District:	the surface owner's land for the purpose of West Virginia  Marshall  Cameron	f drilling a horizonta  — UTM NAD 8  — Public Road	Easting: Northing:	cet of land as follows: 535588.15 4409229.99 CR 25/Main Street
Quadrangle:	Carneron, WV 7.5	Generally use	d farm name:	Starcovic
Watershed:	Middle Grave Creek - Grave Creek			
Pursuant to V to be provide horizontal we surface affect information r	ed by W. Va. Code § 22-6A-10(b) to a stell; and (3) A proposed surface use and corted by oil and gas operations to the extentelated to horizontal drilling may be obtain located at 601 57th Street, SE, Charles	urface owner whose inpensation agreement the damages are conned from the Secret	land will be untracted to the containing are compensable undarry, at the WV	code section; (2) The information required used in conjunction with the drilling of a noffer of compensation for damages to the der article six-b of this chapter. Additional Department of Environmental Protection or by visiting

needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will

needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information, please confact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

Office of Oil and Oi

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OPERATOR WELL NO. 1H
Well Pad Name: Starcovic

## STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

## VOLUNTARY STATEMENT OF NO OBJECTION

Instructions to Persons Named on Page WW-6A

The well operator named on page WW-6A is applying for a permit from the State of West Virginia to conduct oil or gas well work. Well work permits are valid for twenty-four (24) months. Please contact the listed well operator and the Office of Oil and Gas if you do not own any interest in the listed surface tract.

#### Comment and Waiver Provisions

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary.

Pursuant to West Virginia Code § 22-6A-8(b) No permit may be issued less than thirty days after the filing date of the application for any well work except plugging or replugging; and no permit for plugging or replugging may be issued less than five days after the filing date of the application except a permit for plugging or replugging a dry hole: Provided, That if the applicant certifies that all persons entitled to notice of the application under the provisions of subsection (b), section ten of this article have been served in person or by certified mail, return receipt requested, with a copy of the well work application, including the erosion and sediment control plan, if required, and the well plat, and further files written statements of no objection by all such persons, the secretary may issue the well work permit at any time.

#### VOLUNTARY STATEMENT OF NO OBJECTION , hereby state that I have read the Instructions to Persons Named on Page WW-6A and the associated provisions listed above, and that I have received copies of a Notice of Application, an Application for a Well Work Permit on Form , including the erosion and sediment control plan. if WW-6A and attachments consisting of pages one (1) through required, and the well plat, all for proposed well work on the tract of land as follows: 535588.15 West Virginia Easting: State: UTM NAD 83 Marshall Northing: 4409229.99 County: Public Road Access: CR 25/Main Street District: Cameron Generally used farm name: Starcovic Ouadrangle: Cameron, WV 7.5' Watershed: Middle Grave Creek - Grave Creek I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials. FOR EXECUTION BY A NATURAL PERSON \*Please check the box that applies Signature: Stephen No Stake Office Print Name: STEPHEN M STAKONIO Date: 7-24-15 SURFACE OWNER ☐ SURFACE OWNER (Road and/or Other Disturbance) ☐ SURFACE OWNER (Impoundments/Pits) FOR EXECUTION BY A CORPORATION, ETC. Company: ☑ COAL OWNER OR LESSEE By: ☐ COAL OPERATOR Its: □ WATER PURVEYOR Signature:

□ OPERATOR OF ANY NATURAL GAS STORAGE FIELD

On and Gas Privacy Notice:
The Office of Oil and Gas processes your personal information, such as name, address and telephone number as part of our egulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal collection of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information. Please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

Date:

WV Department of Environmental 19/18/201



#### WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

**Division of Highways** 

1900 Kanawha Boulevard East • Building Five • Room 110 Charleston, West Virginia 25305-0430 • (304) 558-3505

Paul A. Mattox, Jr., P. E. Secretary of Transportation/ Commissioner of Highways

Earl Ray Tomblin Governor

July 15, 2015

James A. Martin, Chief Office of Oil and Gas Department of Environmental Protection 601 57<sup>th</sup> Street, SE Charleston, WV 25304

Subject: DOH Permit for the Starcovic Well Pad, Marshall County

Starcovic Unit 1H

Dear Mr. Martin,

The West Virginia Division of Highways has transferred Permit #06-2009-0233 for the subject site to Chevron Appalachia, LLC for access to the State Road for the well site located off of Marshall County Route 25 SLS.

The operator has signed a STATEWIDE OIL AND GAS ROAD MAINTENANCE BONDING AGREEMENT and provided the required Bond. This operator is currently in compliance with the DOH OIL AND GAS POLICY dated January 3, 2012.

Very Truly Yours,

Day K. Clayton

Gary K. Clayton, P.E. Regional Maintenance Engineer

Central Office Oil & Gaz Choldinator as

Office of Oil and C

WV Department of Environmental Protection

Cc: Kristen R. Brooks

Chevron Appalachia, LLC

CH, OM, D-6

File







Engineers and Land Surveyors

11023 Muson Dison Hwy. Burton, WY 26562-9656 (304) 662-6486

SITE STARCOVIC WELL AS-BUILT

REVISIONS

CHEVRON APPALACHIA, INC. 800 MOUNTAIN VIEW DRIVE SMITHFIELD, PA 15478

MCH DATE 07/2013 SCALE SCALE
F-89
JOS NO.
9958-IS
DRAWING NAME
STANCOVIC.COMPLITE ASSUULT DWG.

9/18/2015

