A-1.



1)	Date:	Febru	uary	<u>, 1983</u>		
2)	Operator Well No	r's Mari	tin	Unit	#1	
	API We		47		03	1279

DRILLING CONTRACTOR:

WINDOWS TIE		sent						SION STORES WAS	
	normwight of conden	the state	COLUMN NO.	OIL	AND GA	AS WELL PERM	IT APPLICATIO	n sous Letuin au Vi mar band ai	som 'TiO's (AA
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	Distr	rict: Pro	octor	raidi.		County: lie	tzel	Quadrangle, N	ew Martinsville 7
) WELL OP	ERATOR_	Hadda	d & Br	ooks	, Inc		11) DESIGNATE	EDAGENT Henry 121 Glenview	M. Parsons
Address	905	Washin	igton F	₹d.,	P.O.	Box 714	Address	121 Glenview	Drive
	Masn	ington	, PA	153	01-11	53		New Martinsvi	lle, WV 26155
OIL & GA	S OWNER	R. Wal	ter Po	Well	ot	al		047	Tanky (S.
Address	Box	122, R	.R. #2	)	,	digmos nome		ATOR Atlanti	
11441033		ds For			317		Address		Place, Security L
Acreage	282.	50					3) COAL OWN	Denver, CO	80202 BT
SURFACE						ls	Name At	lantic-Richfi	eld
Address		Quarri				.0911-8/	Address	CARLES OF A STATE OF THE PARTY	Place, Security L
		on, WV	/	New 1	Marti	nsville,WV		Denver, CO	
Acreage				35.42	2		Name		
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	Middlebo							coming or minural	49 M 18
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		Other ph	ysical cha	nge in w	vell (spec		iew formation	ARCH ROLL SHIP CALLS	OIL AND GAS DIVISIO WYDEPARTMENT OF MINES
GEOLOGIC		T FORMA	ATION, _	Warr	en		3.8	The King of	W DEPARTMENT OF MINE
17) Estimat						feet	wollade has it	despost frost valu	os digari 1881
18) Approx	imate water	strata depti	hs: Fresh	ı, <u>1</u>	100	feet;	salt,1690	feet.	noitavete
19) Approx	imate coal se	am depths:	:786	5,886		Is coal	being mined in the		/ No X
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CASING OR	II	CDE	CIFICATION	TO TO	11	referio Codes		Parapriq priess l	20) Proposed
TUBING TYPE	Size	The same	Weight	1		FOOTAGI	E INTERVALS	CEMENT FILL-UP OR SACKS	PACKERS
Conductor	11 3/4	Grade	per ft.	New	Used	For drilling	Left in well	(Cubic feet)	Saboba (IS
Fresh water	1110/1	nander w	Mark Comment			60	60	35 sacks	Kinds
Coal	V dhouse	STEEL CH	Acces for any	26 101		KREIDIEDTE DES	10 (0.89) say 1	O Goldottogshi (sind	A(4)
Intermediate	8 5/8				100	956	956	262 02010	Sizes
	4 1/2	mentin	dw va	Control	5 70	3900	3900	260 sacks	NEAT
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NOTE: Keep one copy of this permit posted at the drilling location.

Administrator, Office of Oil and Gas

# Line Item Explanation

- Date of Application 1)
- Your well name and number 2)
- To be filled out by office of oil & gas 3)
- "Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves underground reservoirs: "Gas" means all natural gas and all other fluid hydrocarbons not defined
- "Shallow well" means any well drilled and completed in a formation above the top of the uppermost member of 4B) the "Onondaga Group" or a depth less than six thousand feet, whichever is shallower.
  - "Deep well" means any well drilled and completed in a formation at or below the top of the uppermost member of the "Onondaga Group" or at a depth less then six thousand feet, whatever is shallower.
  - Where well is located 5)
  - Before a permit can be issued in a corporation, company partnership, or fictitious name, the name must be registered with the Secretary of State Office
- 7) Use separate sheet if necessary
  - Present surface owner at time application is filed. 8)
  - Optional 9)
- See Reg. 7.01 relating to code §22-4-1k 11)
- "Coal Operator" means any persons, firm, partnership, partnership association or corporation that proposes to 12) or does operate a coal mine. See Note 24
- As per §22-4-20; See Note 24 13 & 14)
  - Work that will be attempted—A separate Form IV-2 shall not be required for fracturing or stimulating a well 15) where fracturing or stimulating is to be part of the work for which a permit is sought and is noted as such on the Form IV-2 filed in connection therewith.
  - 16) Anticipated formation for which well will be completed
  - 17) Self explanatory
  - Depth to deepest freshwater, and shallowest salt water, taken from nearby wells corrected for differences in 18) elevation
  - 19) All coal seam depths
  - 20) Proposed casing program and cementing refer to Code 22-4-5, 22-4-6, 22-4-7, 22-4-8, 22-4-8a Reg 9.01, 15.01, 15.02, 15.03, 15.04, 25.01, 25.02, 25.03, 25.04
  - Code 22-4-11(c) In lieu of filing the lease or leases or other continuing contract or contracts, the applicant for a permit described herein may file the following:
    - (1)A brief description of the tract of land including the district and county wherein the tract is located;
    - (2) The identification of all parties to all leases or other continuing contractual agreements by which the right to extract, produce or market the oil or gas is claimed;
    - (3) The book and page number wherein each such lease or contract by which the right to extract, produce or market the oil or gas is recorded;
    - (4)A brief description of the royalty provisions of each such lease or contract.
  - 22) Code 22-4-11(d) and 22-4-11(e).
  - Regulation 7.02 of the Department of Mines provides that the original and four copies of Form IV-2 must be filed with the Department, accompanied by (i) a plat in the form prescribed by Regulation 11, (ii) a bond in one of the forms prescribed by Regulation 12, or in lieu thereof the other security allowed by Code §22-4-2, (iii) Form IV-9, "Reclamation Plan", applicable to the reclamation required by Code §22-4-12b and Regulation 23, (iv) unless previously paid on the same well, the fee required by Code §22-4-12a, and (v) if applicable, the consent required by Code §22-4-8a from the owner of any water well or dwelling within 200 feet of the proposed well.
  - The above named coal operator, coal owner(s), and coal lessee are hereby notified that any objection they wish to make or are required to make by Code §22-4-3 must be filed with the Department of Mines within fifteen (15) days after the receipt of this Application by the Department.

days after the receipt of this Application	of the Department	and the second section of the second
The following waiver must be completed who has recorded a declaration under Cod days of receipt thereof.	by the coal operator le 22-4-20, if the pe	and by any coal owner or coal lessee rmit is to be issued within fifteen (15)
And the second s	WAIVER	
The undersigned coal operator/ owner amined this proposed well location. If a mine map exist added to the mine map. The undersigned has no object operator has complied with all applicable requirement	tion to the work pror	posed to be done at this location, provided, the well
Date:	By	
The state of the s		

IV-9 (Rev 8-81)



DATE February 3, 1983
WELL NO. Martin Unit #1

API NO. 47 - 103-1279

# State of West Wirginia

Bepartment of Mines Bil und Gas Bivision

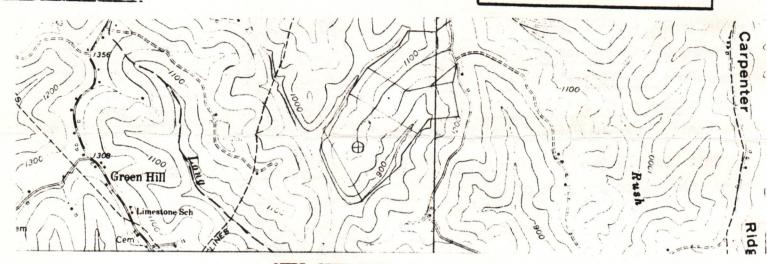
# CONSTRUCTION AND RECLAMATION PLAN

COMPANY NAME Haddad & Brooks, Inc.		DESIGNATED AGENT Henry M. Parsons
Address 905 Washington Rd., Washing		Address 121 Glenview Dr., New Martinsvil
<b>Telephone</b> 412-228-8811 15301-	1153	Telephone 304-455-3472 WV 26155
LANDOWNER Jack M. Martin, et ux		SOIL CONS. DISTRICT Upper Ohio
Revegetation to be carried out by	Haddad	& Brooks, Inc. (Agent)
This plan has been reviewed by	do	
and additions become a part of this p	THE RESIDENCE AND ADDRESS OF THE PERSON NAMED IN	2/9/82 SCD. All corrections
		(Date)
		(SCD Agent)
ACCESS ROAD		
		LOCATION
Structure Culvert	(A)	Structure Drilling Pit (1)
pacing 15" minimum I.D.		Material Earthen (Plastic lined)
age Ref. Manual 2-7		Page Ref. Manual N/A
Change Brasins		
tructure Cross Drains	(B)	Structure RECERVED2
pacing 80'		Material FED 16 1983
age Ref. Manual 2-4		Page Dof Name 1
		WV DEPARTMENT OF WINGES
tructure Drainage Ditch .	(C)	Structure(3)
pacing constructed along road		Material
age Ref. Manual 2-12		Page Ref. Manual
	REACKON AN	d all brush and small timber to be k begins.
Treatment Area I		Treatment Area II
or correct to pH 6.5	e ·	or correct to pH 6.5
rtilizer 600 lbs/acre		Tout 111
(10-20-20 or equivalent)		(10-20-20 or equivalent)
Ich (Hay) 2 Tons/acr		Mulch (Hay) 2 Tons/acre
Annual Rye Grass 30 lbs/acre		Seed* Annual Rye Grass 30 1bs/acre
Kv 31 Tall Fescue 40 lbs/acre		Ky 31 Tall Fescue 40 1bs/acre
Redtop 5 lbs/acre		Restop 5 lbs/acre
*Inoculate all legumes such as vetch oculate with 3% recommended amount.		TPARED BY Aring ( Atthews
NOTES: Please request landowners'		Clarence E. Matthews
cooperation to protect new		ADDRESS 905 Washington Rd., P.O. Box 714
seedling for one growing season. Attach separate sheets as		Washington, PA 15301-1153
necessary for comments.	PHO	ONE NO. 412-228-8811

ATTACH OR PHOTOCOPY SECTION OF INVOLVED TOPOGRAPHIC MAP.

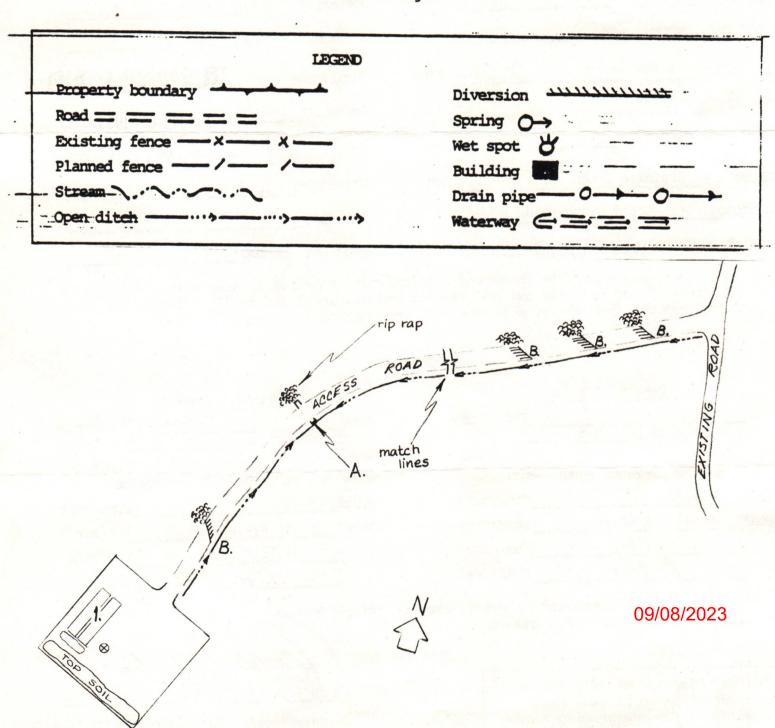
QUADRANGLE New Martinsville 7.5 min.

Well Site Access Road —



WELL SITE PLAN

Sketch to include well location, existing access road, roads to be constructed, wellsing, drilling pits and necessary structures numbered or lettered to correspond with the first part of this plan. Include all natural drainage.



A-7

# OIL and GAS LEASE

09-111-22	7 1							
THIS AGREEMENT, made and entered into	this 3rd		sy or	arch	, A	.D. 19 82	_, by and	between
R. Walter Powell a Box 122, R R 2	and Sandra	R. Pov	vell, 1	nusban	d and w	ife		
	19317							
	Chemical C	ornora	tion.	Penn	Lincoln	Parkway	West,	Pittsburgh,
PA 15205	Citemized C	orpord	ecton,	· Cilli				e; WITNESSETH THAT:
1. Lessor for and in consideration of the covenants and agreements herein contained purposes of exploring, drilling and operation uents, injecting air, gas, water, brine and cable coal strata, together with exclusive rigoccupy portions of said lands as may be nowater and electricity, whether produced on	d, does hereby gra ing for, producing other substances f ghts to enter into, i ecessary or conve	nt, demis , xxxxxxx rom what in, on and nient for	se, lease a cremoving tever sound upon said the afore	nd let exc g and ma ce into a d lands at said purp	deration, rec clusively unturketing oil a ny subsurface all times for oses, and to	eipt of whice Lessee the and gas, or elestrata, excrete aforesal install and r	h is hereby lands here ither of the ept potable d purpose naintain li	y acknowledged, and the einafter described for the em, and/or their constit- e water strata and work- s and to possess, use and ines to transport oil, gas,
situated in Lot/Section Proctor					Wetz	101		
Township/District of Proceeds State of West Virginia				County of	Wet 2		, bounded	substantially as follows:
F Vo	oung and C.	H Di	11e					
On the north by the lands of	Dills and							
U Ch								
11 1 -	nambers and							
On the west by the lands of H. La containing Eighty-Eight and	rimore and						00	
tion, then this lease shall continue in force is so much longer thereafter as oil and gas, cother operations as herein provided are a 3. In consideration of the premises the Le of cost, the equal one-eighth (1/8) part of all one-eighth (1/8) royalty oil at the published pay to the Lessor, as royalty for the gas may of the wellhead price paid to Lessee per the above Lessors prorata share of any severar Lessor shall be paid on the basis of the field leased premises for gas of like kind and quin price that such utility company would pay 4. If no well is commenced on said premisuless Lessee shall pay to Lessor a delay reduced by the considered as the equivalent of and regardements of delay rentals. This lease shall the content of the considered as the equivalent of and regardements of delay rentals. This lease shall the considered as the equivalent of and regardements of delay rentals.	or either of them, maintained on sa essee covenants ai all oil produced and rate for oil of like arketed and used cousand cubic feet note (excise) tax im d market price pa ality, and on the say for such gas as ess within Formulated for the composed as the tender of essee of them.	and/or thid premi nd agrees d saved fr te grade a off the pre of such a posed by id at the same basis if a cont On Ur Hun r, payable letion of a delay rei	neir const ses.  (A) To d  rom the print gravit  mises and gas so ma  any gove  wellhead  is that suc  tract for the  year  dred f  e in advant  a well on a  ntal for a	eliver to the el	s found in particle of the credit of the cre	the Lessor in soption to partie such oil is well drilled the such oil is well drilled the event Le y company of the event	tanks or p ty Lessor t to run into thereon, the duct from sperating i such gas, in to at the ti	pipelines, as royalty, free the market price for such anks or pipelines. (B) To e sum of one-eighth (1/8) payments in (A) and (B) not sell the gas to others, in the general area of the including any escalation time of initial production. The lease shall terminate the option of Lessee, until aying quantities shall be Lessee may resume pay-
5. All money due under this lease shall be the lessor named a		to the Le	essor by c		e payable to		and mailed	l to
		nue co I -	at				rabled-	r this lease regardless of
changes in ownership in the premises, or it Lessee of notice of change of ownership 6. No well shall be drilled within two hun permanent pipelines below plow depth, who said damage, if not mutually agreed upon, the two appointed as aforesaid, and the 7. Lessor may lay a line to any well on sipremises at Lessor's own risk, subject to the current published rates at the town near set at the tap on the line. This privilege is at Lessee relating to the use of free gas. Free 8. In the event a well drilled hereunder is from a producing well drilled on the premising on the date one year from the completic al in lieu of royalty and delay rental in the off the premises or such well is plugged an on the basis of \$1.00 per acre per year.	n the oil or gas of as hereinafter producing was needed by the ascertained by the accordance of such that are use and the right cost, but all gas it rest the premises and upon the condition gas as herein producing well ses, or should the on of such producing amount and under the accordance of such producing the accordance of the accor	their con rovided.  Arn or dwe by Lessor by three c ree perso take gas p and of abar a excess of above des that Les vided ma and the L Lessee de ang well o r the term rding to l	elling now, and pay disinteres on shall produced in donment of two hur cribed an esor shall y be taker essee is uesire to short the cess on shere in the cess on shere in the cess on the cess of the cess on the cess on the cess of the cess on the cess of the	or in the vexisting all dama ted perso be final from said of the we dred thou d the mea subscribe n for use nable to n ut in proc ation of p above pro	without the ge to gradual well for use ll by Lessee. Is and (200,00 surements a e to and be be in no more thanket the principal wells, roduction, or ovided for del delay rental	written consider the consideration with the consideration of the conside	ent of Less sed by ope sor, one by heat in on o hundred taken each ns shall be reasonable lling house refrom, or agrees to p g in of product payments	sor. Lessee shall bury all brations under this lease; y Lessee and the third by the dwelling house on said thousand (200,000) cubic a year shall be paid for at by meter and regulators of events and regulators of the control of the
s. Lessee shall have the exclusive rights strata underlying the surface of the above of ing, holding in storage and removing any operation any and all abandoned wells on premises to permit storage of gas. Dessee	described lands (e kind of gas from said premises or	xcept pot whatever drill nev	able water source of wells th	r strata a btained; a ereon. It	nd workable and Lessee n is understoo	coal strata) nay, for thes d that a wel	for the pu e purpose need not	rposes of injecting, stor- sere-open and restore to be located on the leased

operation any and all abaldened wells on said premises or drill new wells thereon. It is understood that a well need not be located on the leased premises to permit storage of gas. Desage shall be the sole judge as to whether gas is being stored within the leased premises, and Lessee's determination in respect thereto shall be final and conclusive. As full compensation for storage rights herein granted and in lieu of all delay rentals or royalties due, or to become due, on the production of removal of stored gas from the leased premises, Lessee agrees to pay Lessor an annual rental of \$1.00 per acre commencing with the date of first utilization of the such stratum or strata be so utilized, such annual rental of the paid which three months after the commencement of each annual period of utilization for storage purposes. 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, for the entire term of this agreement, the sum of \$10.00 payable in one sum within three 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 use of the leased premises for gas storage purposes and of the use of any well drilled thereon for gas storage purposes. In the event any stratum or strata utilized for gas storage purposes and of the use of any well drilled thereon for gas storage purposes. In the event any stratum or strata utilized for gas storage purposes and of the use of any well drilled thereon for gas storage purposes for gas of comparable quality, the volume of such gas to be based on an assimilate of such reserves by accepted geological methods.

10. Lessor hereby grants to Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on the following and the provisions and covenants of this

11. The consideration, land rentals, well rentals or royalties paid and to be paid, as herein provided, are and will be accepted by Lessor as adequate and full consideration for all the rights herein granted to Lessee and the further right of drilling or not drilling on the leased premises, whether to offset producing or gas storage wells on adjacent or adjoining lands or otherwise, as Lessee may elect, regardless of the purposes for which the leased premises are used hereunder.

leased premises are used hereunder.

12. Kiekin in the reasonable judgment of Lessee shall have the right at any time to pay for Lessor any mortgage, tax or any other lien or encumbrance which in any manner, in the reasonable judgment of Lessee, affects,

may affect or may appear to affect Lessee's recrest in the lands described or rights or privileges and experimentally and such payments made by Lessee for Lessor may be deducted from any monies which may become due Lessor under of the rentals and royalties hereinbefore provided which Lessor's interest in the tract described above. Lessor shall receive only that portion or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, deviced and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. 13. No change in ownership of the land or assignment of rentals or royalties shall be binding on Lessee until after Lessee has been furnished with a written notice thereof and a certified copy of the deed of conveyance or other documents as proof to enable Lessee to identify the land conveyed as being all or part of the leased premises and Lessee shall then apportion all payments hereunder, in case of any division, according to acreage. The privilege of assignment in whole or in part is expressly allowed to Lessee. 14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied. Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. 15. Lessor agrees that Lessee is to have the privilege of using sufficient oil, gas and water from the premises, except water from the wells of Lessor. to conduct operations, and the right at any time to remove any tubing, casing, pipe, machinery, fixtures and other equipment placed on the premises by Lessee 16. At any time, Lessee shall have the right to surrender this lease or any portion thereof by written notice to Lessor or by placing the surrender thereof on record in the proper county, either of which shall be full and legal surrender of this lease as to all the leased premises or such portion thereof as said surrender shall indicate and shall be a cancellation of all liabilities under same of each and all parties hereto to the extent indicated on the surrender, and the acreage rental hereinbefore provided shall be reduced in proportion to the acreage surrendered. This lease and all the provisions thereof shall be applicable to and binding upon the parties hereto, their respective heirs, executors, administra-IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals. Signed and acknowledged in the presence of: はいアストン SANDRA E FEWEL A.D. 19\_8 STATE OF aid County and State, personally appeared before me in said County and State the above named , known to me (or satisfactorily proven) to be the person 💆 whose name 💈 subscribed to the within instrument and acknowledged before me that \_\_\_\_\_\_ The u did execute the same for the es therein contained and that \_\_\_ free act and deed. IN WITNESS WHEREOF, I hereunto set my hand and official seal at the day and year aforesaid. STATE OF WEST VIRGINIA, COUNTY OF WETZEL, TO-WIT: OFFICE OF THE CLERK OF THE COUNTY COURT OF WETZEL COUNTY. May 7 The foregoing paper writing was this day , 1982, at 9:26 A.M. presented for record in my office, and thereupon, together with the certificate thereto annexed, is admitted to record. Teste: Tearl County Court of Wetzel County Haddad and Brooks, Inc., 905 Washington Road, Washington, PA 15301 This instrument was prepared by: (MIY) ISVLVANIA 1830 SPOOKS, INC GTON ROAD AND GAS LEASE EBK 09/08 ŝ return 5 8 recording SI OCATED HB-77A

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A 8

situated in Lot/Section

29-155-19		OIL and G						
HIS AGREEMENT, made and entered arfield F. and Margere	t A. Thoma	as, husband a	nd wif	e, of P.	O. Box	6 Sal	and between isbury, Pa	
	GI : 1							
Pa. 15205	Chemical	Corporation,	Penn	Lincoln	Parkway	West,	Pittsburg	h,
	of the sum of a						essee; WITNES	
Lessor for and in consideration overants and agreements herein conturness of exploring drilling and on	ained, does her	eby grant, demise, lea	ase and le	t exclusively	receipt of w	hich is he	ereby acknowled	ig
urposes of exploring, drilling and opents, injecting air, gas, water, brine a	and other subst	ances from whatever	source in	ito any subsi	rface strata	excent no	table water etro	+0 0
ble coal strata, together with exclusive	e righte to ente							

Fownship/District of Proctor househed as betantially as follows: \_\_. County of \_ State of West Virginia On the north by the lands of E Young and C.H. Dills FEB 1 6 1983 C.H. Dills and H. Chambers On the east by the lands of \_\_\_ OIL AND GAS DIVISION WY DEPARTMENT OF MINES H. Chambers and H. Larimore On the south by the lands of H. Larimore and E. Young On the west by the lands of

3. In consideration of the premises the Lessee covenants and agrees: (A) To deliver to the credit of the Lessor in tanks or pipelines, as royalty, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the premises, or at Lessee's option to pay Lessor the market price for such one-eighth (1/8) royalty oil at the published rate for oil of like grade and gravity prevailing on the date such oil is run into tanks or pipelines. (B) To pay to the Lessor, as royalty for the gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the wellhead price paid to Lessee per thousand cubic feet of such gas so marketed and used. (C) Lessee to deduct from payments in (A) and (B) above Lessors prorata share of any severance (excise) tax imposed by any governmental body. (D) In the event Lessee does not sell the gas to others. Lessor shall be paid on the basis of the field market price paid at the wellhead by the principal utility company operating in the general area of the leased premises for gas of like kind and quality, and on the same basis that such utility company would pay for such gas, including any escalation in price that such utility company would pay for such gas as if a contract for the sale of same had been entered into at the time of initial production.

4. If no well is commenced on said premises within one year from this date, this lease shall terminate unless Lessee shall pay to Lessor a delay rental of Four Hundred Forty and no/100----

Dollars (\$440.00-----) each year thereafter, payable in advance annually, semi-annually or quarterly at the option of Lessee, until a well is commenced or this lease surrendered; but the completion of a well on said premises unproductive of oil or gas in paying quantities shall be considered as the equivalent of and regarded as the tender of delay rental for a period of one year thereafter, at which time Lessee may resume payments of delay rentals. This lease shall become null and void for failure to pay rental for any period when same becomes due and payable.

5. All money due under this lease shall be paid or tendered to the Lessor by check made payable to the order of and mailed to the lessor named above at the above address , and the said named person shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of

changes in ownership in the premises, or in the oil or gas of their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided. 6. No well shall be drilled within two hundred feet of any barn or dwelling now existing without the written consent of Lessor. Lessee shall bury all permanent pipelines below plow depth, when so requested by Lessor, and pay all damage to growing every caused by operations under this lease; said damage, if not mutually agreed upon, to be ascertained by three disinterested persons, one appointed by Lessor, one by Lessee and the third by the two appointed as aforesaid, and the award of such three persons shall be final and conclusive.

7. Lessor may lay a line to any well on said premises and take gas produced from said well for use for light and heat in one dwelling house on said premises at Lessor's own risk, subject to the use and the right of abandonment of the well by Lessee. The first two hundred thousand (200,000) cubic feet of gas taken each year shall be free of cost, but all gas in excess of two hundred thousand (200,000) cubic feet taken each year shall be paid for at the current published rates at the town nearest the premises above described and the measurements and regulations shall be by meter and regulators set at the tap on the line. This privilege is upon the condition that Lessor shall subscribe to and be bound by the reasonable rules and regulations of Lessee relating to the use of free gas. Free gas as herein provided may be taken for use in no more than one dwelling house on the leased premises.

8. In the event a well drilled hereunder is a producing well and the Lessee is unable to market the production therefrom, or should production cease from a producing well drilled on the premises, or should the Lessee desire to shut in producing wells, the Lessee agrees to pay the Lessor, commencing on the date one year from the completion of such producing well or the cessation of production, or the shutting in of producing wells, a well rental in lieu of royalty and delay rental in the amount and under the terms hereinabove provided for delay rental until production is marketed and sold off the premises or such well is plugged and abandoned according to law. In the event no delay rentals are stated, payments hereunder shall be made on the basis of \$1.00 per acre per year.

Losse shall have the evolutive rights (called storage rights) to use any well which may be located on the leased premises and any stratum trata underlying the surface of the above described lands (except potable water strata and workable coal strata) for the purposes of injecting, storage, holding in storage and removing any kind of gas from whatever source obtained; and Lessee may, for these purposes, respen and restore to peration any and all abandoned wells on said premises or drill new wells thereon. It is understood that a well need not be located on the leased premises to permit storage of gas. Lessee shall be the sole judge as to whether gas is being stored within the leased premises, and Lessee's deternination in respect thereto shall be final and conclusive. As full objects and the sole judge as to whether gas is being stored within the leased premises, and Lessee's deternination in respect thereto shall be final and conclusive. As full objects are sold of the storage rights herein granted and in lieu of all delay rentals of cyalities due, or to become due, on the production or removal of cored gas from the leased premises, Lessee agrees to pay Lessor an annual rental of 1.00 per acre commencing with the date of first utilization of any such stratum or strata for gas storage purposes and for as long thereafter as any uch stratum or strata be so utilized for the storage of gas, as well as for the pecessary or useful surface rights and privileges relating thereto, for the entire erm of this agreement, the sum of \$100.00 payable in one supply that three months after each well how existing or hereafter drilled upon the lease remises is so utilized. Lessee agrees to give Lessor written of the of the use of the leased premises for gas storage purposes and of the use of any vell drilled thereon for gas storage purposes. In the event any stratum or strata utilized for gas storage purposes contains an economically recover to be accorded good gas. In the event any stratum or strata utilized for gas storage purpo

10. Lessor hereby grants to Lessee the right to consolidate the leased premises or any part or parts thereof with other lands to form an oil development unit of not more than one hundred and sixty acres or gas development unit of not more than six hundred and forty acres for hereby find the following a well thereon, but Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit, whether or not located on the leased premises, shall nevertheless be deemed to be located on the leased premises within the meaning and for the purposes of all the provisions and covenants of this lease, to the same effect as if all the lands comprising said unit were described in and subject to this lease. Lessor, however, agrees to accept, in lieu of the 1/8 oil and gas royalty or shut in gas royalty hereinbefore provided, that proportion of such 1/8 royalty or shut in gas royalty which Lessor's acreage in the development unit bears to the total number of acres in said development unit; and Lessor further agrees that only the owner of the lands on which the development unit well is located may take gas for use in one dwelling house as the remarkable and sentences.

11. The consideration, land rentals, well rentals or royalties paid and to be paid, as herein provided, are and will be accepted by Lessor as adequate and full consideration for all the rights herein granted to Lessee and the further right of drilling or not drilling on the leased premises, whether to offset producing or gas storage wells on adjacent or adjoining lands or otherwise, as Lessee may elect, regardless of the purposes for which the leased premises are used hereunder.

12.—Lessor-hereby warrants and agrees to-defend the title to-the lands herein described.—Lessor further agrees that Lessee shall have the right at any time to pay for Lessor any mortgage, tax or any other lien or encumbrance which in any manner, in the reasonable judgment of Lessee, affects,

may affect or may appear to affect Lessee's interest in the lands described or rights or privileges under this lease and be subrogated in full to all rights of the holder thereof, and such payments made by Lessee for Lessor may be deducted from any monies which may become due Lessor under this Lease. Should it be determined that Lessor owns less than the entire interest in the tract described above, Lessor shall receive only that portion of the rentals and royalties hereinbefore provided which Lessor's interest bears to the entire interest. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire lessed acreage acreage owned by each such owner bears to the entire leased acreage. 13. No change in ownership of the land or assignment of rentals or royalties shall be binding on Lessee until after Lessee has been furnished with a written notice thereof and a certified copy of the deed of conveyance or other documents as proof to enable Lessee to identify the land conveyed as being all or part of the leased premises and Lessee shall then apportion all payments hereunder, in case of any division, according to acreage. The privilege of assignment in whole or in part is expressly allowed to Lessor and Lessee. 14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. 15. Lessor agrees that Lessee is to have the privilege of using sufficient oil, gas and water from the premises, except water from the wells of Lessor, to conduct operations, and the right at any time to remove any tubing, casing, pipe, machinery, fixtures and other equipment placed on the premises by Lessee 16. At any time, Lessee shall have the right to surrender this lease or any portion thereof by written notice to Lessor or by placing the surrender thereof on record in the proper county, either of which shall be full and legal surrender of this lease as to all the leased premises or such portion thereof as said surrender shall indicate and shall be a cancellation of all liabilities under same of each and all parties hereto to the extent indicated on the surrender, and the acreage rental hereinbefore provided shall be reduced in proportion to the acreage surrendered. This lease and all the provisions thereof shall be applicable to and binding upon the parties hereto, their respective heirs, executors, administrators, and assigns. IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals. Signed and acknowledged in the presence of: Margaret a. STATE OF Pa. On this 3rd day of MARCH County of Somerset ss. before me, a Notary Public in and for said County and State, personally appeared before me in said County and State the above named Carrield F. and Margiel A. Thomas A.D. 19 82 known to me (or satisfactorily proven) to be the person  $\Sigma$  whose name  $\Sigma$ subscribed to the within instrument and acknowledged before me that \_\_\_\_ he y\_\_\_ did execute the same for the purposes therein contained and that the same is THEIR free act and deed. IN WITNESS WHEREOF, I hereunto set my hand and official seal at Salisbury the day and year aforesaid My commission expires June 25, 1985 Tichlitar STATE OF WEST VIRGINIA, COUNTY OF WETZEL, TO-WIT: OFFICE OF THE CLERK OF THE COUNTY COURT OF WETZEL COUNTY. The foregoing paper writing was this day \_ ARCH 24, 198 2 at 9:54 A.M. presented for record in my office, and thereupon, together with the certificate thereto annexed, is admitted to record. County Court of Wetzel County AND GAS LEASE Page CLERK 09/08 ts 6 HB TTA

# OIL and GAS LEASE

2000

29-157-14				
THIS AGREEMENT, made and entermined James B. Powell 306 Cherokee St	l and Dorothy Powell;	March husband and wif	e, A.D. 19 82 , by and between	
Hiawatha, Kansa	as 66434			
hereinafter called Lessor, and $\frac{N}{PA}$	Mobay Chemical Corpora	ition, Penn Linc		-
covenants and agreements herein of purposes of exploring, drilling and uents, injecting air, gas, water, bri able coal strata, together with exclu- occupy portions of said lands as m water and electricity, whether prod	contained, does hereby grant, demis d operating for, producing, <b>105 king</b> ine and other substances from what lusive rights to enter into, in, on and hav be necessary or convenient for	se, lease and let exclusive (removing and marketing tever source into any sub- d upon said lands at all tir the aforesaid purposes.	on, receipt of which is hereby acknowledged by unto Lessee the lands hereinafter describing oil and gas, or either of them, and/or the sourface strata, except potable water strata and the sourface strata and the sour	d, and the bed for the ir consti- and work is, use an
Township/District of Proct	or	, County of	Wetzel	
State of West Virgi	inia	, County of	, bounded substantially a	e follows
			, oounce substituting a	a lonows
On the north by the lands of	E. Young and C. H. Di	.11s		
	C. H. Dills and H. Ch	ambers	•	
On the south by the lands of	H. Chambers and H. La	rimore		
On the west by the lands of	H. Larimore and E. Yo	ung		
containing Eighty-Eight	and 00/100		(88.00 ) acres, more slands owned by Lessor in said Township or	or less, i
thereafter as oil and gas, or either described above or other operations tion of said term, primary or extension, then this lease shall continue is so much longer thereafter as oil an other operations as herein provide	of them. and/or their constituents, it is as herein provided are maintained ded, there is a well on the leased prein force for as long as drilling, deep and gas, or either of them, and/or the led are maintained on said premised are maintained on said premised.	is produced in paying quest on said premises (extermises being drilled, deep ening, reworking or plugueir constituents, is founded.	of tek 100) years (primary term) and so musantities, in the judgment of Lessee, from the nded term); provided, however, that if at the ened, reworked or plugged back in search for ging back is carried on with reasonable diligit in paying quantities, in the judgment of L dit of the Lessor in tanks or pipelines, as roy	premises termina r produc- gence and sessee, or
pay to the Lessor, as royalty for the of the wellhead price paid to Lesse above Lessors prorata share of any Lessor shall be paid on the basis of leased premises for gas of like kind in price that such utility company v. If no well is commenced on said unless Lessee shall pay to Lessor a complete that the commenced of the basis of the commenced of the lessor as well is commenced or this lease significant to the commenced of the lease significant commenced or this lease significant control of the commenced or th	e gas marketed and used off the preise gas marketed and used off the preise per thousand cubic feet of such geseverance (excise) tax imposed by the field market price paid at the wind and quality, and on the same basis would pay for such gas as if a control of the control of a control of the control of th	and gravity prevailing on mises and produced from gas so marketed and used any governmental body. Wellhead by the principal is that such utility comparact for the sale of same in eyear dred Forty and in advance annually, sent a well on said premises up to the said premises up a well on said premises up to the said pr	passes o ption to pay Lessor the market price the date such oil is run into tanks or pipeline each well drilled thereon, the sum of one-eig d. (C) Lessee to deduct from payments in (A) (D) In the event Lessee does not sell the gas it utility company operating in the general army would pay for such gas, including any enhancement of the sum	es. (B) To ghth (1/8) A) and (B) to others rea of the scalation duction terminate
ments of delay rentals. This lease  5. All money due under this lease	e shall become null and void for e shall become null and void for e shall be paid or tendered to the Lee	ntal for a period of one ye failure to pay rental for ssor by check made payal	ar thereafter, at which time Lessee may resu- any period when same becomes due and ble to the order of and mailed to	Ime nev-
the lessor na			ove address	
changes in ownership in the premis Lessee of notice of change of own	ses, or in the oil or gas of their cons nership as hereinafter provided.	stituents, or in the rentals	y and all sume payable under this lease rega or royalties accraing hereunder until delive	ery to the
permanent pipelines below plow de said damage, if not mutually agreed the two appointed as aforesaid, an	epth, when so requested by Lessor, d upon, to be ascertained by three d nd the award of such three person	and pay all damage to glisinterested persons, one ins shall be final and co	ut the written consent of Lessor. Lessee shall rowing or caused by operations under the appointed by Lessor, one by Lessee and the onclusive.	his lease; third by
feet of gas taken each year shall be the current published rates at the to- set at the tap on the line. This privil Lessee relating to the use of free gas. 8. In the event a well drilled hereu from a producing well drilled on the ing on the date one year from the co- al in lieu of royalty and delay rental	ect to the use and the right of abance free of cost, but all gas in excess of the premises above described in the condition that Lesses. Free gas as herein provided may under is a producing well and the Lesse premises, or should the Lessee described in the amount and under the terming ged and abandoned according to la	donment of the well by Left two hundred thousand (scribed and the measurement of the state of th	r use for light and heat in one dwelling housessee. The first two hundred thousand (200,0020,000) cubic feet taken each year shall be parts and regulations shall be by meter and red be bound by the reasonable rules and regulatore than one dwelling house on the leased part the production therefrom, or should production they wells, the Lessee agrees to pay the Lessor, coion, or the shutting in of producing wells, a wor delay rental until production is marketed rentals are stated, payments hereunder shall	000) cubic aid for at a gulators ations of cremises. ion cease ommences and sold
strata underlying the surface of the ing, holding in storage and removir operation any and all abandoned w premises to permit storage of gas. I mination in respect thereto shall be royalties due, or to become due, on the such stratum or strata be so utilized for storage purposes. Lessee further ed premises which is utilized for the term of this agreement, the sum of \$ premises is so utilized. Lessee agreements and the surface of the term of this agreement, the sum of \$ premises is so utilized.	e rights (called storage rights) to use above described lands (except potang any kind of gas from whatever relis on said premises or drill new because shall be the sole judge as to final and conclusive. As full complete production or removal of stored date of first utilization of any such such annual rental to be paid with agrees to pay Lessor as liquidated a storage of gas, as well as for the new following payable in one sum within the following payable in	able water strata and wor source obtained; and Les wells thereon. It is unde to whether gas is being st pensation for storage rig gas from the legace prem in stratum or strata for ga that three months after the damages for the drilling, ecessary or usefur-surface, three months after each we the use of the leased prem	e located on the leased premises and any strataly for the purposes of injectives and any strataly for the purposes of injectives and restood that a well need not be located on the premises, and Leasee the bear of all delay remises. Lessee agrees to pay Lessor an annual is storage purposes and for as long thereafter commencement of each annual period of ut, operation and maintenance of each well on a rights and privileges relating thereto, for the restorage purposes and of the us storage purposes and of the us storage purposes and of the us	ing, stor- estore to be leased e's deter- entals or rental of er as any tilization the leas- he entire

well drilled thereon for yas storage purposes. In the event any stratum or strata utilized for gas storage purposes and of the use of any able reserve of native gas. Lessee agrees to compensate Lessor for his royalty of such gas at the prevailing well-head market price in the vicinity at the time Lessee gives notice of use of the premises for gas storage purposes for gas of comparable quality, the volume of such gas to be based on an assumate of such reserves by accepted geological methods.

10. Lessor hereby grants to Lessee the right to consolidate the leased premises or any part or parts thereof with other lands to form an off development unit of not more than one hundred and sixty acres or gas development unit of not more than six hundred and forty acres for the purpose of drilling a well thereon, but Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit, whether or not located on the leased premises, shall nevertheless be deemed to be located on the leased premises within the meaning and for the purposes of all the provisions and covenants of this lease, to the same effect as if all the lands comprising said unit were described in and subject to this lease. Lessor, however, agrees to accept, in lieu of the 1/8 oil and gas royalty or shut in gas royalty hereinbefore provided, that proportion of such 1/8 royalty or shut in gas royalty which Lessor's acreage in the development unit bears to the total number of acres in said development unit; and Lessor further agrees that only the owner of the lands on which the development unit well is located may take gas for use in one dwelling house as the consideration, land rentals, well rentals or royalties reid and to be r

11. The consideration, land rentals, well rentals or royalties paid and to be paid, as herein provided, are and will be accepted by Lessor as adequate and full consideration for all the rights herein granted to Lessee and the further right of drilling or not drilling on the leased premises, whether to offset producing or gas storage wells on adjacent or adjoining lands or otherwise, as Lessee may elect, regardless of the purposes for which the leased premises are used hereunder.

12. Kink in the reasonable judgment of Lessee shall have the right at any time to pay for Lessor any mortgage, tax or any other lien or encumbrance which in any manner, in the reasonable judgment of Lessee, affects,

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64 may affect or may appear to affect Lessee's it states in the lands described or rights or privileges to this lease and be subrogated in full to all rights of the holder thereof, and such payment lade by Lessee for Lessor may be deducted from any anonies which may become due Lessor under this Lesse. Should it be determined that Lessor owns less than the entire interest in the tract described above, Lessor shall receive only that portion or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, descreage owned by each such owner bears to the entire leased acreage. may affect or may appear to affect Less this lease and be subrogated in full to all 13. No change in ownership of the land or assignment of rentals or royalties shall be binding on Lessee until after Lessee has been furnished with a written notice thereof and a certified copy of the deed of conveyance or other documents as proof to enable Lessee to identify the land conveyed as being all or part of the leased premises and Lessee shall then apportion all payments hereunder, in case of any division, according to acreage. The privilege of assignment in whole or in part is expressly allowed to Lessee and Lessee. 14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be preceservice of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. 15. Lessor agrees that Lessee is to have the privilege of using sufficient oil, gas and water from the premises, except water from the wells of Lessor. to conduct operations, and the right at any time to remove any tubing, casing, pipe, machinery, fixtures and other equipment placed on the premises by Less 16. At any time, Lessee shall have the right to surrender this lease or any portion thereof by written notice to Lessor or by placing the surrender thereof on record in the proper county, either of which shall be full and legal surrender of this lease as to all the leased premises or such portion thereof as said surrender shall indicate and shall be a cancellation of all liabilities under same of each and all parties hereto to the extent indicated on the surrender, and the acreage rental hereinbefore provided shall be reduced in proportion to the acreage surrendered. This lease and all the provisions thereof shall be applicable to and binding upon the parties hereto, their respective heirs, executors, administrators, and assigns. IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals. Times James B. Powe11 Dorothy Powel1 A.D. 19 82 County of before me, a Notary Public in and for said County and State, personally appeared before me in said County and State the above named ruel prother fowel , known to me (or satisfactorily proven) to be the person . 2whose name 2 IN WITNESS WHEREOF, I hereunto set my hand and official seal at the day and year aforesaid. My commission expires الموا STATE OF WEST VIRGINIA, COUNTY OF WETZEL, TO-WIT: OFFICE OF THE CLERK OF THE COUNTY COURT OF WETZEL COUNTY. The foregoing paper writing was this day MARCH 27, 1987 at 9:50 A.M presented for record in my office, and thereupon, together with the certificate thereto annexed, is admitted to Teste: Tearl = County Court of Wetzel County Haddad and Brooks, This instrument was prepared by: (MW) LEASE 3 AND GAS CLERK 09/08/20 3 return HADDAR 58º H recording THE 1981 for PA C Block Ches After HB-77A

#### FARMOUT AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of October, 1980, by and between

Mobay Chemical Corporation
Penn Lincoln Parkway West
Pittsburgh, PA 15205, hereinafter
called "Mobay" and

Rovi Properties Corporation
Fifth Avenue at 1 E. 57th Street
New York, NY 10022
hereinafter called "Operator"

#### WITNESSETH

WHEREAS Mobay is the owner of oil and gas leases covering lands in Wetzel County, West Virginia; and

WHEREAS Mobay is willing to assign unto Operator its interest in certain of such leases, subject to all the terms, covenants and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained in this Farmout Contract to be kept and performed by the parties hereto, it is hereby agreed by and between the parties hereto as follows:

# 1. DEFINITIONS:

- (1) "Contract Acreage" shall mean the oil, gas and mineral leases listed on Exhibit "A" hereto, the rights therein and the land covered thereby, insofar (and only insofar) as said leases cover the rights down to one hundred feet below the depth drilled in the Contract Area, and also only insofar as Mobay has an interest therein.
- (2) "Contract Area" shall mean that tract, or those tracts, of land shown on the plat attached hereto as Exhibit "B".
- (3) "Contract Depth", used in connection with any well drilled by Operator under the provisions of this Agreement, shall mean the depth to which said well is to be drilled according to the provisions of this Agreement.

- "Earning Well" shall mean the first test well (4) on a Tract which has been drilled to Contract Depth and completed as a Productive Well by Operator under the provisions of Article 3 hereinafter.
- The words "party" and "parties" shall always mean a party or parties to this Agreement, and such parties shall be referred to as "it" or "they", whether such parties be corporate bodies, partnerships, associations, or persons real.
- "Productive Well" shall mean an oil and/or gas well capable of producing oil and/or gas in commercial quantities from the Contract Acreage, which is either productive, or has been completed as a shut-in gas well.
- "Tract" shall mean one of those tracts of land comprising the Contract Area, which are shown on the plat attached as Exhibit "B".

#### TITLES - PARTIES TO EXCHANGE TITLE INFORMATION: 2.

Mobay does not warrant the title to the aforesaid leases or Contract Acreage, but shall upon request furnish to Operator such abstracts and other title papers as it has in its files, together with photostatic copies of the basic leases and all intermediate assignments thereof. There shall be no obligation on the part of Mobay to purchase new or supplemental abstracts, obtain any title opinions, nor to do any curative work in connection with the title to said leases or Contract Acreage. Upon request, Operator shall furnish to Mobay copies of all abstracts of title, title opinions and memoranda, curative material, and all other information and data relating to, or connected with, the title to the Contract Acreage which Operator may obtain or has in its possession. It is understood that since Mobay may own less than the entire leasehold estate in the leases comprising the Contract Acreage and said leases may not cover all of the minerals in the land described therein, this Agreement covers only the interest of Mobay in the Contract Acreage.

# 3. TEST WELLS:

### 3(1) Initial Well:

Operator, not later than sixty days from the date of execution hereof, shall commence, and firmly binds itself to commence, the actual drilling of a test well (hereinafter sometimes referred to as the "Initial Well") to be located on the Contract Area, at a location of Operator's selection, which shall be agreed to by Mobay, and thereafter shall prosecute the drilling of said well diligently without unnecessary delay and in a good workmanlike manner to thoroughly test the Warren Sandstone expected at an approximate depth of 3,750 feet, unless commercial production of oil and gas is established at a lesser depth. The said well must be drilled to Contract Depth and completed as a Productive Well or plugged and abandoned within sixty (60) days after actual drilling is commenced thereon. Should Operator wish to abandon said well and Mobay wishes to complete, Operator shall relinquish all right, title and interest in and to such well only.

# 3(2) Additional Wells May Be Drilled Until All Of The Contract Acreage Is Earned:

If Operator drills the Initial Well within the time and in the manner required, then Operator may (but shall not be required to) drill one or more additional test wells (hereinafter referred to as "Additional Wells") on the Contract Area until Operator has earned assignments covering all of the Contract Acreage under the provisions of Article 12 of this Farmout Contract; provided, however, that each such Additional Well must be drilled in strict compliance with the following terms and provisions:

- (a) Each Additional Well must be located on one of the Tracts comprising the Contract Area.
- If Operator elects to drill one or more Additional Wells, actual drilling on the first of such Additional Wells must be commenced not later than 180 days after termination of actual drilling on the Initial Well, and thereafter actual drilling on each subsequent Additional Well which Operator may elect to drill must be commenced within 90 days after termination of actual drilling on the preceding Additional Well; but Operator may, after the timely drilling of the first Additional Well, drill no more than three further Additional Wells at a rate of its own choosing (but not at longer intervals than the 90-day interval above-provided) and the drilling of four Additional Wells shall relieve Operator of any further drilling obligation for twelve months from the date of commencement of the first Additional Well.
- Each Additional Well which is commenced by Operator must thereafter be drilled diligently to Contract Depth for said well (as hereinbelow defined) in the same manner and within the same time as is provided herein with regard to the Initial Well. Until a test well drilled by Operator to Contract Depth (for said well) under the provisions of this Article 3 ("TEST WELLS") has been completed by Operator as a Productive Well, "Contract Depth" for each Additional Well which operator may elect to drill shall be the same as Contract Depth for the Initial Well, but "Contract Depth" for each additional Well drilled after completion of such Productive Well shall mean the stratigraphic equivalent of the base of the deepest productive (or capable of being productive) sand or interval encountered in any well drilled by Operator under the provisions of this Agreement; and
- (d) An Additional Well shall not be located on a Tract on which Operator has previously completed a Productive Well.

# 3(3) Succeeding Provisions Apply To Each Test Well:

All provisions hereinafter set out shall apply to each test well drilled under the provisions hereof, unless the contrary is specifically provided.

# 3(4) Substitute Wells May Be Drilled:

If, in the drilling of any test well under the provisions hereof, impenetrable substances (salt, salt water flow, heaving shale or impenetrable substance which makes further drilling impracticable or impossible) or mechanical difficulties are encountered which require Operator to abandon the original hole before said well has been drilled to Contract Depth, Operator will be considered as complying with the terms of this test well subsection if, within twenty (90) days after the abandonment of the original hole, Operator commences operations for the drilling of another or substitute well on the same Tract at or near the original location, and thereafter drills the same to the depth required for the original test well, in the same manner and subject to the same conditions as said original test well, and this second or substitute well shall be regarded for all purposes under the provisions of this Agreement (unless the contrary is specifically indicated), as the test well for which it is a substitute.

# 3(5) Notification To Mobay:

Operator shall notify Mobay immediately when the location for each test well drilled under the provisions hereof is staked, when the material for the drilling thereof is moved to the location and when actual drilling is commenced. After actual drilling has been commenced and until said well has been completed as a producer or plugged and abandoned as a dry hole, Operator shall furnish to Mobay daily reports as to the progress of drilling and any and all other information requested by Mobay relative to the drilling of said well.

# 3(6) Operator To Complete Or Plug:

If any test well drilled under the provisions hereof proves to be capable of producing oil or gas in commercial quantities, it shall be equipped for production by Operator. An oil well shall be completed through lease storage; a gas well shall be completed to the pipeline connection unless no market is available, in which case it shall be completed as a shut-in gas well. If said well proves to be incapable of producing oil or gas in commercial quantities, Operator shall plug same in accordance with the laws of the State of West Virginia.

# 4. COST OF WELLS, AND LIABILITY AND RISK OF OPERATIONS:

Unless hereinafter otherwise provided, the entire cost, expense, liability, and risk of the drilling, completing, equipping, producing, plugging, or abandoning of each well, and any other operations, provided for under the provisions hereof shall be borne by

Operator, it being understood and agreed that the liability and risk to be borne by Operator (and Operator shall indemnify and hold Mobay harmless from liability and risk) shall include but shall not be limited to, any claim, demand, action, causes of action, judgment, attorney's fee or expense of investigation or litigation by any lessor, person or company in interest, governmental agency, or any other private or company party or concern, for injury to or loss or destruction of property or resources contained within or for injury to or death of any person arising out of or in connection with the drilling, testing, completing, equipping, producing, plugging or abandoning of any well hereunder, whether through an act or omission of a party hereto or otherwise. The said liability and risk to be borne by Operator (and from which Mobay is to be held harmless), includes, without limitation, any fine, claimor penalty from private individuals or governmental authority, relating to or connected with, any extractable resource or environmental loss, damage or injury of any sort. Upon completion and as a condition precedent to the obligation of Mobay to perform in accordance with the provisions hereof, Operator shall furnish evidence satisfactory to Mobay that all bills have been paid in connection with each and every well drilled by Operator under the provisions hereof.

### 5. GEOLOGICAL INFORMATION CONCERNING TEST WELL:

## 5(1) Formation Samples:

Operator shall give the representatives of Mobay access to all test wells drilled under the provisions hereof, including the derrick floor, at all reasonable hours; and Mobay shall be furnished upon request samples of all cores and cuttings, consecutively taken, from each such well unless Mobay elects to take such samples itself.

### 5(2) Formation Tests:

Operator shall properly test, to the reasonable satisfaction of Mobay, each prospective oil or gas horizon and, upon encountering such horizon in the drilling of each test well drilled under the provisions hereof, shall notify Mobay when such horizon is to be tested and shall allow Mobay sufficient time to have a representative present when such horizon is tested. If electrical surveys are made, either before or after such well has been drilled to the total depth provided for herein, and if the information from such surveys, considered by itself or in conjunction with other indications or evidence from cuttings, cores or showings, makes a formation appear promising of being a prospective oil or gas horizon, Operator shall properly test such horizon.

# 5(3) Well Formation Surveys:

When each well drilled under the provisions hereof has been drilled to the total depth provided for herein, Operator shall cause to be made mechanical and electrical well

formation survey or surveys, which shall include all open hole below the surface pipe, and such additional surveys as may be necessary, if any, as determined by common and prudent oilfield practice, to enable the determination of formation porosity and formation water saturation. Said surveys shall be made by well surveying concerns which are satisfactory to Mobay. Operator shall furnish to Mobay four (4) copies of the logs obtained from such surveys. If any other surveys are made, Operator shall furnish to Mobay copies of the logs of such other surveys.

## Special Tests May Be Made By Mobay:

Mobay may, at its sole cost, expense and risk, make such special tests as it may desire in any well drilled under the provisions hereof, including (but not limited to) lowering any or all of the following: (a) a geophone; (b) a velocity logging sonde; and (c) a Schlumberger Diamond Core Slicer; in any test well drilled under the provisions hereof, for the purpose of making any test desired; provided, that such party desiring to make such special tests shall pay for the time any of such instruments is in use at the usual rate charged for such time in the area. The exercise by Mobay of its rights under the provisions of this paragraph shall never be construed as relieving Operator of its obligations with regard to completing (if the said well is capable of commercial production), or (if such well is not capable of commercial production) plugging and abandoning each test well drilled under the provisions hereof, and in no event shall Mobay ever pay any part of the normal cost of plugging and abandoning (which includes filling mud pits, removal of derrick, board roads, etc, and the restoration of the premises as nearly as possible to the original condition to the satisfaction of the landowner) If, however, there are abnormal plugging and abandoning costs in connection with any said well in which Mobay has carried out any of the tests provided for in this paragraph, which said abnormal costs were caused by said tests, such excess of the normal cost (of plugging and abandoning) shall be borne solely by the said party or parties who desired to carry out such tests. Operator shall be furnished with the results of such tests.

#### Mobay May Require Additional Testing: 5 (5)

Notwithstanding any other provisions elsewhere contained herein, Mobay shall have the continuing option during the drilling of each well drilled under the provisions hereof to require such tests of prospective oil and gas producing formations encountered during the drilling thereof which common oilfield practice prescribes. Each such test shall be commenced within forty-eight (48) hours after receipt of notice by Operator requiring such test and shall be completed promptly and diligently. failing-which,-all-rights under--this-contract-inuring-to-the--benefit--of--Operator--shall ipso-facto-terminate-without-any-liability-thereunder-by-Mobay-to Operator; -and-(if-the-said-well-is-located-on-the-Contract-Aereage) Mobay-shall-acquire-title-to-the-well-and-all-equipment-appurtenant thereto; -payment-for-which-shall-be-made-by-Mobay-to-Operator; -based only-upon-the-salvage-value-of-the-salvageable-equipment-and-material

in-the-well --- By - "Salvage-value" - is meant the fair market value at the-wellsite-surface-of-such-equipment-and-material-as-can be removed ok from the hole to the surface, after deduction therefrom of an amount equivalent-to-such-necessary-costs-and-expenses-as-would-be-incurred if-the-equipment-and-material-actually-were-removed-from the hole.

JMC Rok

#### 6. DELAY RENTALS AND SHUT-IN GAS WELL ROYALTY:

Mobay shall make a bona fide effort to pay all delay rentals due and payable on the Contract acreage, and Operator shall subsequently reimburse Mobay for one hundred percent (100%) of such rentals. Such reimbursement shall be made not later than fifteen (thirty) (30) (15) days after Operator has received Mobay's billing thereof. Operator shall give Mobay written notice prior to the time that each gas well drilled under the terms hereof is shut in. In the event that any well drilled under the provisions hereof is completed as a shut-Kok in gas well and shut-in gas well royalty becomes due and payable under the provisions of any lease or leases comprising a portion of the Contract Acreage prior to the delivery of an assignment by Mobay to Operator hereunder covering such portion of the Contract Acreage, Operator shall make a bona fide effort to pay such shut-in gas well royalty and shall receive no reimbursement therefore from Mobay.

#### 7. **INSURANCE:**

Operator shall secure and maintain during the term of this agreement with insurance companies satisfactory to Mobay insurance to cover Operator's operations on the Contract Acreage covered by this agreement as follows:

- A. Employer's Liability and Workmen's Compensation Insurance covering Operator's employees and the employees of Operator's contractors and subcontractors engaged in Operations under this Agreement, in compliance with the laws of the States of Pennsylvania and West Virginia.
- B. Comprehensive General Liability Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death limit of One Hundred Thousand Dollars (\$100,000.00) for injury to or death of any one person, Three Hundred Thousand Dollars (\$300,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of Fifty Thousand Dollars (\$50,000.00) for damage to property for each accident; and

C. Automobile Public Liability and Property Damage Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death Limit of One Hundred Thousand Dollars (\$100,000.00) for injury to or death of any one person, Three Hundred Thousand Dollars (\$300,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of Fifty Thousand Dollars (\$50,000.00) for damage to property for each accident.

# 8. <u>DEFAULT</u>:

If Operator fails to comply with any of the provisions of this Agreement, Mobay, at its option, may terminate this Agreement; provided, that in so doing it shall not waiver or otherwise be precluded from exercising any other rights or remedies, at law or in equity, which it may have for the breach of this Agreement by Operator or for Operator's failure to perform this Agreement in whole or in part.

## 9. NOTICE:

Except as herein otherwise expressly provided, any notices, samples, reports, copies of logs and surveys, and all other information and data required or permitted hereunder shall be deemed to have been properly given or delivered to a party hereto when delivered personally or when sent by certified or registered mail (return receipt requested), or telegraph, with all postage and charges fully prepaid, to such party at the address heretofore given for such party. The date of service by mail (unless specifically provided hereinbelow to the contrary) shall be the date on which such written notice or other communication is deposited in the United States Post Office, addressed as above provided. Each party hereto shall have the right to change its address for all purposes of this contract by notifying the other party hereto thereof in writing.

# 10. <u>ASSIGNABILITY</u>:

Operator may assign-this-Agreement-in-whole-or-in-part, to-Wheeling-Oil-Gorporation-or-to-Rovi-Properties-Corporation,-but-shall make no-other assignment of this Agreement, in whole or in part, without the written consent of Mobay, which shall not be withheld except for reasonable, valid, and overriding cause. It is agreed, however, that when and if Operator earns an assignment of an interest in the Contract Acreage under the provisions hereof, Operator may assign all or any portion of its said interest to any party or parties who joined Operator in drilling the well which earned the said assignment; provided, however, that Operator's right to make such an assignment or assignments

is contingent upon strict compliance with the following requirements:

- (1) Each such assignment must provide that it is subject to all the terms and provisions of this Agreement, and
- (2) Mobay must be furnished with a certified copy of each such assignment from Operator not later than 30 days after such assignment is executed by Operator; and

It is understood that any assignment which may be earned under the provisions of this Agreement shall be made solely to Operator, and Operator shall always be fully liable for the performance of all obligations hereunder.

# 11. RESTORATION OF PREMISES:

Unless hereinafter otherwise specifically provided, if any test well drilled under the terms hereof is not completed as a Productive Well, Operator shall, at Operator's sole cost and expense, restore the premises to their former state (which shall include the filling of all pits, removal of derrick, board roads, and all other equipment and material, and the doing of all things necessary to the restoration of the premises as nearly as possible to their original condition to the satisfaction of the landowner and any governmental body having jurisdiction in the premises), and shall furnish evidence satisfactory to Mobay that these things have been done.

# 12. PERFORMANCE:

Well Drilled To Contract Depth On
12 (1) The First Preductive-Well-Completed-OnA Tract Is The "Earning Well" For That
Tract - Meaning of "Earned Depth":

OKC

The first well provided for under the provisions of Article 3 hereinabove which has been drilled to Contract Depth and-completed-as-a-Productive-Well on a Tract by Operator in accordance with all the terms and provisions of this Agreement, shall hereinafter be called the "Earning Well" for the Tract on which it is located; and the term "Earned Depth" used in connection with an Earning Well or a Tract on which an Earning Well is located shall mean 100 feet below the depth to which said Earning Well was drilled and logged, but in no event below the base of the Oriskany Formation.

12 (2) Assignment of Rights To Earned Depth In Tract After Each Earning Well Completed:

Whenever, under the provisions hereof, Operator has completed a Productive Well on a Tract of Contract Acreage which qualifies as the Earning Well for the Tract on which it is located (and the provisions of this paragraph apply to each such Earning Well) and provided Operator has fully complied with and performed all the terms, provisions and conditions herein contained, the performances of

which is at that time required, time being of the essence of this Agreement, Mobay shall execute and deliver to Operator the following described assignment:

An assignment of all right, title and interest of Mobay in the oil and gas rights down to Earned Depth (for said well) in the Contract Acreage insofar (and only insofar) as it covers the Well Tract on which said well is located, but reserving unto Mobay a preferential right to purchase all gas produced therefrom.

SINC

" Section Deleted"

12 (3)

Mobay shall exercise its preferential right to purchase gas not later than thirty days after completion of the fourth well drilled hereunder, or relinquish such preferential right. At such time as Mobay exercises its preferential right Mobay and Operator shall enter into a Gas Purchase Contract in the form attached hereto as Exhibit "C".

# 13. AREA OF MUTUAL INTEREST:

The lands within the red outline on Exhibit "B" hereto are designated an Area of Mutual Interest. Any leases acquired by either Mobay or Operator within this area after the date of this Agreement shall be divided into a fifty percent checkerboard conformable with the existing checkerboard, and the party so acquiring acreage shall assign-ene-half-the-aereage-se-aequired-te-the-ether-party;-and-all-leases-se-aequired-shall-be-subject-te-the-terms-and provisions-of-this-Agreement: tender one-half such acreage to the other party, and if the other party elects to acquire the tendered acreage, it shall pay the acquiring party the actual cost of acquiring such acreage and be entitled to receive an assignment thereof.

# 14. PIPELINES:

If Mobay shall exercise its preferential right to purchase gas as provided in Section 12 hereof, and shall lay a trunk pipeline for the purpose of transporting gas from its own and Operator's wells in the area of mutual interest, Operator shall lay its own gathering pipeline system to connect with Mobay's pipeline

IMC

This Agreement shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF we sign this 15th day of October,

MOBAY CHEMICAL CORPORATION

By\_

- 102

ROVI PROPERTIES CORPORATION

David Klair

-11-

July 16, 1981

Wescap Oil and Gas Company c/o Robert O. Karsian Phoenix National Petroleum 333 Sylvan Avenue Engelwood Cliffs, NJ 07632

Re: HB-306

Gentlemen:

The Farmout Agreement dated October 15, 1980 by and between Mobay Chemical Corporation and Rovi Properties Corporation was assigned by Rovi Properties Corporation to Wescap Oil and Gas Company on June 27, 1981 with Mobay's approval on June 9, 1981. It is understood and agreed by both Wescap and Mobay that the date for commencement of the initial well provided in said Farmout Agreement shall be sixty (60) days from the date of this letter.

Yours very truly,

MOBAY CHEMICAL CORPORATION

Richard Y. Haddad

Agreed and Accepted:

WESCAP OIL AND GAS COMPANY

BY: Robert O. Karsian

## **AGREEMENT**

THIS AGREEMENT, made and entered into this 27 day of 1981, by and between Rovi Properties Corporation, 1 East 57th Street, New York, New York 10022, hereinafter called "Rovi," and Wescap Oil and Gas Co., 333 Sylvan Avenue, Englewood Cliffs, New Jersey 07632, hereinafter called "Wescap," witnesseth that

WHEREAS, heretofore, on October 15, 1981, Rovi entered into a Farmout Agreement with Mobay Chemical Corporation, covering lands in Wetzel County, West Virginia, under the terms of which Rovi was entitled to earn assignment of certain oil and gas leases in consideration of drilling wells for oil and gas thereon; and

WHEREAS, Rovi now desires to make assignment of its rights under said Farmout Agreement to Wescap; and

WHEREAS, Mobay Chemical Corporation has, by its acceptance on June 19, 1981, of a letter dated June 4, 1981, given its approval to such assignment;

NOW THEREFORE, it is agreed by the parties hereto as follows:

- 1. Rovi hereby assigns and makes over unto Wescap all of its rights and privileges under the said Farmout Agreement.
- 2. Wescap hereby assumes all the obligations and liabilities of Rovi under said Farmout Agreement.
- 3. We scap agrees to assign to Rovi an overriding royalty of One percent of eight-eighths (1% x 8/8) of all production of oil and gas, free and clear of all cost and expense, from all wells drilled under the terms of said Farmout Agreement.

This Agreement shall be binding upon the parties hereto, their heirs and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands.

ROVI PROPERTIES CORPORATION

BY:

WESCAP OIL AND GAS CO.

Kicket (

BY:

09/08/2023

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## EXHIBIT 'A'

TRACT 1

Mobay Lease No: MO-2-363

Date: 4-4-75 Lessor: Paul

Lessor: Paul Palmer, et al Recorded: Volume 55A Pages 245, 327, 329, 500, 498 93 acres, more or less, being all the land

covered by said lease.

TRACT 2

Mobay Lease No: MO-2-26

Date: 3-16-73 Lessor: Robert Fitzsimmons, et ux Recorded:

Volume 57A Page 227 100 acres, more or less, being all the land covered by said lease.

TRACT 3

Mobay Lease No: MO-2-458

Date: 12-23-75 Lessor: Lorna Williams, et al

Recorded: Volume 56A Pages 505, 509, 511 76 acres, more or less, being all the land

covered by said lease.

TRACT 4

Mobay Lease No: MO-2-445

Date: 12-23-75
Lessor: James S. Taylor
Recorded: Volume 56A Page 337
Insofar and only insofar as said lease covers 86 acres, more or less, being that part of the land covered thereby located within the boundaries of

Tract 4.

TRACT 5

Mobay Lease No: MO-2-78

Date: 3-26-73 Lessor: Thomas & Elda Pegg

Recorded: Volume 54A Page 413

94 acres, more or less, being all the land

covered by said lease.

TRACT 6

Mobay Lease No: MO-2-86

Date: 3-22-73 Lessor: Roy Riggenbach Recorded:

Volume 54A Page 121

81 acres, more or less, being all the land covered by said lease.

# EXHIBIT 'A'

TRACT 7

Mobay Lease No: MO-2-522

Date: 12-7-78

Lessor: David & Mildred Powell Recorded: Volume 58A Page 219

50 acres, more or less, being all the land covered

by said lease.

Mobay Lease No: MO-2-524

Date: 12-5-78

Lessor: Edward & Velma Riggenbach

Recorded: Volume 58A Page 221
51 acres, more or less, being all the land covered

by said lease.

TRACT 8

Mobay Lease No: MO-2-490

Date: 9-1-76

Lessor: Curtis & Wanda Dills Recorded:

Volume 57A Page 216 Insofar and only insofar as said lease covers 89 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 8.

TRACT 9

Mobay Lease No: MO-2-405

Date: 6-26-75

Lessor: Ray Fitzsimmons, et ux Recorded:

Volume 56A Page 35 Insofar and only insofar as said lease covers 90 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 9.

TRACT 10

Mobay Lease No: MO-2-452 Date: 5-25-75

Lessor: Kenneth Powell, et al

Volume 56A Page 389, 392 Recorded:

Insofar and only insofar as said lease covers 32 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 10.

Mobay Lease No: MO-2-405

Date: 6-26-75

Lessor: Ray Fitzsimmons, et ux Recorded: Volume 56A Page 35

09/08/2023 Insofar and only insofar as said lease covers

63 acres, more or less, being that part of the land covered thereby located within the boundaries of Tract 10.

09/08/2023

### EXHIBIT 'A'

# TRACT 11

Siere Ti

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Mobay Lease No: MO-2-571

Date: 3-12-80

Lessor: Jack & JoAnn Martin

Recorded:

Volume 59A Page 396 88 acres, more or less, being all the land

covered by said lease.

# TRACT 12

Mobay Lease No: MO-2-570

Date: 3-12-80

Lessor: William & Patricia Ingold Recorded:

Volume 59A Page 383 49 acres, more or less, being all the land

covered by said lease.

Mobay Lease No: MO-2-24

Date: 4-16-73

Lessor: Noah Fitzsimmons, et ux Recorded:

Volume 57A Page 375
Insofar and only insofar as said lease covers 23 acres, more or less, being that part of the land covered thereby located within the bound-

aries of Tract 12.

# TRACT 13

Mobay Lease No: MO-2-484

Date: 8-6-76

Lessor: Bernard Haudenshilt, et al Recorded: Volume 57A Pages 163, 165

Insofar and only insofar as said lease covers 103 acres, more or less, being that part of the land covered thereby located within the bound-

aries of Tract 13.

# TRACT 14

Mobay Lease No: MO-2-61

Date: 3-22-73 Lessor: Pearl

Pearl Frel & Hazel Frel Recorded: Volume 54A Page 223

Insofar and only insofar as, said lease covers 84 acres, more or less, being that part of the land covered thereby located within the boundaries of Tract 14.

Mobay Lease No: MO-2-77

Date: 4-14-73 Lessor: Gale

Gale Oliver & Jaunita Oliver Volume 54A Page 403 Recorded:

15 acres, more or less, being all the land covered by said lease.

09/08/2023

# EXHIBIT 'A'

TRACT 15

Mobay Lease No: MO-2-61

Date: 3-22-73 Lessor: Pear

Pearl Frel & Hazel Frel Recorded:

Volume 54A Page 223
Insofar and only insofar as said lease covers 21 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 15.

Mobay Lease No: MO-2-485

Date: 8-31-76 Lessor: Harold & Phyllis Spencer Volume 57A Page 175 Recorded:

Insofar and only insofar as said lease covers 47 acres, more or less, being that part of the land covered thereby located within the boundaries of Tract 15.

TRACT \_16

Mobay Lease No: MO-2-303

Date: 12-19-74 Lessor: J. H.

J. H. Riggenbach, et al

Recorded: Volume 55A Pages 193, 195

Insofar and only insofar as said lease covers 101 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 16.

TRACT 17

Mobay Lease No: MO-2-404

Date: 6-18-75

Lessor: W. E. Durig, et al Recorded: Volume 56A Pages 33, 37

Insofar and only insofar as said lease covers 90 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 17.

TRACT 18

Mobay Lease No: MO-2-449

Date: 1-13-76

Lessor: Alfreda F. Blair

Recorded: Volume 56A Pages 343, 347, 349

Insofar and only insofar as said lease covers 95 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 18.

TRACT 19

Mobay Lease No: MO-2-381

Date: 4-11-75

Lessor: William Powell, Jr., et al Recorded: Volume 55A Pages 377, 383

Insofar and only insofar as said lease covers 72.5 acres, more or less, being that part of the land covered thereby located within the boundaries of Tract 19.

# EXHIBIT 'A'

TRACT 20

Mobay Lease No: MO-2-33 Date: 3-14-73

Lessor: Wilma Kocher

Recorded: Volume 54A Page 171
Insofar and only insofar as said lease covers
77 acres, more or less, being that part of the land covered thereby located within the boundaries of Tract 20.

TRACT 21

Mobay Lease No: MO-2-33 Date: 3-14-73

Lessor: Wilma Kocher

Recorded: Volume 54A Page 171

Insofar and only insofar as said lease covers 77 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 21.

TRACT 22

Mobay Lease No: MO-2-438

Date: 11-6-75

Lessor: Glenn Schrader, et ux Recorded: Volume 56A Page 283

Insofar and only insofar as said lease covers 103 acres, more or less, being that part of the land covered thereby located within the boundaries

of Tract 22.

TRACT

Mobay Lease No: MO-2-

Date: Lessor:

Recorded: Volume Page 1950.50 AC

Green

TRACT

Mobay Lease No: MO-2-

Date: Lessor:

Recorded: Volume

Page

TRACT

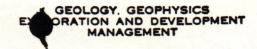
Mobay Lease No: MO-2-

Date: Lessor:

Recorded: Volume

Page

09/08/2023



# HADDAD AND BROOKS, INC.

905 WASHINGTON ROAD, WASHINGTON, PENNSYLVANIA 15301 TELEPHONE (412) 228-8811

June 22, 1981

Rovi Properties Corporation 1 East 57th Street New York, NY 10022

Re: HB-306

Greenhill Prospect,

Wetzel County, West Virginia

Gentlemen:

Pursuant to Article 3, TEST WELLS, paragraph 3, (1), Initial Well, of that certain Farmout Contract dated October 15, 1980, by and between Mobay Chemical Corporation and Rovi Properties Corporation, Rovi was required to drill to contract depth and complete as a producing well or plug and abandon an Initial Well on or before February 15, 1981, which date was thereafter extended to May 15, 1981. Pursuant to Article 8, DEFAULT, if Rovi fails to comply with any of the provisions of the Farmout Contract, Mobay may, at is option, terminate same contract; provided that in so doing it shall not waive or otherwise be precluded from exercising any other rights or remedies at law or in equity which it may have for the breach of said Contract by Rovi, or for Rovi's failure to perform under said Contract in whole or in part.

Although Rovi has failed to perform pursuant to said Article 3, paragraph 3 (1), you have requested Mobay's approval of your assignment of all your rights under the said agreement to Wescap Oil and Gas Co. and of a further extension of the time of performance.

Mobay has now granted its approval of such assignment, and if, within five days of your receipt of this letter, you have executed and returned to us the enclosed Agreement between Rovi and Wescap, Mobay will grant to Wescap a further extension of time for performance under the Farmout Agreement.

Yours very truly,

HADDAD AND BROOKS, INC.

Robert J. Leman Land Manager

RJL:ts

## HADDAD AND BROOKS, INC.

905 WASHINGTON ROAD, WASHINGTON, PENNSYLVANIA 15301 TELEPHONE (412) 228-8811

June 4, 1981

Mobay Chemical Corporation Penn Lincoln Parkway West Pittsburgh, PA 15205

Re: HB-306

Greenhill, Wetzel Co.,

West Virginia

Gentlemen:

On October 15, 1980 you entered into a Farmout Agreement with Rovi Properties Corporation for the drilling of at least two wells in Wetzel County, West Virginia. The Agreement provides in Section 10 as follows: "Operator may assign this Agreement in whole or in part to Wheeling Oil Corporation or to Rovi Properties Corporation, but shall make no other assignment of this Agreement in whole or in part without the written consent of Mobay, which shall not be withheld except for reasonable, valid and overriding cause".

Rovi now wishes to assign this Agreement in its entirety to Wescap Oil and Gas Co.. If you consent to such assignment, please execute the acceptance below on one copy of this letter and return it to me.

Yours very truly,

HADDAD AND BROOKS, INC.

Robert J. Leman

Land Manager

RJL:bk

MOBAY CHEMICAL CORPORATION

Narroad and accompany this

Agreed and accepted this 9th day of

09/08/2023

Rovi Properties Corporation Fifth Avenue at 1 East 57th Street New York, NY 10022

Mobay Chemical Corporation Penn Lincoln Parkway West Pittsburgh, PA 15205

> Re: Farmout Agreement HB-306

Wetzel County, West Virginia

#### Gentlemen:

The Farmout Agreement between us dated October 15, 1980, covering lands in Wetzel County, West Virginia, provides for a commencement date for the first well of December 15, 1980. A rig was retained to commence timely drilling operations, but title examination of the drillsite lease disclosed an unleased interest under a reservation early in the chain of title, and it was necessary to release the rig so that title could be cured. The year-end rush of drilling activity has made it impossible to obtain another rig in time to comply with the December 15 commencement date.

We therefore request that the date for commencement of the Initial Well be extended to March 15, 1981. If you are in agreement with such amendment of the Agreement, please sign the acceptance below, on one copy of this letter and return it to us.

AGREED AND ACCEPTED
MOBAY CHEMICAL GORPORATION

ROVI PROPERTIES CORPORATION

### FARMOUT AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of October, 1980, by and between

Mobay Chemical Corporation
Penn Lincoln Parkway West
Pittsburgh, PA 15205, hereinafter
called "Mobay" and

Rovi Properties Corporation Fifth Avenue at 1 E. 57th Street New York, NY 10022 hereinafter called "Operator"

#### WITNESSETH

WHEREAS Mobay is the owner of oil and gas leases covering lands in Wetzel County, West Virginia; and

WHEREAS Mobay is willing to assign unto Operator its interest in certain of such leases, subject to all the terms, covenants and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained in this Farmout Contract to be kept and performed by the parties hereto, it is hereby agreed by and between the parties hereto as follows:

# 1. DEFINITIONS:

- (1) "Contract Acreage" shall mean the oil, gas and mineral leases listed on Exhibit "A" hereto, the rights therein and the land covered thereby, insofar (and only insofar) as said leases cover the rights down to one hundred feet below the depth drilled in the Contract Area, and also only insofar as Mobay has an interest therein.
- (2) "Contract Area" shall mean that tract, or those tracts, of land shown on the plat attached hereto as Exhibit "B".
- (3) "Contract Depth", used in connection with any well drilled by Operator under the provisions of this Agreement, shall mean the depth to which said well is to be drilled according to the provisions of this Agreement.

- "Earning Well" shall mean the first test well on a Tract which has been drilled to Contract Depth and completed as a Productive Well by Operator under the provisions of Article 3 hereinafter.
- The words "party" and "parties" shall always mean a party or parties to this Agreement, and such parties shall be referred to as "it" or "they", whether such parties be corporate bodies, partnerships, associations, or persons real.
- "Productive Well" shall mean an oil and/or gas well capable of producing oil and/or gas in commercial quantities from the Contract Acreage, which is either productive, or has been completed as a shut-in gas well.
- "Tract" shall mean one of those tracts of land comprising the Contract Area, which are shown on the plat attached as Exhibit "B".

#### 2. TITLES - PARTIES TO EXCHANGE TITLE INFORMATION:

Mobay does not warrant the title to the aforesaid leases or Contract Acreage, but shall upon request furnish to Operator such abstracts and other title papers as it has in its files, together with photostatic copies of the basic leases and all intermediate assignments thereof. There shall be no obligation on the part of Mobay to purchase new or supplemental abstracts, obtain any title opinions, nor to do any curative work in connection with the title to said leases or Contract Upon request, Operator shall furnish to Mobay copies of all abstracts of title, title opinions and memoranda, curative material, and all other information and data relating to, or connected with, the title to the Contract Acreage which Operator may obtain or has in its possession. It is understood that since Mobay may own less than the entire leasehold estate in the leases comprising the Contract Acreage and said leases may not cover all of the minerals in the land described therein, this Agreement covers only the interest of Mobay in the Contract Acreage.

#### 3. TEST WELLS:

#### 3(1) Initial Well:

Operator, not later than sixty days from the date of execution hereof, shall commence, and firmly binds itself to commence, the actual drilling of a test well (hereinafter sometimes referred to as the "Initial Well") to be located on the Contract Area, at a location of Operator's selection, which shall be agreed to by Mobay, and thereafter shall prosecute the drilling of said well diligently without unnecessary delay and in a good workmanlike manner to thoroughly test the Warren Sandstone expected at an approximate depth of 3,750 feet, unless commercial production of oil and gas is established at a lesser depth. The said well must be drilled to Contract Depth and completed as a Productive Well or plugged and abandoned within sixty (60) days after actual drilling is commenced thereon. Should Operator wish to abandon said well and Mobay wishes to complete, Operator shall relinquish all right, title and interest in and to such well only.

3(2) Additional Wells May Be Drilled Until All Of The Contract Acreage Is Earned:

If Operator drills the Initial Well within the time and in the manner required, then Operator may (but shall not be required to) drill one or more additional test wells (hereinafter referred to as "Additional Wells") on the Contract Area until Operator has earned assignments covering all of the Contract Acreage under the provisions of Article 12 of this Farmout Contract; provided, however, that each such Additional Well must be drilled in strict compliance with the following terms and provisions:

- (a) Each Additional Well must be located on one of the Tracts comprising the Contract Area.
- If Operator elects to drill one or more Additional Wells, actual drilling on the first of such Additional Wells must be commenced not later than 180 days after termination of actual drilling on the Initial Well, and thereafter actual drilling on each subsequent Additional Well which Operator may elect to drill must be commenced within 90 days after termination of actual drilling on the preceding Additional Well; but Operator may, after the timely drilling of the first Additional Well, drill no more than three further Additional Wells at a rate of its own choosing (but not at longer intervals than the 90-day interval above-provided) and the drilling of four Additional Wells shall relieve Operator of any further drilling obligation for twelve months from the date of commencement of the first Additional Well.
- Each Additional Well which is commenced by Operator must thereafter be drilled diligently to Contract Depth for said well (as hereinbelow defined) in the same manner and within the same time as is provided herein with regard to the Initial Well. Until a test well drilled by Operator to Contract Depth (for said well) under the provisions of this Article 3 ("TEST WELLS") has been completed by Operator as a Productive Well, "Contract Depth" for each Additional Well which operator may elect to drill shall be the same as Contract Depth for the Initial Well, but "Contract Depth" for each additional Well drilled after completion of such Productive Well shall mean the stratigraphic equivalent of the base of the deepest productive (or capable of being productive) sand or interval encountered in any well drilled by Operator under the provisions of this Agreement; and
- (d) An Additional Well shall not be located on a Tract on which Operator has previously completed a Productive Well.

# 3(3) Succeeding Provisions Apply To Each Test Well:

All provisions hereinafter set out shall apply to each test well drilled under the provisions hereof, unless the contrary is specifically provided.

# 3(4) Substitute Wells May Be Drilled:

If, in the drilling of any test well under the provisions hereof, impenetrable substances (salt, salt water flow, heaving shale or impenetrable substance which makes further drilling impracticable or impossible) or mechanical difficulties are encountered which require Operator to abandon the original hole before said well has been drilled to Contract Depth, Operator will be considered as complying with the terms of this test well subsection if, within twenty (90) days after the abandonment of the original hole, Operator commences operations for the drilling of another or substitute well on the same Tract at or near the original location, and thereafter drills the same to the depth required for the original test well, in the same manner and subject to the same conditions as said original test well, and this second or substitute well shall be regarded for all purposes under the provisions of this Agreement (unless the contrary is specifically indicated), as the test well for which it is a substitute.

# 3(5) Notification To Mobay:

Operator shall notify Mobay immediately when the location for each test well drilled under the provisions hereof is staked, when the material for the drilling thereof is moved to the location and when actual drilling is commenced. After actual drilling has been commenced and until said well has been completed as a producer or plugged and abandoned as a dry hole, Operator shall furnish to Mobay daily reports as to the progress of drilling and any and all other information requested by Mobay relative to the drilling of said well.

# 3(6) Operator To Complete Or Plug:

If any test well drilled under the provisions hereof proves to be capable of producing oil or gas in commercial quantities, it shall be equipped for production by Operator. An oil well shall be completed through lease storage; a gas well shall be completed to the pipeline connection unless no market is available, in which case it shall be completed as a shut-in gas well. If said well proves to be incapable of producing oil or gas in commercial quantities, Operator shall plug same in accordance with the laws of the State of West Virginia.

# 4. COST OF WELLS, AND LIABILITY AND RISK OF OPERATIONS:

Unless hereinafter otherwise provided, the entire cost, expense, liability, and risk of the drilling, completing, equipping, producing, plugging, or abandoning of each well, and any other operations, provided for under the provisions hereof shall be borne by

Operator, it being understood and agreed that the liability and risk to be borne by Operator (and Operator shall indemnify and hold Mobay harmless from liability and risk) shall include but shall not be limited to, any claim, demand, action, causes of action, judgment, attorney's fee or expense of investigation or litigation by any lessor, person or company in interest, governmental agency, or any other private or company party or concern, for injury to or loss or destruction of property or resources contained within or for injury to or death of any person arising out of or in connection with the drilling, testing, completing, equipping, producing, plugging or abandoning of any well hereunder, whether through an act or omission of a party hereto or otherwise. The said liability and risk to be borne by Operator (and from which Mobay is to be held harmless), includes, without limitation, any fine, claimor penalty from private individuals or governmental authority, relating to or connected with, any extractable resource or environmental loss, damage or injury of any sort. Upon completion and as a condition precedent to the obligation of Mobay to perform in accordance with the provisions hereof, Operator shall furnish evidence satisfactory to Mobay that all bills have been paid in connection with each and every well drilled by Operator under the provisions hereof.

# 5. GEOLOGICAL INFORMATION CONCERNING TEST WELL:

# 5(1) Formation Samples:

Operator shall give the representatives of Mobay access to all test wells drilled under the provisions hereof, including the derrick floor, at all reasonable hours; and Mobay shall be furnished upon request samples of all cores and cuttings, consecutively taken, from each such well unless Mobay elects to take such samples itself.

# 5(2) Formation Tests:

Operator shall properly test, to the reasonable satisfaction of Mobay, each prospective oil or gas horizon and, upon encountering such horizon in the drilling of each test well drilled under the provisions hereof, shall notify Mobay when such horizon is to be tested and shall allow Mobay sufficient time to have a representative present when such horizon is tested. If electrical surveys are made, either before or after such well has been drilled to the total depth provided for herein, and if the information from such surveys, considered by itself or in conjunction with other indications or evidence from cuttings, cores or showings, makes a formation appear promising of being a prospective oil or gas horizon, Operator shall properly test such horizon.

# 5(3) Well Formation Surveys:

When each well drilled under the provisions hereof has been drilled to the total depth provided for herein, Operator shall cause to be made mechanical and electrical well

formation survey or surveys, which shall include all open hole below the surface pipe, and such additional surveys as may be necessary, if any, as determined by common and prudent oilfield practice, to enable the determination of formation porosity and formation water saturation. Said surveys shall be made by well surveying concerns which are satisfactory to Mobay. Operator shall furnish to Mobay four (4) copies of the logs obtained from such surveys. If any other surveys are made, Operator shall furnish to Mobay copies of the logs of such other surveys.

# 5 (4) Special Tests May Be Made By Mobay:

Mobay may, at its sole cost, expense and risk, make such special tests as it may desire in any well drilled under the provisions hereof, including (but not limited to) lowering any or all of the following: (a) a geophone; (b) a velocity logging sonde; and (c) a Schlumberger Diamond Core Slicer; in any test well drilled under the provisions hereof, for the purpose of making any test desired; provided, that such party desiring to make such special tests shall pay for the time any of such instruments is in use at the usual rate charged for such time in the area. The exercise by Mobay of its rights under the provisions of this paragraph shall never be construed as relieving Operator of its obligations with regard to completing (if the said well is capable of commercial production), or (if such well is not capable of commercial production) plugging and abandoning each test well drilled under the provisions hereof, and in no event shall Mobay ever pay any part of the normal cost of plugging and abandoning (which includes filling mud pits, removal of derrick, board roads, etc, and the restoration of the premises as nearly as possible to the original condition to the satisfaction of the landowner) said wells. If, however, there are abnormal plugging and abandoning costs in connection with any said well in which Mobay has carried out any of the tests provided for in this paragraph, which said abnormal costs were caused by said tests, such excess of the normal cost (of plugging and abandoning) shall be borne solely by the said party or parties who desired to carry out such tests. Operator shall be furnished with the results of such tests.

# 5 (5) Mobay May Require Additional Testing:

Notwithstanding any other provisions elsewhere contained herein, Mobay shall have the continuing option during the drilling of each well drilled under the provisions hereof to require such tests of prospective oil and gas producing formations encountered during the drilling thereof which common oilfield practice prescribes. Each such test shall be commenced within forty-eight (48) hours after receipt of notice by Operator requiring such test and shall be completed promptly and diligently. failing-which,-all-rights under-this-contract-inuring-to-the-benefit-of-Operator-shall ipso-faete-terminate-without-any-liability-thereunder-by-Mobay-to Operator,-and-(if-the-said-well-is-located-on-the-Contract-Aereage)

Mobay-shall-acquire-title-to-the-well-and-all-equipment-appurtenant thereto,-payment-for-which-shall-be-made-by-Mobay-to-Operator,-based only-upon-the-salvage-value-of-the-salvageable-equipment-and-material

in-the-well.--By-"Salvage-value"-is-meant the fair market value at the-wellsite-surface-of-such-equipment-and-material as can be removed of from-the-hole-to-the-surface, after-deduction therefrom of an amount equivalent-to-such-necessary-costs-and-expenses as would be incurred if-the-equipment-and-material-actually-were removed from the hole.

# 6. DELAY RENTALS AND SHUT-IN GAS WELL ROYALTY:

Mobay shall make a bona fide effort to pay all delay rentals due and payable on the Contract acreage, and Operator shall subsequently reimburse Mobay for one hundred percent (100%) of such rentals. Such reimbursement shall be made not later than fifteen (thirty) (30) (15) days after Operator has received Mobay's billing thereof.

Operator shall give Mobay written notice prior to the time that each gas well drilled under the terms hereof is shut in. In the event that say well drilled under the provisions hereof is completed as a shutin gas well and shut-in gas well royalty becomes due and payable under the provisions of any lease or leases comprising a portion of the Contract Acreage prior to the delivery of an assignment by Mobay to Operator hereunder covering such portion of the Contract Acreage, Operator shall make a bona fide effort to pay such shut-in gas well royalty and shall receive no reimbursement therefore from Mobay.

#### 7. INSURANCE:

Operator shall secure and maintain during the term of this agreement with insurance companies satisfactory to Mobay insurance to cover Operator's operations on the Contract Acreage covered by this agreement as follows:

- A. Employer's Liability and Workmen's Compensation Insurance covering Operator's employees and the employees of Operator's contractors and subcontractors engaged in Operations under this Agreement, in compliance with the laws of the States of Pennsylvania and West Virginia.
- B. Comprehensive General Liability Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death limit of One Hundred Thousand Dollars (\$100,000.00) for injury to or death of any one person, Three Hundred Thousand Dollars (\$300,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of Fifty Thousand Dollars (\$50,000.00) for damage to property for each accident; and

C. Automobile Public Liability and Property Damage Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death Limit of One Hundred Thousand Dollars (\$100,000.00) for injury to or death of any one person, Three Hundred Thousand Dollars (\$300,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of Fifty Thousand Dollars (\$50,000.00) for damage to property for each accident.

# 8. <u>DEFAULT</u>:

If Operator fails to comply with any of the provisions of this Agreement, Mobay, at its option, may terminate this Agreement; provided, that in so doing it shall not waiver or otherwise be precluded from exercising any other rights or remedies, at law or in equity, which it may have for the breach of this Agreement by Operator or for Operator's failure to perform this Agreement in whole or in part.

# 9. NOTICE:

Except as herein otherwise expressly provided, any notices, samples, reports, copies of logs and surveys, and all other information and data required or permitted hereunder shall be deemed to have been properly given or delivered to a party hereto when delivered personally or when sent by certified or registered mail (return receipt requested), or telegraph, with all postage and charges fully prepaid, to such party at the address heretofore given for such party. The date of service by mail (unless specifically provided hereinbelow to the contrary) shall be the date on which such written notice or other communication is deposited in the United States Post Office, addressed as above provided. Each party hereto shall have the right to change its address for all purposes of this contract by notifying the other party hereto thereof in writing.

# 10. ASSIGNABILITY:

Operator may assign-this-Agreement-in-whele-er-in-part, okto-Wheeling-Oil-Gerperation-er-to-Revi-Properties-Gerperation,-but-shall smake no-ether assignment of this Agreement, in whole or in part, without the written consent of Mobay, which shall not be withheld except for reasonable, valid, and overriding cause. It is agreed, however, that when and if Operator earns an assignment of an interest in the Contract Acreage under the provisions hereof, Operator may assign all or any portion of its said interest to any party or parties who joined Operator in drilling the well which earned the said assignment; provided, however, that Operator's right to make such an assignment or assignments

is contingent upon strict compliance with the following requirements:

- (1) Each such assignment must provide that it is subject to all the terms and provisions of this Agreement, and
- (2) Mobay must be furnished with a certified copy of each such assignment from Operator not later than 30 days after such assignment is executed by Operator; and

It is understood that any assignment which may be earned under the provisions of this Agreement shall be made solely to Operator, and Operator shall always be fully liable for the performance of all obligations hereunder.

# 11. RESTORATION OF PREMISES:

Unless hereinafter otherwise specifically provided, if any test well drilled under the terms hereof is not completed as a Productive Well, Operator shall, at Operator's sole cost and expense, restore the premises to their former state (which shall include the filling of all pits, removal of derrick, board roads, and all other equipment and material, and the doing of all things necessary to the restoration of the premises as nearly as possible to their original condition to the satisfaction of the landowner and any governmental body having jurisdiction in the premises), and shall furnish evidence satisfactory to Mobay that these things have been done.

# 12. PERFORMANCE:

Well Drilled To Contract Depth On

12 (1) The FirstAPreductive-Well-Completed-OnA Tract Is The "Earning Well" For That
Tract - Meaning of "Earned Depth":

OKC JMC ROK

The first well provided for under the provisions of Article 3 hereinabove which has been drilled to Contract Depth and-completed-as-a-Productive-Well on a Tract by Operator in accordance with all the terms and provisions of this Agreement, shall hereinafter be called the "Earning Well" for the Tract on which it is located; and the term "Earned Depth" used in connection with an Earning Well or a Tract on which an Earning Well is located shall mean 100 feet below the depth to which said Earning Well was drilled and logged, but in no event below the base of the Oriskany Formation.

12 (2) Assignment of Rights To Earned Depth In Tract After Each Earning Well Completed:

Whenever, under the provisions hereof, Operator has completed a Productive Well on a Tract of Contract Acreage which qualifies as the Earning Well for the Tract on which it is located (and the provisions of this paragraph apply to each such Earning Well) and provided Operator has fully complied with and performed all the terms, provisions and conditions herein contained, the performances of

which is at that time required, time being of the essence of this Agreement, Mobay shall execute and deliver to Operator the following described assignment:

An assignment of all right, title and interest of Mobay in the oil and gas rights down to Earned Depth (for said well) in the Contract Acreage insofar (and only insofar) as it covers the Well Tract on which said well is located, but reserving unto Mobay a preferential right to purchase all gas produced therefrom.

" Section Deleted"

OK ROK

12 (3)

Mobay shall exercise its preferential right to purchase gas not later than thirty days after completion of the fourth well drilled hereunder, or relinquish such preferential right. At such time as Mobay exercises its preferential right Mobay and Operator shall enter into a Gas Purchase Contract in the form attached hereto as Exhibit "C".

# 13. AREA OF MUTUAL INTEREST:

The lands within the red outline on Exhibit "B" hereto are designated an Area of Mutual Interest. Any leases acquired by either Mobay or Operator within this area after the date of this Agreement shall be divided into a fifty percent checkerboard conformable with the existing checkerboard, and the party so acquiring acreage shall assign-one-half-the-aereage-so-aequired-to-the-other-party;-and-all-leases-so-acquired-shall-be-subject-to-the-terms-and provisions-of-this-Agreement- tender one-half such acreage to the other party, and if the other party elects to acquire the tendered acreage, it shall pay the acquiring party the actual cost of acquiring such acreage and be entitled to receive an assignment thereof.

# 14. PIPELINES:

If Mobay shall exercise its preferential right to purchase gas as provided in Section 12 hereof, and shall lay a trunk pipeline for the purpose of transporting gas from its own and Operator's wells in the area of mutual interest, Operator shall lay its own gathering pipeline system to connect with Mobay's pipeline

OK INC ROK

This Agreement shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF we sign this 15th day of October,

MOBAY CHEMICAL CORPORATION

Ву

Robert Rumer

128

ROVI PROPERTIES CORPORATION

David Klein

## GAS PURCHASE CONTRACT

THIS AGREEMENT, made and entered into as of this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_, 1980, by and between Wheeling Oil Corporation, c/o Rovi Properties Corporation, l East 57th Street, New York, NY 10022, hereinafter referred to as "Seller", and Mobay Chemical Corporation, Penn Lincoln Parkway West, Pittsburgh, Pennsylvania 15205, hereinafter referred to as "Buyer", WITNESSETH

# SUBJECT PREMISES AND RESERVATIONS BY SELLER

- 1.) Subject to the conditions hereinafter set forth, Seller hereby agrees to sell and deliver to Buyer and Buyer agrees to purchase and take up to two billion cubic feet of natural gas per year, produced or that may be produced and saved by Seller from the acreage assigned or to be assigned to Wheeling Oil Corporation under the terms of that certain Farmout Agreement by and between Wheeling Oil Corporation and Mobay Chemical Corporation dated

  1980, hereinafter sometimes referred to as the "Dedicated Acreage". However, it is understood that in no event shall Buyer be obligated to purchase and take in excess of seven million cubic feet (7 MMCF) per day.
- 2.) Seller excepts and reserves from this Agreement such quantities of gas produced and saved as may be required by Seller for use in its own operations for the production of oil and gas from said premises and also such quantities as the lessors thereof may be entitled to, under the provisions of the lease, for domestic purposes or for heat and light in the residences of said lessors, and as may be given or sold to the owners of the overlying surface for like domestic purposes.
- 3.) Seller agrees and binds itself not to dispose of any of the gas produced in or underlying the dedicated acreage to any other persons or company during the life of this contract without giving to Buyer a first option to purchase such gas subject to the full terms of this contract. However, this covenant shall not interfere in any way with Seller's production of or drilling for oil thereon.
- 4.) Seller will make the well or wells subject to this Agreement available for testing prior to said well or wells being turned into Buyer's lines.
- 5.) Such rights of entry, use and occupation of the surface of said land as may be assigned to Seller in the Farmout Agreement are hereby permitted to Buyer under the Agreement.

#### TERM

- 1.) This Agreement shall go into effect upon the day of execution by the parties hereto; and delivery of gas shall begin as soon as gas has been produced from said dedicated acreage, rights of way secured, gathering lines laid, measuring and regulating stations and purifications facilities constructed and completed, and the well or wells connected. All rights hereunder shall continue for as long thereafter as gas is produced in paying and marketable quantities from any well or wells drilled on the Dedicated Acreage subject to the following:
  - a. Not withstanding the foregoing provisions, when production of gas from all wells drilled on the Dedicated Acreage so decreases in volume that Seller is unable to deliver therefrom, against prevailing pipeline pressures, an average volume of ten thousand (10,000) cubic feet of gas per day for any six (6) month period, either party may terminate this agreement, after which no further liability shall acrue, and the parties may reclaim and remove the property furnished by them respectively for the purpose of this agreement.
  - b. Because Buyer is installing the trunk line without guarantee of continuing production by Seller, Buyer may, at its option, terminate this Gas Purchase Agreement by giving six (6) months written notice to Seller of Buyer's intention to do so, at which time Buyer will reimburse Seller for all direct invoice costs incurred by Seller for rights of way, gathering lines and deduct

Meters in the Contract area as defined in the Farmout Agreement to which this Gas Purchase Agreement is a part. Seller may terminate this Gas Purchase Contract by giving six months written notice to Buyer of Seller's intention to do so, at which time Seller will reimburse Buyer for all direct invoice costs incurred by Buyer in the construction of that portion of its pipeline laid specifically to transport gas from the Contract area. GAS DELIVERY 1.) Seller shall be deemed to be in control and possession of the gas hereunder until it shall have been delivered to Buyer at a total of two (2) and only two (2) measuring stations which Buyer shall install, operate and maintain. It is understood and agreed that the locations of said measuring stations shall be mutually agreeable between the parties hereto. Seller shall be mutually agreeable between the parties hereto. Seller shall be solely liable and responsible for said gas prior to the time of delivery thereof to Buyer, and Buyer shall be solely liable and responsible therefor thereafter. It is understood that Seller shall not unreasonably withhold or deny proposed metering station Agreement, are conditioned, contingent, and dependent upon the ability of Seller to deliver gas at the natural pressure thereof flowing from the well into Buyer's line against the varying pressures maintained therein from time to time. In the event the pressure of gas becomes so high at any time as to endanger Buyer's lines, then Buyer may choke back the gas to a point of safety, without result-GAS QUALITY

- All gas delivered by Seller to Buyer shall be commercially free from air, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Buyer. Should any of the above substances enter Buyer's facilities and cause damage to metering, regulating and/or other equipment, Buyer may bill Seller for the cost to repair such damage; and if Seller fails to pay for such damage, such costs may be deducted from payments due Seller for gas delivered.
  - The gas delivered shall not contain in excess of:
  - Seven (7) pounds of water per million (a) cubic feet of gas measured at a pressure base of fourteen and seven tenths (14.7) pounds per square inch and a temperature of sixty degrees (60°) Fahrenheit as determined by dewpoint apparatus approved by the Bureau of Mines;
  - Four percent (4%) by volume of combined total of carbon dioxide and nitrogen components, provided, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume;
  - Twenty-five hundredths (0.25) grains of (c) hydrogen sulfide per one hundred (100) cubic feet of gas;
  - Twenty (20) grains of total sulpher per one (d) hundred (100) cubic feet.
- 3.) The gas delivered shall have a total heating value of not less than nine hundred eighty (980) BTU (British Thermal Units) per standard cubic foot. The total heating value of the gas shall 09/08/2023

be determined by taking samples of the gas at the delivery point at such reasonable times as may be designated by either party and having the BTU (British Termal Units) content per cubic foot determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit when saturated with water vapor and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit. The gas delivered shall have a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%). The utilization factor is defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity.

4.) If the gas delivered fails to meet the quality specifications set forth herein, then Buyer may either elect to continue to receive such gas or refuse to take all or any portion of such gas until the Seller brings the gas into conformity with such specifications.

#### GAS MEASUREMENT

- 1.) For the purposes of this Agreement, the unit of volumetric measurement shall be a standard cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit (five hundred twenty degrees (520°) absolute) and without adjustments for water vapor.
- 2.) All said gas shall be measured by an orifice, turbine or displacement type meter of other approved measuring device of equal accuracy to be installed and operated by Buyer from the installation and operation of said measuring device(s). Said costs to reflect fair and current field prices. The measuring device or devices shall remain the property of Buyer.
- 3.) For orifice meter measurements, the methods of computation shall conform with the recommendations contained in Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revisions made thereto, applied in a practical manner. The specific gravity of the gas being measured shall be determined at the beginning of this delivery and as often thereafter as conditions may warrant.
- 4.) For displacement or turbine meters or other approved measuring device, the meter readings at varying pressures shall be converted to gas quantities at base conditions set forth in Paragraph 1 of this section.
- 5.) In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing gas temperature may be recorded at the Buyer's discretion. In the absence of a flowing gas temperature recorder, sixty degrees (60°) Fahrenheit will be assumed.
- 6.) The cost of maintaining and operating said measuring station shall be borne by Seller.
- 7.) Buyer shall read the meter, furnish, place and remove any and all recording guage charts, calculate the deliveries, and perform any other service necessary in connection with the measurement of said gas.
- 8.) Failure of the Seller to correct promptly conditions within its control contributing to the inaccurate measurement 00f08/2023 the gas, shall constitute sufficient grounds for Buyer to temporarily discontinue purchasing gas hereunder until such conditions have been corrected by Seller. Buyer may adjust computed deliveries

to correct for inaccurate measurement caused by such conditions, but only where such inaccuracies exceed three (3%) of computed deliveries. 9.) If Seller challenges the accuracy of any meter in use under this Agreement and requests to have the meter tested, Buyer shall test the meter in the presence of and to the satisfaction of Seller or a representative if Seller wishes to exercise the right to be present or represented at such test. Any resultant aggregate error exceeding three (3%) of computed delivery shall be adjusted, insofar as exact knowledge of such errors or contributing causes is obtainable. Such adjustments are to be made for a period of not to exceed thirty (30) days previous of the date of the challenge by Seller. In the event any measuring equipment is out of service for test or repair, or is inoperable for any reason, deliveries through such equipment shall be estimated in a practical manner utilizing all available information to determine the volume of gas for the delivery period affected. TITLE AND ROYALTIES 1.) Seller warrants that it shall have good title to the gas delivered hereunder. Seller also warrants that such gas will be free and clear of all liens, encumbrances, and adverse claims whatsoever which would interfere with or make wrongful Buyer's use of same. Seller will indemnify and save Buyer harmless from all suits, actions, damages, costs, losses and expenses arising from or out of liens, encumbrances or adverse claims by any and all persons to gas delivered hereunder or to royalties or to any charges against said gas. 2.) Seller shall pay all royalty payments due on the gas sold and delivered hereunder and shall indemnify and hold Buyer harmless for any liability or obligation for the payment of such royalties. COMPRESSION AND GATES 1.) Seller may, upon written approval of Buyer, install and operate a compressor for the purpose of facilitating the delivery of gas from the well or wells covered by this Agreement. Unless waived in writing by Buyer's operating personnel, Seller shall install a gate of working pressure equal to or exceeding the rock pressure of the well or wells to be metered to be located adjacent to the inlet side of Buyer's Measuring Station; and Buyer shall have the right to operate said gate when necessary to remove, repair, or replace its facilities. PAYMENTS Payments for all gas delivered shall be made monthly to Wheeling Oil Corporation representing 100% interest to said gas not later than the twentieth of the month following the fiscal month in which the gas is taken. PRICE The price per MMBtu to be paid by Buyer to Seller for all gas delivered hereunder to Buyer shall be the maximum lawful price applicable thereto during the month of delivery under the Natural Gas Policy Act of 1978 (NGPA), or any successor order 09708/2023 legislation, including any incentive price established by the Federal Energy Regulatory Commission pursuant to Section 107 (b) of the NGPA (so long as Seller complies with the election requirements of Section 107 (d) of the NGPA), for so long as the gas sold hereunder is subject to regulation. - 4 -

# FORCE MAJEURE

1.) In case either party to this Agreement fails to perform any obligation hereunder assumed by it and such failure is due to acts of God or a public enemy, strikes, riots, injunction or other interference through legal proceeding, breakage or accident to machinery or lines of pipe, washouts, earthquakes, storms, freezing of lines or wells, blowouts, the failure of the well or wells in whole or in part, or the compliance with any statute, either State or Federal, or with any order of the Federal Government or any branch thereof, or of the Government of the State wherein subject well or wells is situate, or to any causes not due to the fault of such party, or is caused by the necessity for making repairs or alterations in machinery or lines of pipe, such failure shall not be deemed to be a violation by such party of its obligations hereunder, but such party shall use due diligence to again put itself in position to carry out all of the obligations which by the terms hereof it has assumed.

#### PARTIES BOUND

All the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the successors and assigns of the parties to it, and shall be in the nature of covenants running with said dedicated acreage, leases, wells and pipelines for the full term hereinbefore set forth.

# IL and GAS LEASE

of September, A.D. 1976, by and between ille dew of Box 192 THIS AGREEMENT, made and entered into this untes H. Dillo ! Was Vew martinevelle, W. hereinafter called Lessor, and Makey Chimisal Congaration Publishing, Fa., hereinafter called Lessee; WITNESSETH THAT: 1. Lessor for and in consideration of the sum of one dollar and other valuable consideration, receipt of which is hereby acknowledged, and the covenants and agreements herein contained, does hereby grant, demise, lease and let exclusively unto Lessee the lands hereinafter described for the purposes of exploring, drilling and operating for, producing, storing, removing and marketing oil and gas, or either of them, and/or their constituents, injecting air, gas, water, brine and other substances from whatever source into any subsurface strata, except potable water strata and workable coal strata, together with exclusive rights to enter into, in, on and upon said lands at all times for the aforesaid purposes and to possess, use and occupy portions of said lands as may be necessary or convenient for the aforesaid purposes, and to install and maintain lines to transport oil, gas, water and electricity, whether produced on said lands or other lands, from, to, over and across said lands, said lands being all of that tract of land situated in Lot/Section that tract of land of Proctor , County of Witgel , bounded substantially as follows: On the north by the lands of On the east by the lands of mas On the south by the lands of \_ On the west by the lands containing the foregoing to describe and include for the purposes of this lease all of the lands owned by Lessor in said Township or District.

- 2. Subject to other provisions herein contained, this lease shall remain in force for a term of ten (10) years (primary term) and so much longer thereafter as oil and gas, or either of them, and/or their constituents, is produced in paying quantities, in the judgment of Lessee, from the premises described above or other operations as herein provided are maintained on said premises (extended term); provided, however, that if at the termination of said term, primary or extended, there is a well on the leased premises being drilled, deepened, reworked or plugged back in search for production, then this lease shall continue in force for as long as drilling, deepening, reworking or plugging back is carried on with reasonable diligence and so much longer thereafter as oil and gas, or either of them, and/or their consituents, is found in paying quantities, in the judgment of Lessee, or other operations as herein provided are maintained on said premises.
- 3. In consideration of the premises, Lessee covenants and agrees to deliver to the credit of Lessor, free of cost, in tanks or pipeline, one-eighth  $(\frac{1}{6})$  of the oil produced and saved from the premises and to pay Lessor the field market price for one-eighth  $(\frac{1}{6})$  of the gas, except storage gas, produced and marketed from the premises. If gas is not sold from a gas well on the premises which is shut in because of the lack of an acceptable market, Lessee may pay to Lessor, as shut in gas royalty, \$50.00 per year, payable at the end of each year so shut in, and said well shall be considered a producing well within the meaning of paragraph 2, above.

Dollars (\$ 175.79 ) each year thereafter, payable in advance annually, semi-annually or quarterly at the option of Lessee, until a well is commenced or this lease surrendered; but the completion of a well on said premises unproductive of oil or gas in paying quantities shall be considered as the equivalent of and regarded as the tender of delay rental for a period of one year thereafter, at which time Lessee may resume payments of delay rentals. This lease shall become null and void for failure to pay rental for any period when same becomes due and payable; provided, however, that in the event Lessee fails to pay the delay rentals as herein provided, and the within Lease terminates by reason thereof, Lessor shall notify Lessee by certified mail of said nonpayment of rentals, and Lessee may, at its option, reinstate the within Lease by payment of the rentals due within fifteen (15) days after receipt of said notice by Lessee.

5 No well shall be drilled within two hundred feet of any barn or dwelling now existing without the written consent of Lessor.

5. No well shall be drilled within two hundred feet of any barn or dwelling now existing without the written consent of Lessor. Lessee shall bury all permanent pipelines below plow depth, when so requested by Lessor, and pay all damage to growing crops caused by operations under this lease; said damage, if not mutually agreed upon, to be ascertained by three disinterested persons, one appointed by Lessor, one by Lessee and the third by the two appointed as aforesaid, and the award of such three persons shall be final and conclusive.

- 6. Lessor may lay a line to any well on said premises and take gas produced from said well for use for light and heat in one dwelling house on said premises at Lessor's own risk, subject to the use and the right of abandonment of the well by Lessee. The first two hundred thousand (200,000) cubic feet of gas taken each year shall be free of cost, but all gas in excess of two hundred thousand (200,000) cubic feet taken each year shall be paid for at the current published rates at the town nearest the premises above described and the measurements and regulations shall be by meter and regulators set at the tap on the line. This privilege is upon the condition that Lessor shall subscribe to and be bound by the reasonable rules and regulations of Lessee relating to the use of free gas.
- Lessee relating to the use of free gas.

  7. Lessee shall have the exclusive rights (called storage rights) to use any well which may be located on the leased premises and any stratum or strata underlying the surface of the above described lands (except potable water strata and workable coal strata) for the purposes of injecting, storing, holding in storage and removing any kind of gas from whatever source obtained; and Lessee may, for these purposes, re-open and restore to operation any and all abandoned wells on said premises or drill new wells thereon. It is understood that a well need not be located on the leased premises to permit storage of gas. Lessee shall be the sole judge as to whether gas is being stored within the leased premises, and Lessee's determination in respect thereto shall be final and conclusive. As full compensation for storage rights herein granted and in lieu of all delay rentals or royalties due, or to become due, on the production or removal of stored gas from the leased premises, Lessee agrees to pay Lessor an annual rental of \$1.00 per acre commencing with the date of first utilization of any such stratum or strata for gas storage purposes and for as long thereafter as any such stratum or strata be so utilized, such annual rental to be paid within three months after the commencement of each annual period of utilization for storage purposes. 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 this agreement, the sum of \$100.00 payable in one sum within three months after each well on the leased premises of the entire term of this agreement, the sum of \$100.00 payable in one sum within three 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 use of the leased premises for gas storage purposes contains an economically recoverable reserve of native gas, Lessee agrees to compensate Less
- 8. Lessor hereby grants to Lessee the right to consolidate the leased premises or any part or parts thereof with other lands to form an oil development unit of not more than one hundred and sixty acres or gas development unit of not more than six hundred and forty acres for the purpose of drilling a well thereon, but Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit, whether or not located on the leased premises, shall nevertheless be deemed to be located on the leased premises within the meaning and for the purposes of all the provisions and covenants of this lease, to the same effect as if all the lands comprising said unit were described in and subject to this lease. Lessor, however, agrees to accept, in lieu of the ½ oil and gas royalty or shut in gas royalty hereinbefore provided, that proportion of such ½ royalty or shut in gas royalty which Lessor's acreage in the development unit bears to the total number of acres in said development unit; and Lessor further agrees that only the owner of the lands on which the development unit well is located may take gas for use in one dwelling house as hereinbefore provided.

  9. The consideration land rentals, well rentals or royalties paid and to be paid, as herein provided, are and well rentals.
- 9. The consideration, land rentals, well rentals or royalties paid and to be paid, as herein provided, are and consideration for all the rights herein granted to Lessee and the further right of trilling or not drilling on the leased premises, whether to offset producing or gas storage wells on adjacent or adjoining lands or otherwise, as Lessee may elect, regardless of the purposes for which the leased premises are used hereunder.
- 10. Lessor hereby warrants and agrees to defend the title to the lands herein described; Lessor further agrees that Lessee shall have the right at any time to pay for Lessor any mortgage, tax or any other lien or encumbrance which in any manner, in the reasonable judgement of Lessee, affects, may affect or may appear to affect Lessee's interest in the lands described or rights or privileges under this lease and be subrogated in full to all rights of the holder thereof, and such payments made by Lessee for Lessor may be deducted from any monies which may become due Lessor under this Lease. Should it be determined that Lessor

110-2-490

	and mailed or delivered to	
or deposited to Lessonia		
Lessee to identify the la	Payment shall be deemed as made when same has been deposited in the U.S. mails. No of the land or assignment of rentals or royalties shall be binding on Lessee until after Lessee has been en notice thereof and a certified copy of the deed of conveyance or other documents as proof to enable land conveyed as being all or part of the leased premises and Lessee shall then apportion all payments any division, according to acreage. The privilege of assignment in whole or in part is expressly allowed to	
12. Lessor agrees the from the wells of Lesso fixtures and other equipment of the second seco	hat Lessee is to have the privilege of using sufficient oil, gas and water from the premises, except water sor, to conduct operations, and the right at any time to remove any tubing, casing, pipe, machinery, ment placed on the premises by Lessee.	
same of each and all na	see shall have the right to surrender this lease or any portion thereof by written notice to Lessor or by thereof on record in the proper county, either of which shall be full and legal surrender of this lease as to so such portion thereof as said surrender shall indicate and shall be a cancellation of all liabilities under parties hereto to the extent indicated on the surrender, and the acreage rental hereinbefore provided shall not the acreage surrendered.	
	n to the acreage surrengered.	
This leaves at all the		
executors, administrators	he provisions thereof shall be applicable to and binding upon the parties hereto, their respective heirs, s, successors, and assigns.  OF, the parties hereto have hereunto set their hands and seals.	
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	X Handa Wille	
STATE OF		
County of	ss. A.D. 19	
State, personally appeare	before me, a Notary Public in and for said County and ed before me in said County and State the above named	
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# HADDAD AND BROOKS, INC.

905 WASHINGTON ROAD P.O. BOX 714 WASHINGTON, PENNSYLVANIA 15301

November 29, 1982

Mr. Fred Goddard Mobay Chemical Corporation New Martinsville, WV 26155

Re: HB-306

HB-310

Wetzel County, West Virginia

Dear Fred:

In confirmation of your telephone conversation of November 23 with R. Y. Haddad, will you please obtain execution by Mobay Chemical Corporation of the acceptance below to indicate that Mobay is agreeable to the appointment of Haddad and Brooks, Inc. as operator under the Brock Ridge and Greenhill Farmout Agreements.

Yours very truly,

HADDAD AND BROOKS, INC.

Robert J. Leman Land Manager

AGREED AND ACCEPTED:

MOBAY CHEMICAL CORPORATION

This 2 day of Lecentre, 1982.

B-11

STATE OF WEST VIRGINIA DEPARTMENT OF MINES OIL AND GAS DIVISION

# OIL & GAS DIVISION DEPT. OF MINES

DEC 2 - 1983

#### FINAL INSPECTION REQUEST

#### INSPECTOR'S COMPLIANCE REPORT

Permit !	No. 103-1279 Coun	lack man	Pin
Company	Transact (USCO)	1	
	Vell	NO.	
Date			
		IN CO	PLIANCE
RULE	DESCRIPTION	Yes	No
23.06	Notification Prior to starting Work	/	- constitution of the cons
25.04	Prepared before Drilling to prevent was	te	***************************************
25.03	High-Pressure Drilling	<0.00000000000000000000000000000000000	
16.01	Required Permits at wellsite	-c-viroutinicionimi	42 per college contract production for the college col
15.03	Adequate Fresh Water Casing		
15.02	Adequate Coal Casing	Management recomment	
15.01	Adequate Production Casing		-
15.04	Adequate Cement Strength	-	-
23.02	Maintained Access Roads		-
25.01	Necessary Equipment to prevent Waste		
23.03	Reclaimed Drilling Site		***************************************
23.04	Reclaimed Drilling Pits		•
23.05	No surface or underground Pollution		-
7.03	Identification Markings		
COMMENTS	s: plase Cancel this	germilas	no
010			<b>b</b>

I have inspected the above well and (HAVE HAVE NOT) found it to be in compliance with all of the rules and regulations of the Office of Oil and Gas Department of Mines of the State of West Virginia.

IGNED: Kitle Foulh

09/08/2023



# State of West Virginia Bepartment of Mines (Pil and Gas Division Charleston 25305

December 8, 1983

THEODORE M. STREIT ADMINISTRATOR

Haddad and Brooks, Inc. 905 Washington Road P. O. Box 714 Washington, PA 15301-1153

WALTER N. MILLER

DIRECTOR

In Re:		PERMIT NO:
		FARM: Jack Martin & Curtis Dils
		WELL NO: Martin Unit #1
		DISTRICT: Proctor
		COUNTY Wetzel

#### Gentlemen:

The FINAL INSPECTION REPORT for the above described well has been received in this office. Only the column check below applies:

XXXXXX The well designated by the above permit number has been released under your Blanket Bond. (Permit Cancelled - Never Drilled.)

Please return the enclosed cancelled single bond which covered the well designated by the above permit number to the surety company who executed said bond in your behalf, in order that they may give you credit on their records.

Your well record was received and reclamation requirements approved. In accordance with Chapter 22, Article 4, Section 2, the above captioned well will remain under bond coverage for life of the well.

Very truly yours,

Theodore M. Streit, Administrator Office of Oil & Gas-Dept. Mines



# INVERNESS PETROLEUM INC.

SUITE 1410, SUNCOR TOWER, 500 - 4th AVENUE S.W., CALGARY, ALBERTA T2P 2V6 TELEPHONE 266-1023

# BY COURIER

December 1, 1982

Haddad and Brooks, Inc. 905 Washington Road P. O. Box 714 WASHINGTON, Pennsylvania 15301

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National Steel Corporation 2800 Grant Building PITTSBURGH, Pennsylvania 15219 John C. Oliver, Jr. 2114 Oliver Building PITTSBURGH, Pennsylvania 15222

Wescap Oil and Gas Company 333 Sylvan Avenue ENGLEWOOD CLIFFS, New Jersey 07632

#### Gentlemen:

This letter shall evidence the agreement between Inverness Petroleum Inc., hereinafter referred to as "Inverness"; Wescap Oil and Gas Company, hereinafter referred to as "Wescap"; Haddad and Brooks, Inc., hereinafter referred to as "H&B"; John C. Oliver, Jr., hereinafter referred to as "Oliver"; and National Steel Corporation, hereinafter referred to as "National", as follows:

- Inverness represents (but without warranty of title) that it, together with Wescap and H&B, is the owner and holder of rights under two certain Farmout Agreements from Mobay Chemical Corporation dated respectively October 15, 1980 and May 19, 1981, copies of which are attached hereto. Inverness does hereby assign to Oliver and National an interest in its rights and obligations under said Farmout Agreements, as hereinafter set out.
- 2. A validating well under each of said Farmout Agreements must be commenced by December 15, 1982, or the Agreements will terminate. Such wells shall be drilled or caused to be drilled by Inverness. All costs, risks and expenses of drilling each such well to the contract depth provided under the applicable Farmout Agreement and all costs, risks and expenses otherwise incurred in connection with the drilling of each such well prior to the commencement of running therein of a productive string of casing (including, by way of illustration and not by way of limitation, preparing and staking location, roads, surface damages, surface casing and the setting thereof, drilling, mud, chemicals, testing, logging and third party services, and plugging and abandoning such well if no attempt is made to complete the same for production) shall be borne and paid by the parties hereto a follows:

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Inverness	0.00%
Wescap	22.50%
Oliver	33.75%
National	33.75%
H&B	10.00%

- 3. Each party shall, within 48 hours after receipt of well logs and all other pertinent data related to a well drilled hereunder, advise H&B whether or not it wishes to participate in a completion attempt of such well.
- 4. If an attempt is made to complete said wells, or either of them, for the production of oil or gas, the parties hereto shall pay for the costs of such completion attempt as follows:

Inverness	15.00%
Wescap	22.50%
Oliver	26.25%
National	26.25%
H&B	10.00%

- 5. If the well is completed by less than all parties, any party declining to participate in the completion attempt shall have no further rights in the Farmout Agreement under which the well was drilled, except as to rights already earned by such party prior to the date of this letter.
  - 6. The cost and revenue sharing of all future operations within the Farmout areas shall be borne by the parties as follows:

Inverness	15.00%
Wescap	22.50%
Oliver	26.25%
National	26.25%
H&B	10.00%

Each party shall bear, in proportion to the interests herein set out, its share of Lessors' royalties, overriding royalties, and all other existing encumbrances including overrides or carried working interests previously created by Agreement or Agreements between Wescap and Inverness or Wescap/Inverness and H&B.

- 7. All rights earned under said Farmout Agreements shall be assigned and owned by the parties in the proportions as set out in paragraph 6. above.
- 8. Operations under the Farmout Agreements, and subsequent operations on acreage earned thereunder, shall be conducted in accordance with the Operating Agreements attached as exhibits to the Farmout Agreements.
- 9. Inverness will be named as Operator for the drilling of the two validating wells referred to in paragraph 2., above. It is agreed that as soon as possible after the drilling of these wells Inverness will undertake the necessary paperwork to name H&B Operator for these wells. The parties agree that H&B shall be named Operator for all operations thereafter under the Farmout Agreements.

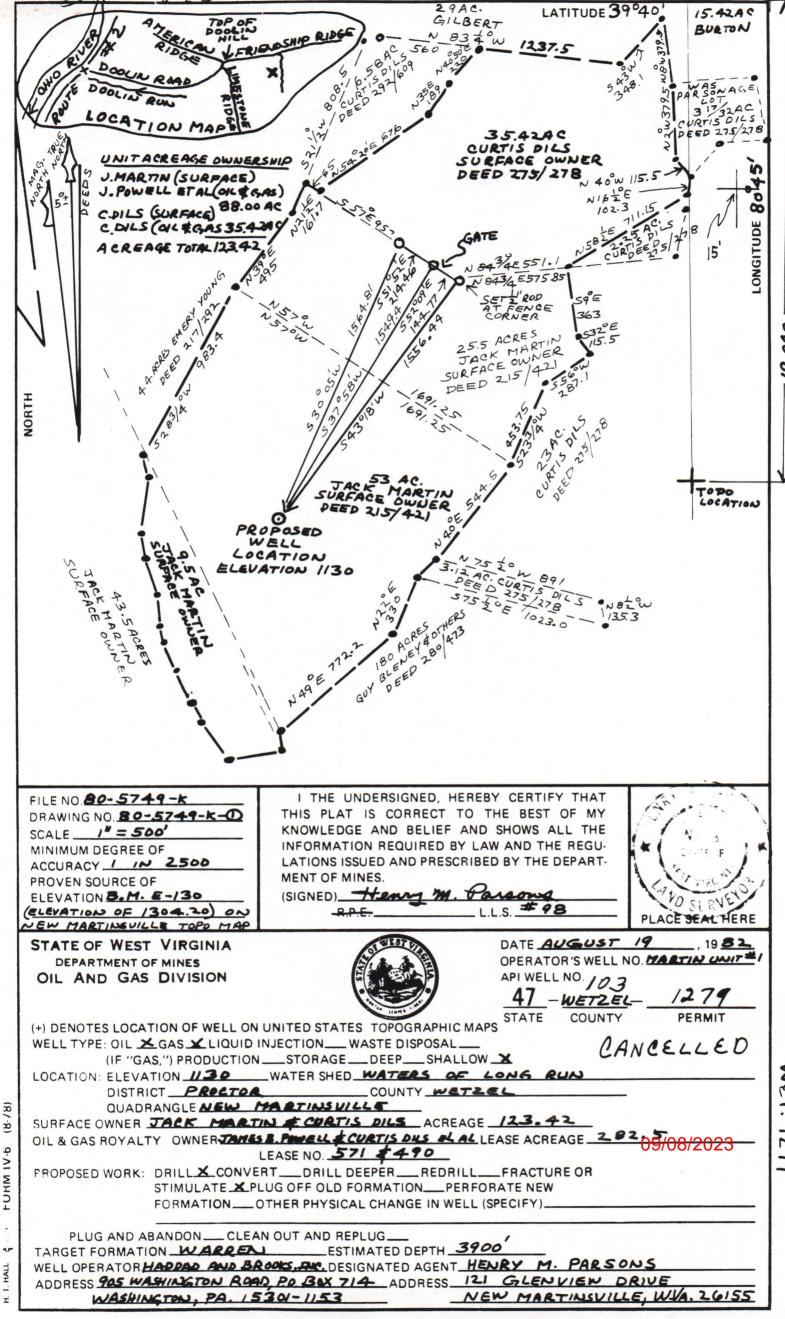
E-8

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- 10. All unoperated acreage within or adjacent to the Farmout Areas which was acquired by Inverness for its own account shall be apportioned on an undivided basis to the parties in the proportions as set out in paragraph 6. above. The parties shall, each in proportion to its interests as set out in paragraph 6, reimburse Inverness for Inverness' costs for such acreage, whereupon Inverness shall make appropriate assignments to the parties.
- 11. Oliver and National agree to be bound by all of the terms and conditions of said Farmout Agreements in respect of all the interest assigned to them hereby.
- 12. Inverness shall not be liable to the remaining parties hereto for any loss or damages which may occur in the event Inverness is unable to cause the timely drilling of either or both of the wells contemplated herein. Each of the remaining parties hereby indemnifies and agrees to hold Inverness harmless from and against any claim or liability which may occur as a result of Inverness' failure to prosecute the timely drilling of the wells as aforesaid.

ACKNOWLEDGED AND ACCEPTED as of the date and year first above written.

INVERNESS PETROLEUM INC.  Per:	JOHN C. OLIVER, JR.
HADDAD AND BROOKS, INC.	Rabert O Sarsia
Per:	Per:
NATIONAL STEEL CORPORATION	
Per:	



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