

#### 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: 47-5101391, 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 2H

Farm Name: STARCOVIC, STEPHEN M. & KIN

API Well Number: 47-5101391 Permit Type: Re-Drill Date Issued: 09/17/2015

API NO. 47-51	01391 R
<b>OPERATOR WELL</b>	NO. 2H
Well Pad Name:	Starcovic

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

1) Well Operator: Cl	nevron Appalachia, LL	49449935	Marshall	Cameron, WV 7.5
_		Operator ID	County	District Quadrangle
2) Operator's Well No	ımber: 2H	Well I	ad Name: Star	rcovic
3) Farm Name/Surfac	e Owner: Stephen M & Kimbert	y A Starcovic Public R	oad Access: CI	R 25/Main Street
4) Elevation, current g	ground: 1168'	Elevation, propose	ed post-construc	etion: 1168'
5) Well Type (a) Go Other		Ur	nderground Stor	rage
(b)If	Gas Shallow X	Deep		
	Horizontal X		M	7/28/15
<ol><li>Existing Pad: Yes of</li></ol>	or No Yes		_ 0.0	11 1
<ol> <li>Proposed Target For Redrill - Drilling to M</li> </ol>	ormation(s), Depth(s), Ar Marcellus	ticipated Thicknes	s and Expected	Pressure(s):
8) Proposed Total Ver	rtical Depth: N/A			
9) Formation at Total	Vertical Depth: N/A			
10) Proposed Total M	easured Depth: N/A			
11) Proposed Horizon	ntal Leg Length: N/A			
12) Approximate Fres	sh Water Strata Depths:	179' GL		
13) Method to Determ	nine Fresh Water Depths:	1 mile survey radius aro	und the pad, using sur	round water wells & lowest stream bed elevation
14) Approximate Salt	water Depths: 1863'-21	03' GL; 2298'-2518	3' GL	
15) Approximate Coa	l Seam Depths: 825'			
16) Approximate Dep	th to Possible Void (coal	mine, karst, other)	: N/A	* 1
	ell location contain coal s adjacent to an active mine		N	lo
(a) If Yes, provide N	Mine Info: Name: Ma	arshall County Mir	ne (238' adjac	ent)
	Depth: 82	5'		RECEIVED Office of Oil and Gas
	Seam: Pi	ttsburgh Seam		
	Owner: Co	ONSOL Energy		JUL 3 1 2015
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WV Department of Environmental Protection

WW-6B	
(04/15)	

API NO. 47- 51	- 01391 R
OPERATOR W	/ELL NO. 2H
Well Pad Nat	me. 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"				1182'		1170
Coal		7					
Intermediate	9-5/8"				2368'		975
Production	5-1/2"				10415'		991
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							

### **PACKERS**

Kind:	see attached	
Sizes:		
Depths Set:		RECEIVED

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WW-6B	
(04/15)	

EXISTI	NG (	2AS	NG

API NO. 4751	01391
<b>OPERATOR WELL</b>	NO. 2H
Well Pad Name:	Starcovic

18)

# CASING AND TUBING PROGRAM

ТҮРЕ	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	24"				80'	80'	sanded in
Fresh Water	20"				395'	395'	397 circ
Coal	13 3/8"	-			1182'	1182'	1170 circ
Intermediate	9 5/8"				2368'	2368'	975 circ
Production	5-1/2"	*			10415'	10415'	991
Tubing		· · · · · · · · · · · · · · · · · · ·					
Liners						_	

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

## **PACKERS**

Kind:	see attached		
Sizes:			
Depths Set:			

WW-6B	
(10/14)	

API NO. 47-51	- 01391 R		
OPERATOR WELL NO. 2H			
Well Pad Na	me: Starcovic		

19) Describe proposed well work, including the drilling and plugging back of any	pilot hole:
See attached	
•	
20) Describe fracturing/stimulating methods in detail, including anticipated max	pressure and max rate:
N/A	
21) Total Area to be disturbed, including roads, stockpile area, 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 cement type:	
N/A	
25) Proposed borehole conditioning procedures:	
See work order attached	
	RECEIVED Office of Oil and Gas
	JUL 3 1 2015
	MAY Department of

\*Note: Attach additional sheets as needed.

Environmental Protection

# 051013912 Du 7/28/2

"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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# 05101391

API Number 47 - 51 - 01391

Operator's Well No. 2H

# 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 49449935	
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 🗸
Will a pit be used? Yes No Steel workover pit	
If so, please describe anticipated pit waste:cement cuttings	
Will a synthetic liner be used in the pit? Yes No If so, what ml.?	
Proposed Disposal Method For Treated Pit Wastes:	
Land Application	- 1
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. fresh	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 - Permit	# 100592
Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associa West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the perm where it was properly disposed.	ted waste rejected at any nittee shall also disclose
I certify that I understand and agree to the terms and conditions of the GENERAL WATER PC on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Prot provisions of the permit are enforceable by law. Violations of any term or condition of the general pelaw or regulation can lead to enforcement action.  I certify under penalty of law that I have personally examined and am familiar with the in application form and all attachments thereto and that, based on my inquiry of those individuals is obtaining the information, I believe that the information is true, accurate, and complete. I am away penalties for submitting false information, including the possibility of fine or imprisonment.	ection. I understand that the ermit and/or other applicable formation submitted on this mmediately responsible for
Company Official Signature	
Company Official (Typed Name) Jenny Hayes	RECEIVED
Company Official Title Permitting Team Lean	Office of Oil and Gas
21146	
	COMMONWEASTH SPIPENNSYLVA NOTARIAL SEAL
My commission expires Sept 2, 2018  Notary Public	Kristen Brooks, Netani Rodiic  W Smithfull Boro, Fayette County  My Commission & knires Sept 2, 2018
My commission expires 272 270	MEMBEN, PENNSYLVANIA 1550CIATION OF NOTA

# 05101391

Form WW-9 Operator's Well No. 2H Chevron Appalachia, LLC Proposed Revegetation Treatment: Acres Disturbed None Prevegetation pH Lime Tons/acre or to correct to pH \_\_\_\_\_ Fertilizer type \_\_\_\_\_ Fertilizer amount lbs/acre Tons/acre Mulch Seed Mixtures Permanent Temporary Seed Type lbs/acre Seed Type Ibs/acre Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided) Photocopied section of involved 7.5' topographic sheet. Plan Approved by: Comments:

Title: 0, ) of Gas Inspector
Field Reviewed? ( ) Yes (

Date: 7/28/15

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## CHEVRON APPALACHIA, LLC



# West Virginia Well Site Safety Plan

Starcovic Pad
Well # 2H
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 plug previously drilled and completed well for tubing installation are plug performed pertinent to this Site Safety Plan involves the drilling out of a plug, preparing a previously drilled and completed well for tubing installation are plug performed pertinent to this Site Safety Plan involves the drilling out of a plug, preparing a previously drilled and completed well for tubing installation are plug performed perfor

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Operator's Well No. 2H

#### 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 –

- (1) 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:	Permitting Team Lead VE
Its:	Permitting Team Lead VED
	Office of Oil and Gas

JUL 3 1 2015

Page 1 of

					ASSIGNMENT	ASSIGNMENT	TAX MAP
Lessee	Lessee	Lessee	Royalty	DB/PG	1	2	L
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
				Ì			
				]			

TriEnergy, Inc. West Virginia

SLLC		
RIENERGY HOLDINGS	<b>.</b>	EY PA 15143
TRIENERG	PO BOX 89	SEWICKLE

the state to the day of D	ecember 2006 between
This Lease Agreement is made as of the 19th day of D	<u>cccinite</u>
Stephen M. Starcovic and Kim Starcovic, his wife	
of RD# 4, Box 152, D, Cameron, WV 26033	Carrot and Goor Sawickley PA 15143 as Lessee
of RD# 4, Box 152, D, Cameron, W v 20055 as Lessor, (whether one or more), and TriEnergy, Inc., P.O. Box 89, 412 Bea	ver Street, 2 Hour, Sewickey, 176 15140, as assess
(1) LEASE - In consideration of the sum of One Dollar (\$1.00) in and in further consideration of the covenants and agreements herein containe successors and assigns, for the purpose of exploring for, developing, produpresent in any coal seam, along with all hydrocarbon substances produced in a	d. Lessor nereby leases and lets exclusively to bessee, its licing and marketing oil and gas, including methane gas
(2) DESCRIPTION - All that certain tract of land situate in the _ County, State of West Virginia being duly bounded and described as follows:	Cameron, District,Marshall
On the North by: THOMAL STELM On the East by: JERRY JEMPLON On the South by: RANDY BERELFORD On the West by: WM. FOX	
On the East by: JERRY JEMPJOY	
On the South by: RANDY DEREJ FORD	
On the West by: WM. FOX	
County Tax Parcel No. 03-15-11	containing 167.99 acres, more or less,
being the same tract of land acquired by Lessor by virtue of a	from James E. Workman
	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

- (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 of ——Five 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;

which Lessor hereafter acquires by reversion, prescription or otherwise.

- (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 total acreage comprising the unit.

Office of Oil and Gas

Lessee shall 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 Secord 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.

GAS STORAGE - Lessee shall have the exclusive right, upon written notice to the Lessor, to use any formation Sunderlying the leased premises for the storage of gas and shall have all rights necessary to store and produce such stored gas. Lessees staged 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

(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 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 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 Lessec 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 hercunder to the discharge of any such taxes, mortgages or other

(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 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.
- (19) WAIVER IN WRITING The failure of either party to enforce or exercise any provision of the figure of the provision in the future unless the same is expressed in writing and signed by the respective parties.

Lessee shall create the unisexecuting an instrument identifying and describin 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 hercunder 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 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.

underlying the leased premises for the storage of gas and shall have all rights necessary to store and produce such storage of 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 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 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 floud, 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.

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 attoresaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the O15 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 lease shall not considered as a waiver of the provision in the future unless the same is expressed in writing of the provision in the future unless the same is expressed in writing of the provision in the future unless the same is expressed in writing of the provision in the future unless the same is expressed in writing of the provision in the future unless the same is expressed in writing of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision of the provision in the future unless the same is expressed in writing of the provision of the provision

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- (20) Free Gns If there is su. at gas produced from the premises upon which a v rilled hereunder is located over and 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 premises.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals. WITNESS: Lessor : Stephen M. Starcovic Social Security No. Phone No. em Lessor: Kim Star Social Security No. Phone No. State of West Virginia SS: County of Marshall in the year <u>2006</u> On the 197# day of DECEMBER , before me, the undersigned, a Notary Public in and for said state, personally appeared 57 FPHEN N. 1. 5 THIS CONSIGNATION 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 seal, 2008 Official Seal My Commission Expires: Notary Public, State of West Virginia JOHN F. SIMON SENECA TRAIL REAL ESTATE BOX 774 F1 KH17 WV 26741-0774 Signes May 27, 2009 Jan Pest MARSHALL County 10:16:01 AM Instrument No 1309042 Date Recorded 08/05/2011 Document Type 0&G Prepared by: Approve Pages Recorded 4 Gray Montague, Land Agent 741-100 Book-Page Recording Fee \$10.50 Additional \$6.00

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

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#### 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 (1/8<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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(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 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.

Icha Blake

(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.

#### (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.

FSSFF

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	1	
Company of Management	SS	
County of MARSHALL		
On this the 6th day	of July 2009, before me	personally came Gerald H. Blake II and Debra Blake,
husband and wife		pose and say that he resides at RD 4 Box 175, Cameron,
West Virgina 26033		d to me that he signed his name to the annexed Lease.
IN WITNESS WHEREC	DF, I hereunto set my hand and official se	al
		11/1/1/1
My Commission Expires: OC	+. / 2018	Notary Public (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	ž.	) <del>0000000000000000000</del> (
And the second second second	: SS	
County of Cuyahoga	3	
On this the 3rd day of	of August 2009 before me	personally came Gordon O. Yonel, who, being by me duly
sworn, did depose and say that he	s the Chief Executive Officer for AB Re-	sources LLC, the limited liability company described in and he requisite authority vested in him by said limited liability
IN WITNESS WHEREO	OF, I hercunto set my hand and official se	al O
My Commission Expires: 11-9-	13	Tarnie a Bis (SEAL)
100 20000000000000000000000000000000000	*	Notary Public
		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
an address of RD 4 Box 175, Cameron, West Virgina 26033
Lessor and AB RESOURCES LLC, a Delaware limited liability 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: 3-14-6, Knox
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 Cameron , County of Marshall.
Tax Map/Parcel # 03 1500060000000 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

#### OIL AND GAS LEASE

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This Lease Agreement (the "Lease") is made and entered into this 17th day of July 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
(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 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  $(1/8^{th})$  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  $(1/8^{th})$  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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(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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- 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

Jerry L. Sampson

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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9/18/2015

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#### - ACKNOWLEDGMENTS -

husband and wife Cameron, West Virginia 26 his name to the annexed Lease. IN WITNESS WHE	REOF, I hereunto set my hand and official seal	depose and say that he resides at
My Commission Expires: C		Notary Public  OFFICIAL SEAL Notary Public, State Of West Virginia CHAD WINCE 1300 Henry Road South Charleston, WV 25303 My Commission Expires Oct. 1, 2018
sworn, did depose and say that	he is the Chief Executive Officer for AB Resource	onally came Gordon O. Yonel, who, being by me duly es LLC, the limited liability company described in and quisite authority vested in him by said limited liability
IN WITNESS WHEN My Commission Expires: (\-\-\-\-3	REOF, I hereunto set my hand and official seal	Patricia A. Gill Notary Public  Patricia A. Gill Notary Public, State of Ohio My Commission Expires November 9, 20ca 1 3

Page 5 of 5

#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated 2009, 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 \_\_ 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 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 26.38 acres, and more fully described in deed recorded in Book 531, at Page 335 of Marshall County, West Virginia

9/18/2015

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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 $1^{\pm}$ day of	September 2009 (the "Date Hereof") by and
between Maxine G. Johnson, a widow	, having an address of <u>12325</u>
Pubeblo Rd., Gaithersburg, Maryland 20878	(hereinafter referred to as "Lessor"), and
AB RESOURCES LLC, a Delaware limited liability company, having an a	ddress 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 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 (1/8th 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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(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 strats 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 nincty (90) days after the termination or expiration thereof.

Page 2 of 5

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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 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

#### - ACKNOWLEDGMENTS -

State of MARYLAND	:	
County of Man-19 omeny	: ss :	
On this the <u>/S</u> day of _	Sept 2009, before me personally came d say that she resides at 12325 Pubeblo Rd., C	e <u>Maxine G. Johnson, a widow</u> , who, Gaithersburg, Maryland 20878, and she duly
IN WITNESS WHEREOF, I	hereunto set my hand and official seal	$I \wedge I \cap I$
My Commission Expires: May	19th, 2012	(SEAL)
LUZ ELENA ESTRADA NOTARY PUBLIC MONTGOMERY COUNT MARYLAND MY COMMISSION EXPIRES MAY 19	Y	
State of Ohio	:	
	: ss	
County of Cuyahoga	•	
	Chief Executive Officer for AB Resources LL	y came <u>Gordon O. Yonel,</u> who, being by me duly C, the limited liability company described in and e authority vested in him by said limited liability
IN WITNESS WHEREOF, I	hereunto set my hand and official seal	0
My Commission Expires: W-9-13		PARING A GUL (SEAL)

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



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

Notary Public

Page 5 of 5

#### Exhibit "A"

Attached to and made a part of that certain OIL AND GAS LEASE dated \_ September 1 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 Beelst 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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WV Department of **Environmental Protection** 

#### OIL AND GAS LEASE

I III3 Deade Meterite (ate Deade ) is made alle sittered also alle alle alle alle alle alle alle all	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	J liabili	ty cor	npany,
having an address of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to	as "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 (1/8th 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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(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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- 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.

Page 3 of 5



- (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				
State of WEST VIRGINIA	: SS			
County of MARSHALL	*			
On this the13 <sup>th</sup> da husband and wife	, who, being by me di		ndy R. Beresford and Jodie A. say that he resides at Rd.4 Box	
Cameron, West Virginia 2603	<ol> <li>and he duly acknowled</li> </ol>	ged to me that he signed h	is name to the annexed Lease.	
IN WITNESS WHERE	OF, I hereunto set my hand an	d official seal	0111	
My Commission Expires: Oct	-, 1,2018	-	Notary Public	(SEAL)
		s s	OFFICIAL SEAL ry Public, State Of West Virginia CHAD WINCE 1300 Henry Road outh Charleston, WV 25303 ommission Expires Oct. 1, 2018	
State of Ohio				
	: SS			
County of Cuyahoga	1			
On this the 2rk day sworn, did depose and say that he which executed the annexed Leas	is the Chief Executive Officer	for AB Resources LLC, th	ne <u>Gordon O. Yonel,</u> who, being ne limited liability company desc thority vested in him by said limi	ribed in and
company.				
IN WITNESS WHERE	OF, I hereunto set my hand and	d official seal	.0	
My Commission Expires: \\ A	13	-	Notary Public	(SEAL)
		TARIAL BEX	Patricia A. Gill Notary Public, State o My Commission Exp November 9, 206	oires

Page 5 of 5

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#### 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 Lessor and AB RESOURCES LLC</u>, a Delaware limited liability company, as Lessee.

#### Tract#1

District of Marshall	County of Marshall.
Tax Map/Parcel #	03 15001100030000 Bounded currently or formerly as follows:
On the North by:	3-1511 Starcovic ;
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 Bookst Page unty, West Virginia

End of Exhibit "A"

Office of Office 2015

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WV Department of

#### 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.
- (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 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
- (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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(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 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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(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.

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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

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#### - ACKNOWLEDGMENTS -

2465 Vermilion Road, Vermilion annexed Lease.	: ss :  July 2009, before me personally came
sworn, did depose and say that he is the	: : ss :  Sup tumbur 2009, before me personally came Gordon O. Yonel, who, being by me duly e Chief Executive Officer for AB Resources LLC, the limited liability company described in and that he signed his name thereto by the requisite authority vested in him by said limited liability

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

company.

My Commission Expires: U - Q - U3

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 \_\_\_\_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

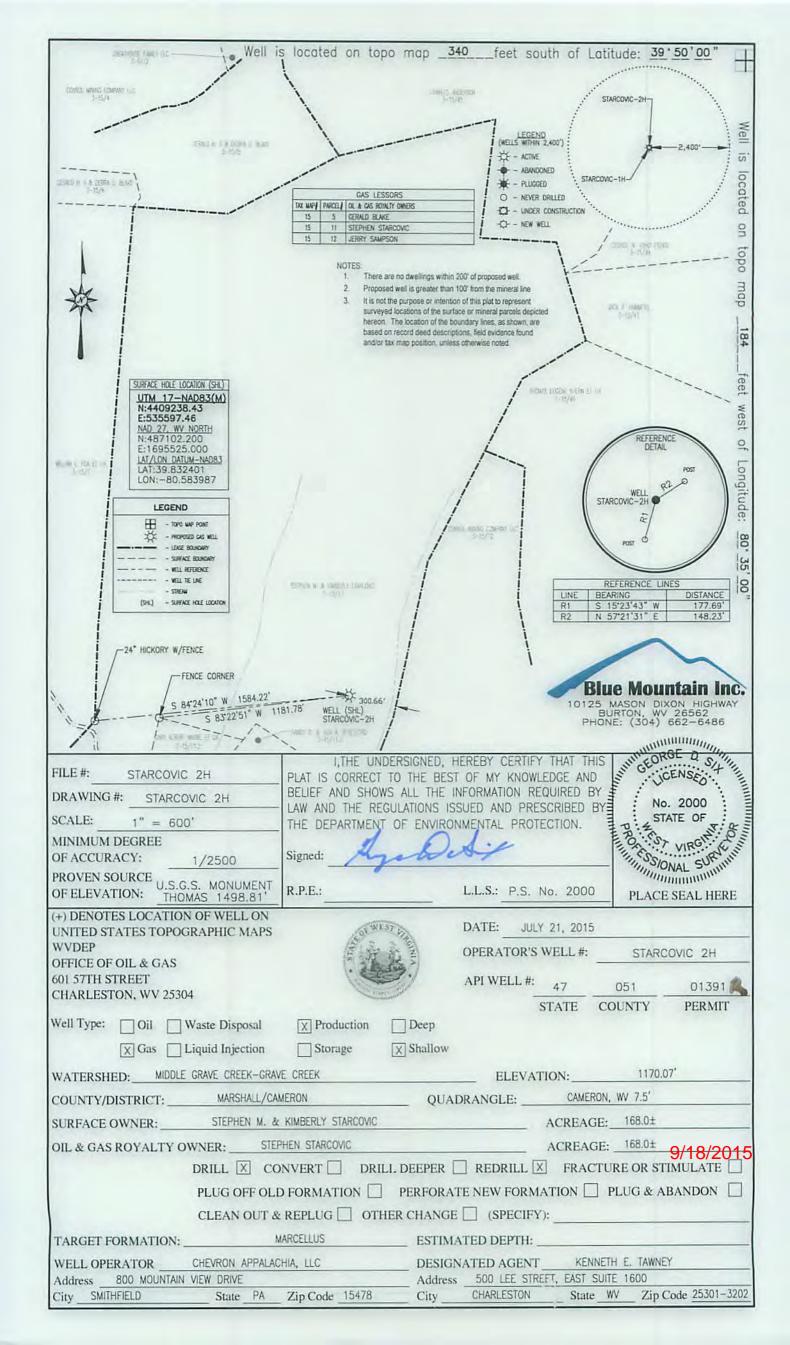
District of <u>Cameron</u> County of Marshall.

Tax Map/Parcel # 03 15001100020000 Bounded currently or formerly as follows:
On the North by:
On the East by:
On the South by:
On the West by:

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

	ce Certification: 07/29/2015	API No. 47	API No. 47- 51 - 01391		
		Operator's	Well No. 2H		
		Well Pad N	Name: Starcovic		
Pursuant to th	been given: ne provisions in West Virginia Code s tract of land as follows:	22-6A, the Operator has provided the req	quired parties w	ith the Notice Forms listed	
State:	West Virginia	Easting:	535597.46		
County:	Marshall	UTM NAD 83 Lasting.	4409238.43 CR 25/Main St Starcovic		
District:	Cameron	Public Road Access:			
Quadrangle:	Cameron, WV 7.5'	Generally used farm name:			
Watershed:	Middle Grave Creek - Grave Creek				
information r of giving the requirements Virginia Cod	equired by subsections (b) and (c), se surface owner notice of entry to su of subsection (b), section sixteen o	need in subdivisions (1), (2) and (4), subsection sixteen of this article; (ii) that the receivey pursuant to subsection (a), section to this article were waived in writing by ender proof of and certify to the secretary at.	quirement was ten of this artic the surface ow	deemed satisfied as a result cle six-a; or (iii) the notice ener; and Pursuant to West	
	West Virginia Code § 22-6A, the Operator has properly served the require	erator has attached proof to this Notice C d parties with the following:	ertification		
*PLEASE CH	ECK ALL THAT APPLY			OOG OFFICE USE ONLY	
		■ NOTICE NOT REQUIRED BECAUSEISMIC ACTIVITY WAS CONDUCTOR			
☐ I, NO	TICE OF SEISMIC ACTIVITY or		TED	ONLY  RECEIVED/	
☐ 1, NO☐ 2, NO☐	TICE OF SEISMIC ACTIVITY or	SEISMIC ACTIVITY WAS CONDUC	TED ONDUCTED USE	ONLY  RECEIVED/ NOT REQUIRED	
☐ 1, NO☐ 2, NO☐	TICE OF SEISMIC ACTIVITY or	SEISMIC ACTIVITY WAS CONDUCTORY  OF IND PLAT SURVEY WAS CONDUCTORY  NOTICE NOT REQUIRED BECAUTE OF ENTRY FOR PLAT SURV	TED ONDUCTED USE VEY	ONLY  RECEIVED/ NOT REQUIRED  RECEIVED  RECEIVED/	
☐ 1. NO☐ 2, NO☐ 3, NO☐	TICE OF SEISMIC ACTIVITY or	SEISMIC ACTIVITY WAS CONDUCTED OF DOTAT SURVEY WAS SURFACE.	TED ONDUCTED USE VEY	ONLY  RECEIVED/ NOT REQUIRED  RECEIVED  RECEIVED/	
☐ 1, NO☐ 2, NO☐ 3, NO☐ 4, NO☐	TICE OF SEISMIC ACTIVITY or TICE OF ENTRY FOR PLAT SURV	SEISMIC ACTIVITY WAS CONDUCTED OF DOTAT SURVEY WAS SURFACE.	TED ONDUCTED USE VEY	ONLY  RECEIVED/ NOT REQUIRED  RECEIVED/ NOT REQUIRED	

Required Attachments:

The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to 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 Virginia Code § 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made to the personal service, the return receipt card or other postal receipt for certified mailing.

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9/18/2015

#### Certification of Notice is hereby given:

6A. I certify that as required under West Virginia Co- above, to the required parties through personal service signature confirmation. I certify under penalty of law to in this Notice Certification and all attachments, and	de § 22-6A, I have see, by registered mail that I have personally of that based on my into its true, 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 nquiry of those individuals immediately responsible for d complete. I am aware that there are significant penalties onment.
Well Operator: Chevron Appalachia, 以C	Address:	800 Mountain View Drive
By: What Dister Bo	<del>/</del>	Smithfield, PA 15478
Its: Jenny Hayes	Facsimile:	724-564-3894
Telephone: 724-564-3700	Email:	
NOTARY SEAL COMMONWEALTH OF PENNSYLVANIA  NOTARIAL SEAL Kristen Brooks, Notary Public Smithfield Boro, Fayette County My Commission Expires Sept. 2, 2018 HENDER, PENNSYLVANIA ASSOCIATION OF NOTARIES	· ·	orn before me this 29th day of July, 2015 WB 10010 Notary Public  Expires 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 <a href="mailto:depprivacyofficer@wv.gov">depprivacyofficer@wv.gov</a>.

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API NO. 47-51	_ 01354	-
OPERATOR WE	ELL NO. 2H	
Well Pad Name:	Starcovic	

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

Notice Time Requirement: notice shall be provided no later	than the filing date of permit application.
Date of Notice: 7/21/2015 Date Permit Application Filed: Notice of:	7/30/15
PERMIT FOR ANY CERTIFICATE OF A	APPROVAL FOR THE
WELL WORK CONSTRUCTION O	F AN IMPOUNDMENT OR PIT
Delivery method pursuant to West Virginia Code § 22-6A	-10(b)
☐ PERSONAL ☑ REGISTERED ☐ ME	THOD OF DELIVERY THAT REQUIRES A
	CEIPT OR SIGNATURE CONFIRMATION
	late of the application, the applicant for a permit for any well work or for a
the surface of the tract on which the well is or is proposed to be loil and gas leasehold being developed by the proposed well work described in the erosion and sediment control plan submitted pur operator or lessee, in the event the tract of land on which the well more coal seams; (4) The owners of record of the surface tract of well work, if the surface tract is to be used for the placement, con impoundment or pit as described in section nine of this article; (5) have a water well, spring or water supply source located within a provide water for consumption by humans or domestic animals; proposed well work activity is to take place. (c)(1) If more than the subsection (b) of this section hold interests in the lands, the application of the sheriff required to be maintained pursuant to section provision of this article to the contrary, notice to a lien holder is	and the well plat to each of the following persons: (1) The owners of record of located; (2) The owners of record of the surface tract or tracts overlying the ke, if the surface tract is to be used for roads or other land disturbance as resuant to subsection (c), section seven of this article; (3) The coal owner, all proposed to be drilled is located [sic] is known to be underlain by one or tracts overlying the oil and gas leasehold being developed by the proposed instruction, enlargement, alteration, repair, removal or abandonment of any (5) Any surface owner or water purveyor who is known to the applicant to one thousand five hundred feet of the center of the well pad which is used to and (6) The operator of any natural gas storage field within which the hree tenants in common or other co-owners of interests described in icant may serve the documents required upon the person described in the on eight, article one, chapter eleven-a of this code. (2) Notwithstanding any not notice to a landowner, unless the lien holder is the landowner. W. Va. to provide the Well Site Safety Plan ("WSSP") to the surface owner and any ling as provided in section 15 of this rule.
☐ Application Notice ☐ WSSP Notice ☐ E&S Plan Not	ice ☑ Well Plat Notice is hereby provided to:
☑ SURFACE OWNER(s)	COAL OWNER OR LESSEE
Name: Stephen M Starcovic & Kimberly A Starcovic	Name: Consolidation Coal Company
Address: 152 Loudenville Rd	Address: 1000 Consol Energy Drive
Cameron, WV 26033	Canonsburg, PA 15317
Name:	□ COAL OPERATOR
Address:	Name:
	Address:
SURFACE OWNER(s) (Road and/or Other Disturbance)	
Name:	☐ SURFACE OWNER OF WATER WELL
Address:	AND/OR WATER PURVEYOR(s)
	Name:
Name:	Address:
Address:	California de la Califo
	☐ OPERATOR OF ANY NATURAL GAS STORAGE FIELD
☐ SURFACE OWNER(s) (Impoundments or Pits)	Name:
Name:	Address: RECEIVED  *Please attach additional forms if necessary of Oil and Gas
Address:	Office of Oil
M Y Y Y	*Please attach additional forms if necessary of on and Gas
	11.0

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WV Depart 974872015
Environmental Protection

WW-6A
(8-13)

API NO. 47-51 OPERATOR WELL NO. 2H 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 in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple corp part if at least one of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report with Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal well as they 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 personal to address the items

Environmental Protection

WW-6A (8-13) API NO. 47-51 -01354

OPERATOR WELL NO. 2H

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 57<sup>th</sup> St. SE
Charleston, WV 25304
(304) 926-0450

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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.

WW-6A
(8-13)

API NO. 47-51 -	01354
<b>OPERATOR WELL</b>	NO. 2H
Well Pad Name: Start	covic

#### 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 <a href="http://www.dep.wv.gov/oil-and-gas/Horizontal-Permits/Pages/default.aspx">http://www.dep.wv.gov/oil-and-gas/Horizontal-Permits/Pages/default.aspx</a> 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 determines that:

- (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.

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Office of Oil and Gas
JUL 3 I 2015
WV Department/68/2015
Environmental Protection

WW-6A (8-13)

API NO. 47-51 - 01354 OPERATOR WELL NO. 2H Well Pad Name: Starcovic

Notice is hereby given by:

Well Operator: Chevron Appalachia, LLC

Telephone: 724-564-3700

Email:

Address: 800 Mountain View Drive

Smithfield, PA 15478

Facsimile: 724-564-3894

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone umber, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the formal 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 NOTARIES

Subscribed and sworn before me this 22 day of July 2015.

Notary Public My Commission Expires Sept 2, 2018

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JUL 3 1 2015

## STATE OF WEST VIRGINIA 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.

Notice Time Requirement: Notice shall be pate of Notice: 07/21/2015			least TEN (10) days prior to filing a mit Application Filed:	
Delivery me	thod pursuant to	West Virginia Code § 2	2-6A-16(b)	
☐ HAND		CERTIFIED MAIL		
DELIVERY RETURN RECEIPT REQUI			DUESTED	
receipt reque drilling a hor of this subsec- subsection m and if availab	sted or hand deliverizontal well: Pro- ction as of the date ay be waived in wole, facsimile num	ery, give the surface own vided, That notice given the notice was provided riting by the surface own ber and electronic mail ac	pursuant to subsection (a), section to the surface owner: <i>Provided, howers</i> . The notice, if required, shall incoddress of the operator and the operator	the surface owner's land for the purpose of en of this article satisfies the requirements wever. That the notice requirements of this lude the name, address, telephone number, or's authorized representative.
	M. Starcovic & Kimberly	to the SURFACE OW		
Address: 152		V	Address:	
Cameron, WV 26				
State: County: District:	West Virginia Marshall Cameron		UTM NAD 83 Easting: Northing: Public Road Access:	535597.46 4409238.43 CR 25/Main Street
Quadrangle: Watershed:	Cameron, WV 7.5' Middle Grave Creek	Ceaus Ceast	Generally used farm name:	Starcovic
Pursuant to facsimile nur related to ho	mber and electror rizontal drilling n	nic mail address of the chay be obtained from the	operator and the operator's authorize Secretary, at the WV Department	dress, telephone number, and if available, ted representative. Additional information of Environmental Protection headquarters, lep.wv.gov/oil-and-gas/pages/default.aspx.
Notice is he	ereby given by:			
		Authorized Representative	£	
Address:	800 Mountain Vie	w Drive	Address:	
Smithfield, PA 1	5478			
Telephone: Email: Facsimile:	724-564-3700		Telephone: Email: Facsimile:	

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 of the 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.

JUL 3 1 2015

Operator	Well	No.	2H	
The state of the s				

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

Notice Time Date of Notic	re: 07/21/2015 Date Per		pplication Filed:	date of permit	application.
Delivery met	hod pursuant to West Virginia C	ode § :	22-6A-16(c)		
CERTII	FIED MAIL	П	HAND		
	RN RECEIPT REQUESTED	_	DELIVERY		
return receipt the planned of required to be drilling of a l damages to th (d) The notice of notice.  Notice is here (at the address	requested or hand delivery, give the operation. The notice required by provided by subsection (b), section norizontal well; and (3) A propose we surface affected by oil and gas ones required by this section shall be subsected in the records of the sheriff M. Starcovic & Kimberly A. Starcovic coudenville Rd.	this so this so then o d surfa peration given t	ace owner whose land absection shall include if this article to a surfa- ace use and compens as to the extent the da to the surface owner a	will be used for the control of the	cation, an operator shall, by certified mail or the drilling of a horizontal well notice of of this code section; (2) The information to land will be used in conjunction with the transfer of compensation for pensable under article six-b of this chapter, sted in the records of the sheriff at the time
Pursuant to W	Vest Virginia Code § 22-6A-16(c), r the surface owner's land for the pu West Virginia	notice i	of drilling a horizonta	I well on the tra	well operator has developed a planned ct of land as follows: 535597.46
County:	Marshall		— UTM NAD 8	Northing:	4409238.43
District:	Cameron		Public Road	Access:	CR 25/Main Street
Quadrangle:	Cameron, WV 7.5'		Generally use	d farm name:	Starcovic
Watershed:	Middle Grave Creek - Grave Creek				
Pursuant to W to be provide horizontal we surface affect information r	ed by W. Va. Code § 22-6A-10(b) dl; and (3) A proposed surface use sed by oil and gas operations to the elated to horizontal drilling may be located at 601 57th Street, SE,	to a sand contact to a sand co	surface owner whose impensation agreement the damages are co- tined from the Secret	land will be un at containing an empensable und ary, at the WV	code section; (2) The information required used in conjunction with the drilling of a noffer of compensation for damages to the ler article six-b of this chapter. Additional Department of Environmental Protection or by visiting <a href="https://www.dep.wv.gov/oil-and-department">www.dep.wv.gov/oil-and-department</a>
Well Operato	r: Chevron Appalachia, LLC		Address:	800 Mountain View	Drive
Telephone:	724-564-3700			Smithfield, PA 1547	8
Email:	-		Facsimile:	724-564-3894	

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 Freedom of Information 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.

JUL 3 1 2015

API NO. 47-51 - 1	01391
OPERATOR WELL N	O. 2H
Well Pad Name: Starcov	ic

# 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.

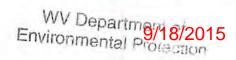
Pursuant to West Virginia Code § 22-6A-8(b) No permit may be issued less than thirty days after the filing date of the application for any well work except plugging or replugging; and no permit for plugging or replugging may be issued less than five days after the filing date of the application except 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

State:	the well plat, all for proposed well work on the tra	Easting:	535597.46
County:	Marshall	Northing:	4409238,43
District:		Public Road Access:	CR 25/Main Street
Quadrangle: Watershed:	Cameron, WV 7.5' Middle Grave Creek - Grave Creek	Generally used farm name:	Stateovic
*Please check	the box that applies	FOR EXECUT	ION BY A NATURAL PERSON
issued on tho	se materials.		
*Please check	the box that applies	FUREALCUI	ION BI A NATURAL I ERSON
8-4			tank ()
SURFA	CE OWNER	Signature:	John m Seure
	CE OWNER CE OWNER (Road and/or Other Disturbance)	Signature: Print Name: Date: 7-24	EPHEN M STARCOVIC
□ SURFA		Date: 7-24	-12
□ SURFA	CE OWNER (Road and/or Other Disturbance)	Date: 7-24  FOR EXECUT  Company:	TION BY A CORPORATION, ETC.
□ SURFA	CE OWNER (Road and/or Other Disturbance) CE OWNER (Impoundments/Pits)	Date: 7-24  FOR EXECUT  Company:  By:	- 18 TION BY A CORPORATION, ETC.
□ SURFACE □ SURFACE □ COAL C	CE OWNER (Road and/or Other Disturbance) CE OWNER (Impoundments/Pits) OWNER OR LESSEE	Date: 7-24  FOR EXECUT Company: By: Its:	- 1S TION BY A CORPORATION, ETC.

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 purregulatory duties. Your personal information may be disclosed to other State agencies or third parties in the primal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our offices 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.





#### 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

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 2H

Dear Mr. Martin,

**Earl Ray Tomblin** 

Governor

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,

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

Central Office Oil &Gas Coordinator

Cc: Kristen R. Brooks

Chevron Appalachia, LLC

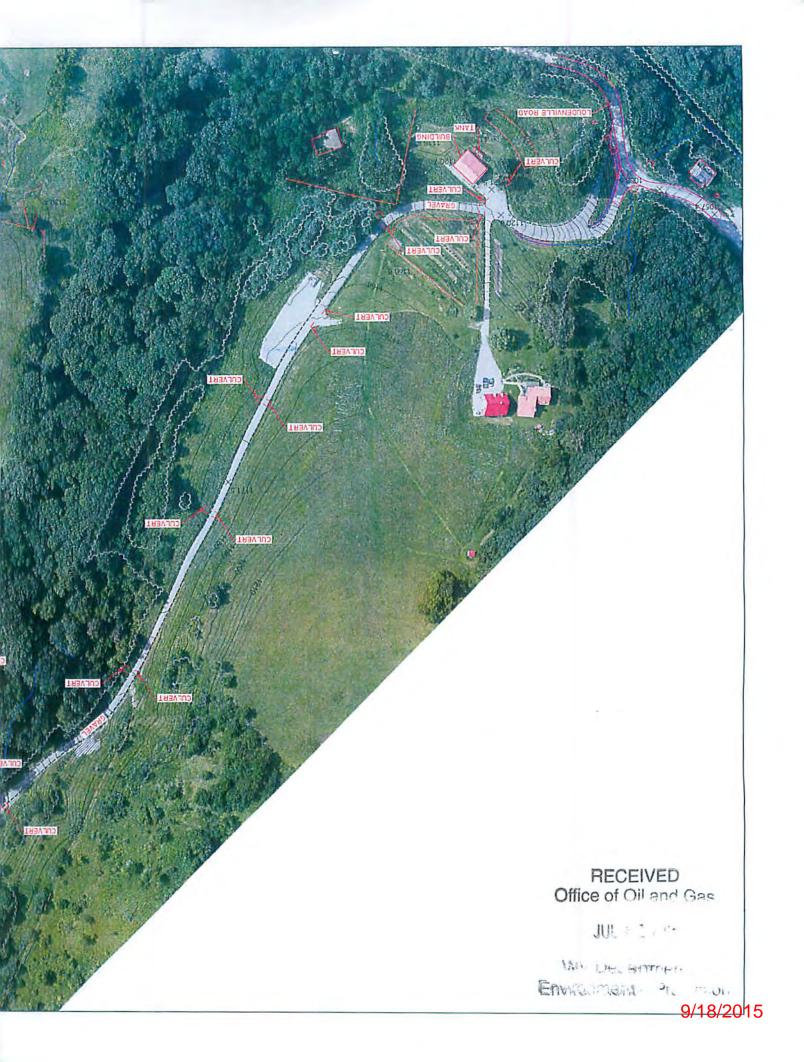
CH, OM, D-6

File

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JUL 3 1 2015

WV Department of Protection







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

SITE STARCOVIC WELL AS-BUILT



REVISIONS TYPE



JACH
DATE

27/2///3

SCALE

19-52

JOB NO

9959-15

STARCOVIC\_COMPLETE\_ASTRULLOWS

STARCOVIC\_COMPLETE\_ASTRULLOWS

SHEET I OF 2 9/18/2015

