The shale revolution is upon us, and one need look no further than the Buckeye State to see just how much of a positive impact hydraulic fracturing, or fracking, has had on job creation, economic development and even the environment.

Cleveland State University just announced a study that finds Utica shale development has added more than $50.4 billion of investment to Ohio's economy in just six years, supporting over 192,000 new jobs. Yet, this astounding number does not even account for billions of investment to come from energy infrastructure and natural gas-fueled power plants, which are slated to create thousands of additional jobs throughout the state and generate hundreds of millions in taxes.

In terms of economic development, not only are counties seeing major investments in new projects thanks to shale -- consumers all over the state are also realizing incredible savings on everything from their electric bill to their fuel tank. In fact, three major Ohio job creators -- MillerCoors Brewing, Wright Patterson Air Force Base and Cleveland Thermal -- recently announced investments of more than $34 million combined in converting their boilers to natural gas.

The conversion to natural gas has paid off both for the environment and for the economy in southwest Ohio, where motorists have been on the hook for 12 cents a gallon more during summer months in exchange for not having to participate in the E-check vehicle emission program. This year, thanks to fracking and these natural gas conversions by MillerCoors and Wright Patterson Air Force Base, Cincinnati and Dayton motorists are slated to see $44 million in savings, as the region has finally met the air quality standards, ending their summer fuel hikes.

This highlights perhaps the most overlooked benefit of shale development, which is the tremendous environmental improvement Ohio is seeing as a result of these types of natural gas conversions.
THE CROW’S NEST

It is hard to believe summer is already upon us and 2017 has reached its’ mid-point. In May SOOGA held another successful golf outing with 98 Golfers in attendance and in June 66 members and guests participated in the Spring Clay Shoot. Both events are great opportunities for members to network and enjoy the day with colleagues, co-workers and friends.

There seems to be some positive signs of an industry turn around on the horizon, but with the continued low prices in natural gas and oil, SOOGA strives for ways to help benefit all of its membership. We encourage you to let us know what your issues are and what is important to you. Remember SOOGA is a member driven organization, and we work hard to represent everyone's interests. We want you to continue to be a member, to be active and involved to take advantage of what we have to offer. With the struggles in our industry, our membership numbers are slightly down. Please continue to spread the word about our organization and encourage anyone connected with our Industry to join SOOGA.

As always, we hope each of you and your employees have a very safe and wonderful summer. To all the Veterans, SOOGA thanks you for your service to our great county! Have a blessed 4th of July.

Christy Chavez
SOOGA President
2017 NEW MEMBERS
SOOGA would like to welcome the following new members:

LYNSEY SCHUMACHER
Student
The White Law Office
107 W. Court St.
Woodsfield, OH 43793
740-827-3886

CRAIG PROVENZANO
Professional
Peninsula Energy Services Company, Inc.
99 16th Street
Wellsburg, WV 26070
304-604-2109

ROBERT HILLIARD
Professional
Markosky Engineering Group
1900 Mail Street, Suite 255
Canonsburg, PA 15317
724-302-7803

PATRICK HUKILL
Professional
Doubletree Warehouse
P.O. Box 1128
Marietta, OH 45750
386-214-2221

TROY VALASEK
Professional
EnerVest Operating, LLC
125 St. Rt. 43, Suite 100
Hartville, OH 44632
330-587-1009

DANNY RHODEN
Professional
K T Black Services
900 S.W. 7th Ave.
Amarillo, TX 79101
877-475-4553

SOOGA MEMBERS

The 2017 Membership directories were mailed on June 23rd, 2017. If you do not receive your copy please let me know.

Thank you,
Southeastern Ohio Oil and Gas Association
Gas Committee Report
June, 2017

PRICING

Prices June 13, 2017

NYMEX Settle – June -2017
$3.210

One Year NYMEX strip (July, 2017 – June., 2018)
$3.118

Summer NYMEX strip for 2017 (July-October)
$3.070

$3.298

TCO Index Posting – June, 2017
$3.06

DTI Index Posting – June, 2017
$2.68

GAS STORAGE AS OF THE June 8, 2017 Report

<table>
<thead>
<tr>
<th>Region</th>
<th>06/02/17</th>
<th>05/26/17</th>
<th>net change</th>
<th>implied flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>457</td>
<td>419</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Midwest</td>
<td>614</td>
<td>585</td>
<td>29</td>
<td>29</td>
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<tr>
<td>Mountain</td>
<td>172</td>
<td>166</td>
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<tr>
<td>Pacific</td>
<td>269</td>
<td>258</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>South Central</td>
<td>1,119</td>
<td>1,097</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Salt</td>
<td>345</td>
<td>342</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Nonsalt</td>
<td>774</td>
<td>755</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,631</strong></td>
<td><strong>2,525</strong></td>
<td><strong>106</strong></td>
<td><strong>106</strong></td>
</tr>
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</table>

Historical Comparisons

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<thead>
<tr>
<th>Year ago (06/02/16)</th>
<th>5-year average (2012-16)</th>
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</thead>
<tbody>
<tr>
<td>Bcf</td>
<td>% change</td>
</tr>
<tr>
<td>East</td>
<td>556</td>
</tr>
<tr>
<td>Midwest</td>
<td>676</td>
</tr>
<tr>
<td>Mountain</td>
<td>182</td>
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<tr>
<td>Pacific</td>
<td>307</td>
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<tr>
<td>South Central</td>
<td>1,242</td>
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<tr>
<td>Salt</td>
<td>370</td>
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<tr>
<td>Nonsalt</td>
<td>872</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,963</strong></td>
</tr>
</tbody>
</table>

Summary

Working gas in storage was 2,631 Bcf as of Friday, June 2, 2017, according to EIA estimates. This represents a net increase of 106 Bcf from the previous week. Stocks were 332 Bcf less than last year at this time and 237 Bcf above the five-year average of 2,394 Bcf. At 2,631 Bcf, total working gas is within the five-year historical range.

EIA FORECAST APRIL1, 2017:

Natural Gas

- U.S. dry natural gas production is forecast to average 75.6 billion cubic feet per day (Bcf/d) in 2017, a 1.3 Bcf/d increase from the 2016 level. This increase reverses a 2016 production decline, which was the first decline since 2005. Natural gas production in 2018 is forecast to increase by an average of 4.1 Bcf/d from the 2017 level.
LOUIS A. ALTIER
September 21, 1935 - May 31, 2017

Louis A. Altier, 81 of Corning, passed away peacefully with his family by his side on Wednesday, May 31, 2017 at the James Cancer Center in Columbus. He was born Sept. 21, 1935 in Somerset, the son of the late John F. and Mary Flautt Altier. Louis owned and operated his family business, Altier Bros Inc.; during that time, he formed numerous lifelong friendships with fellow oil business colleagues, especially Chuck Rock.

Throughout his life, Louis was a prominent pillar in his community. He was everyone’s dad, grandpa and friend. He served on the Southern Local School Board for 32 years and was proactive in the construction and expansion of Southern Local Schools and was a Southern Local Hall of Fame honoree. In addition, Louis held a seat on the board of directors for the Bank of Corning for 25 years and played a key role in its transition to North Valley Bank.

Aside from his accomplishments, Louis held most dear to his heart his family and faith. Louis was a devout Catholic his entire life and a loving father to his family.

He is survived by his loving wife of 34 years Wanda Altier; his children, Benny (Judy) Altier, Susan (Donald) Hern, Brian (Suzie) Altier, Tammy (Vern) Riley, Todd (Paula) Altier, and Carl (Casey) Harper; brothers and sisters Leo (Ann) Altier, and Pamela Compston; 20 grandchildren; and 33 great-grandchildren; several nieces, nephews, cousins, and friends. Besides his parents, he was preceded in death by three brothers, Donald, John and Paul Altier.

Memorial contributions may be made to Perry County Cancer Alliance, P.O. Box 724 New Lexington, OH 43764

DANNY W. THOMPSON

Danny William Thompson left this world April 30, 2017, at home in Newport, Ohio. at the age of 70.

He is survived by his children, Danny W. Thompson II (Laura Morgan) of Newport, Ohio, Deborah Metheney (Richard) of Grove City, Ohio, and Beth Showalter (Timothy) of Little Hocking, Ohio. He is also survived by his grandsons, Zachery and Ashton Temesvary; his sisters, Sue Thompson Pyle and Linda Coleman; and several nieces and nephews. Danny leaves behind his faithful pet and guard dog, Buddy. He will also be greatly missed by his close friend, Becky Felton.

He was preceded in death by his wife, Janet Lynn Edgar Thompson; his parents, Herbert W. Thompson and Pearl Nadine Peters Thompson; his brothers, David Wayne Thompson and Richard Eugene Thompson; and his sisters Brenda Lee Southern and Sandra Thompson Lester.

Danny was born Oct. 23, 1946, in Bluefield, W.Va. He served in the Army from May 1965 to May 1969 with two years being spent in Vietnam. Danny married Janet on Dec. 4, 1970. He worked his way up to the position of president of Carlton Oil Corporation. While in this position, Danny won several awards in the oil and gas industry. A few of the accomplishments were being inducted into the Ohio Oil and Gas Hall of Fame in 2006 and the SOOGA Hall of Fame in 2014. He also received the award of SOOGA Wildcatter for his contributions to the oil and gas industry. Danny was Fleda Businessman of the year for 2005. He served on the Washington County Planning Committee and the Republican Central Committee. He enjoyed restoring cars from the 1950’s and 1960’s and attending car shows. He was often found working in his garage on his latest project. He was also a member of the VFW Post 5108 in Marietta, Ohio.

Memorial contributions may be made to the Strecker Cancer Center, 401 Matthew St., Marietta, OH 45750.

(Obituaries continued on page 21)
Word of Mouth- Who do you Believe?
Article by: Greg Kozera- Learned Leadership LLC

My wife and I had a couple of trips planned where we need to fly. After watching people getting dragged off airplanes it was easy to decide which airline we were NOT going to fly. I talked to my son and daughter who live in the Baltimore area. They fly quite a bit and I was curious about their experiences. They convinced me to try an airline that flies south and west. We tried it on our last trip even though it meant driving three hours to Columbus, Ohio. We were thrilled with the service and the attitude of their employees. We even had a direct flight that landed ahead of schedule. Guess which airline we will be flying for our June trip?

Lynnda and I relied on the experiences and word of others until we could rely on our own experience. If I am looking for a hotel or restaurant in an unfamiliar area I always check the reviews and the written comments on the internet. If you are looking for a service provider you may have asked other producers about their opinion or who they would recommend. Just like my kids with air travel we tend to trust these opinions because we trust the individuals making them and we believe they have firsthand knowledge. If I have a petroleum engineering technical question I will find one of my friends who is an expert rather than a first year student no matter how trustworthy the student is.

Growing up we watched the CBS Evening News with Walter Cronkite. If Walter said it we believed it. In all of the decades I watched him I don’t ever recall Walter telling a lie or reporting “fake news”. We trusted him. The news was just that news. We watched the news to be informed not entertained. It wasn’t about entertainment as it has become today.

Sadly today I question everything I see and read. I won’t watch much of the major media because they have been caught in lies and half-truths. Our industry saw this long before we ever heard the term “fake news”. The entire hydraulic fracturing or “fracking” story is fake news. They used half-truths and lies to create a villain story out of a 70 year old process that has been done over 2 million times without incident. When we first heard about the “evils” of fracking in 2009 most engineers, including me, thought the public was smart enough to see the lies and half-truths.

We were wrong. Our industry has learned that we can’t trust those media outlets and people that are more concerned with a good story and ratings than truth and integrity. It is sad when a stranger doing a review on the internet has more integrity than much of our major media. Remember integrity isn’t just about telling the truth, it is about being dependable and trustworthy.

One of our challenges is to know what to believe. We need to question every news story no matter what the topic. I have been involved with too many stories and public meetings where what actually happened and what was reported the next day were not the same. Once an individual or an organization shows they have no integrity can we believe them on any topic? I try to stick with news sources that I believe are the most trustworthy. Is there a way to use this information to help us grow our businesses and industry?

Last week WVU Basketball Coach, Bob Huggins, spoke at an event put on by Shale Crescent USA in Parkersburg. The purpose of the event was let the public know how we can use our now abundant, affordable natural gas to bring permanent, high wage industrial jobs back to this region. Coach Huggins stressed the importance of hard work, adapting to change and doing what you do best. Rebecca McPhail, President of the West Virginia Manufacturers Association, talked about the importance of growing our economy. West Virginia has already lost a lot of manufacturing jobs. We have to change this. The world needs to know what our region has to offer.

We know many people have abandoned traditional media. They are no longer watching, reading and listening. When they do many people no longer trust and believe what they hear and read. Where do these people get their news? Many are still reading the local weekly newspapers. Most have turned to the internet. Shouldn’t we do the same?

If we can adapt to change and are willing to do the work we can help the people of West Virginia and our industry by creating local demand for our natural gas and liquids.

(Continued to page 7)
People trust us as individuals just like I trust on line reviews. Could we put out the message that this is a great place to do business because we have the most affordable and plentiful natural gas in the industrialized world, abundant water resources and are close to over half of the markets in the United States and Canada?

We need to tell the world that we are good at producing natural gas. I encourage you to send your friends, relatives and out of state business associates to www.shalecrescentusa.com and tell them to watch a short video about this region. If they like what they see, have them forward it to their friends and relatives. (The video talks about what you have already done to make a difference.) One of your contacts could forward this information to one of their contacts who could forward it to someone who needs to locate here. This kind of internet effort can reach people all over the world. Some of them could be the folks that could choose to bring manufacturing here to use your natural gas. This approach is more powerful and more believable than traditional media.

What most of the world does not know is Ohio, Pennsylvania and West Virginia account for 30% of US natural gas production up from only 3% just 5 years ago. This will be 35% by 2020. Most of the increase in US natural gas production is here! This is a good reason for large energy users to expand here and use your natural gas. Shouldn’t we let the world know?

Thoughts to ponder.

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### 2017 SOOGA Calendar of Events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Venue</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk &amp; Derrick Boat Ride</td>
<td>Friday July 28, 2017</td>
<td>Valley Gem Sternwheeler</td>
<td>Marietta, OH 45750</td>
</tr>
<tr>
<td>Fall Golf Outing</td>
<td>Friday August 25, 2017</td>
<td>Lakeside Golf Course</td>
<td>Beverly, OH</td>
</tr>
<tr>
<td>Annual Fall Trade Show</td>
<td>Thursday September 21, 2016</td>
<td>Washington County Fairgrounds</td>
<td>Marietta, OH 45750</td>
</tr>
<tr>
<td>Fall Clay Shoot</td>
<td>Friday October 20, 2017</td>
<td>Hilltop Sports, LLC</td>
<td>Whipple, OH</td>
</tr>
<tr>
<td>Annual Gun Raffle</td>
<td>November 1, 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SOOGA Legacy Fund

The oil and gas industry has been a big part of our community for more than 120 years. Our history with the community led us to partner with the Marietta Community Foundation to establish the SOOGA Legacy Fund in 2013. This fund was established to give back to our communities across Ohio and West Virginia and to honor the memory of members who have dedicated their life's work to this industry. To give a tax deductible gift make checks payable to:

Marietta Community Foundation  
SOOGA Legacy Fund  
MCF, P.O. Box 77  
Marietta, OH 45750  
Phone: 740.373.3286

The SOOGA Board serves as the advisor to the fund.

### SUMMER JOBS WANTED

FOR PETROLEUM ENGINEERING and GEOLOGY MAJORS AT MARIETTA COLLEGE

If you have a summer job available for a student in the field or the office, please contact:

Department of Petroleum Engineering and Geology at Marietta College Phone: 740-376-4776

NO JOB IS TOO MENIAL! WE HAVE STUDENTS WHO WANT NOTHING MORE THEN TO GET THEIR FIRST SUMMER

EXPERIENCE IN THE PETROLEUM INDUSTRY. KEEP OUR INDUSTRY STRONG…….HIRE AN MC STUDENT THIS SUMMER!
(Continued from page 4)

- Henry Hub spot prices fell back below $3.50/MMBtu in January 2017 as temperatures warmed, and declined further during the second-warmest February on record. However, January and February 2016 were also warmer than normal. In 2016, the Henry Hub spot price remained below $2.00/MMBtu for the latter half of February and all of March 2016. March 2017 prices averaged $2.87/MMBtu and ended the month at $3.10, more than a dollar higher than the March 2016 closing price of $1.93/MMBtu.

Increasing capacity for natural gas-fired electric generation, growing domestic natural gas consumption, and new export capabilities contribute to the forecast Henry Hub natural gas spot price rising from an average of $3.43/MMBtu in 2017 to $3.70/MMBtu in 2018. NYMEX contract values for April 2017 delivery traded during the five-day period ending February 2 suggest that a price range from $2.42/MMBtu to $4.38/MMBtu encompasses the market expectation of Henry Hub natural gas prices in April 2017 at the 95% confidence level.

U.S. liquefied natural gas (LNG) exports.

U.S. liquefied natural gas (LNG) exports remain flat week over week. Three vessels (combined LNG-carrying capacity of 11.4 Bcf) departed Sabine Pass last week (Thursday to Wednesday), and one vessel (LNG-carrying capacity 3.4 Bcf) was loading at the terminal on Wednesday.

Dominion Cove Point, another U.S. liquefaction facility currently under construction, announced in its latest monthly construction status report filed with the Federal Energy Regulatory Commission (FERC) that the facility is 80% complete. The facility operator, Dominion Cove Point LLC, requested FERC's permission to introduce feed gas and begin commissioning activities on the two auxiliary boilers and related support systems. The facility is expected to become operational by the end of 2017.

**PIPELINE REPORT:**

New updates coming in July, 2017

**UTICA WELL PRODUCTION**

During the fourth quarter of 2016, Ohio’s horizontal shale wells produced 3,577,553 barrels of oil and 364,307,926 Mcf (364 billion cubic feet) of natural gas. Natural gas production from the fourth quarter of 2016 showed an increase over the third quarter of 2016.

Horizontal shale well operators are required to submit production data by the 45th day following the close of each calendar quarter. Operators submit the amount of oil, natural gas and brine that each well produces, as well as the number of days that the well was in production.

**Fourth Quarter – 2016 – Utica Production Volumes:**

<table>
<thead>
<tr>
<th>2016 QUARTER 3</th>
<th>2016 QUARTER 4</th>
<th>PERCENTAGE CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrels of Oil 3,954,095</td>
<td>3,357,553</td>
<td>(15.09%)</td>
</tr>
<tr>
<td>MCF Nat. Gas 360,681,356</td>
<td>364,307,926</td>
<td>1%</td>
</tr>
</tbody>
</table>

As of June 3, 2017, there have been 2,518 Utica shale permits issued in 23 counties in Ohio to 29 companies, and 2,014 of them have been developed.

There are currently 1,562 Utica shale wells in production, with 21 rigs running.
For example, Cleveland Thermal's conversion alone -- which will yield an 84 percent reduction of carbon dioxide emissions -- equates to planting a dense 19,000-acre forest. MillerCoors Brewing saw a 37 percent reduction in greenhouse gas emissions, 88 percent reduction in nitrogen oxide emissions and 96 percent decrease in sulfur dioxide emissions last year thanks to natural gas. And the Wright Patterson Air Force Base's switch to natural gas is expected to eliminate 1,000 tons of sulfur dioxide emissions, 200 tons of nitrogen oxide emissions, five tons of particulate emissions and 290,000 tons of greenhouse gas emissions, helping the base to meet Clean Air Act regulations while saving the air force base $2 million a year in fuel costs. Ohio EPA Director Craig Butler recently said, "You get a really big picture perspective of how much success we have seen over the years in improving air quality." Yes, we have -- thanks to fracking and clean burning natural gas.

What policymakers at both the federal and state level need to understand, and Ohio has proven, is that the shale revolution is not just a win for the economy -- it's a win for the environment, too. Thanks to fracking, Ohioans do not have to choose between stable jobs or clean air. We can enjoy all of the benefits that a thriving economy brings and breathe easy while doing it.
Doubletree Warehouse

Building, Office Space, and Laydown Area Available

- 23,000 square feet of warehouse space with 23 feet ceiling clearance - two loading docks, ground level entrance, dry sprinkler system and 480-volt 3ph electric service.

- 2,500 square feet of office space - includes a conference room, kitchen, restroom, and utilities.

- Two acres of flat, Laydown Area surrounding the building is included with lease. This area can be used for receipt, storage, and partial assembly of equipment.

- Flexible space available for public storage with contracted services or privately rented.

- Close to I-77, centrally located to Northern U.S. cities, complete logistics services, competitive rates.

Ideal space for:
- Oil & Gas Industry
- Polymers
- Metals
- Consumer Goods
- Agriculture
- Paper

Contact For Leasing Questions or Additional Information

Pat Hukill Phone: 386-214-2221
Email: PHukill@arcresin.com
Website: doubletreewarehouse.com

Warehouse Address:
1500 Greene Street
Marietta, OH 45750
CARGO SECUREMENT

The fundamentals of securing the load...

Cargo being transported on the highway must remain secured on or within the vehicle.

Cargo must remain secured under all conditions that could reasonably be expected to occur in normal driving.

Before a driver can operate a commercial motor vehicle or a carrier can require or permit a driver to operate a commercial motor vehicle; the following conditions must be met:

- The vehicle’s cargo must be properly distributed and adequately secured.
- The vehicle’s structure and equipment must be secured including:
  - Tailgate
  - Doors
  - Tarpaulins
  - Spare Tire
  - Other equipment used in operation
  - Cargo securing equipment

Cargo or other objects cannot:
- obscure the driver’s view ahead or to the left or right sides (except for drivers of self-steer dollies)
- interfere with the free movement of the driver’s arms or legs,
- prevent the driver’s free and ready access to accessories required for emergencies,
- or prevent the free and ready exit of any person from the vehicle’s cab or driver compartment.

Cargo securement systems must be able to withstand a minimum amount of force in each direction:
- Forward = 80% of cargo weight when braking while driving straight ahead
- Rearward = 50% of cargo weight when accelerating, shifting gears while climbing a hill, or braking in reverse
- Sideways = 50% of cargo weight when turning, changing lanes, or braking while turning
- Upward = 20% of cargo weight when traveling over bumps in the road or cresting a hill (this requirement is satisfied when the cargo is “Fully Contained”)

HOW SHOULD CARGO BE SECURED?

CARGO MUST BE SECURED SO THAT IT DOES NOT LEAK, SPILL, BLOW OFF THE VEHICLE, FALL FROM THE VEHICLE, FALL THROUGH THE VEHICLE, OTHERWISE BECOME DISLODGED FROM THE VEHICLE OR SHIFT UPON OR WITHIN THE VEHICLE TO SUCH AN EXTENT THAT THE VEHICLE’S STABILITY OR MANEUVERABILITY IS ADVERSELY AFFECTED.
Premium Service for a Premium Product

Whether buying or transporting crude, Ergon Oil Purchasing offers flexible logistics to move your product from wellhead to market. Through Ergon’s refineries, network of terminals, barge and trucking fleets, we understand what drives the crude oil industry.

Call 1-800-278-3364 to learn more.
eopsales@ergon.com

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Account Executive
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720 East Pete Rose Way, Suite 400
Cincinnati, OH 45202
wellsfargo.com/wfis
## GAS PRICING 2017

<table>
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<tr>
<th>Month</th>
<th>NYMEX Settlement</th>
<th>Inside FERC/DTI Basis</th>
<th>Inside FERC/TCO Basis</th>
<th>NYMEX 3-day Average</th>
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<tbody>
<tr>
<td>May 2017</td>
<td>$3.1420</td>
<td>$2.600 (-$0.542)</td>
<td>$2.970 (-$0.172)</td>
<td>$3.0837</td>
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<tr>
<td>JUNE 2017</td>
<td>$3.2360</td>
<td>$2.680 (-$0.556)</td>
<td>$3.060 (-$0.176)</td>
<td>$3.2097</td>
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</tbody>
</table>

## OIL PRICING 2017

### ERGON OIL PURCHASING WEST VIRGINIA

**MONTHLY AVERAGE**

- April Ohio Tier 1: $50.1450
- April Ohio Tier 2: $47.1450
- April Ohio Tier 3: $45.1450
- April West Virginia Tier 1: $50.1450
- April West Virginia Tier 2: $47.1450
- April West Virginia Tier 3: $45.1450
- April Marcellus/Utica Condensate: $35.1450
- April Marcellus/Utica Medium: $50.1450
- April Marcellus/Utica Light: $44.6450

- May Ohio Tier 1: $47.5823
- May Ohio Tier 2: $44.5823
- May Ohio Tier 3: $42.5823
- May West Virginia Tier 1: $47.5823
- May West Virginia Tier 2: $44.5823
- May West Virginia Tier 3: $42.5823
- May Marcellus/Utica Condensate: $32.5823
- May Marcellus/Utica Medium: $47.5823
- May Marcellus/Utica Light: $42.0823

### Tier 1

- 150 + net barrels of crude oil
- No more than 2% BS&W (if the BS&W is over 2% it will then qualify for Tier 2 pricing)

### Tier 2

- 60-149.99 net barrels of crude oil
- Two Stops within 5 miles

### Tier 3

- 30-59.99 net barrels of crude oil

Please contact Ergon at 1-800-278-3364 for clarification on split load pricing.

The prices as posted are based upon computation of volume by using tank tables, or as measured by a deduction for all BS&W and correction for temperature deductions or allowances shall be made on the oil purchased shall be free of contamination and/or alteration by foreign substances or chemicals not associated with virgin crude oil. These include but are not restricted to, oxygenated and/or chlorinated compounds.

The Marcellus/Utica Shale produced crude oil will be purchased based on the monthly average for the following postings:

- 38.0-49.9 API Gravity—*Marcellus/Utica Medium* crude oil
- 50.0-59.9 API Gravity—*Marcellus/Utica Light* crude oil
- 60.0+ API Gravity—*Marcellus/Utica Condensate* (formerly posted as Appalachian Sweet Light-ALS).

Other parameters will be evaluated on a farm by farm basis.

You can now find EOP WVA Crude oil Price Bulletin on the internet at: [www.ergon.com](http://www.ergon.com)

## OIL PRICING 2016/2017

### AMERICAN REFINING GROUP AVERAGE

- 4/11 to 4/20 Group 1 OH: $51.50
- Group 2 OH: $48.50
- Group 3 OH: $46.50
- 4/21 to 4/30 Group 1 OH: $48.42
- Group 2 OH: $45.42
- Group 3 OH: $43.42
- 5/1 to 5/10 Group 1 OH: $45.81
- Group 2 OH: $42.81
- Group 3 OH: $40.81
- 5/11 to 5/20 Group 1 OH: $47.79
- Group 2 OH: $44.79
- Group 3 OH: $42.79
- 5/21 to 5/31 Group 1 OH: $49.00
- Group 2 OH: $46.00
- Group 3 OH: $44.00
- 6/1 to 6/10 Group 1 OH: $46.00
- Group 2 OH: $43.00
- Group 3 OH: $41.00

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**Group 2 (OH/PA/NY)**

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**Group 3 (OH/PA/NY)**

- 30.0-59.99 net barrels from a single location

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James E. Diddle, President
Spencer R. Carpenter, Vice President
Over the years the Hercher Family purchased several old oil and gas leases that I continued to operate. In April 2011, I discharged brine waste water from an old gas well drilled between 1900 and 1905 into a roadside ditch which was common practice at that time. For as long as I can remember, brine from these old wells in Southeastern Ohio has been discharged in this manner. I thought that I was operating under the Mississippian Exemption, but I was wrong. As a result of my actions, I was charged with unpermitted discharge in violation of the Clean Water Act and stood in front of a judge and pled guilty for violating federal law.

I was aware of the Mississippian Exemption and, in fact, was part of an effort to create the exemption in 1985. In Ohio, the Mississippian Exemption applies to wells that were drilled and completed before January 1, 1980; are in an unglaciated part of the state; and are no deeper than the Mississippian "Big Injun" Sandstone or the Mississippian "Berea" Sandstone, depending on exactly where the well is located. The wells must be primarily used to provide oil and gas for domestic use.

The problem in trying to utilize the Mississippian Exemption is that, while it may exempt a well owner from complying with certain provisions of Ohio Revised Code 1509, the owner is still not permitted to discharge brine water "directly into the waters of the state under Ohio law" or "to waters of the United States" under the Clean Water Act unless you have a permit. My roadside drainage ditch flowed into an intermittent stream that discharged into other waters further downstream.

If you plan to rely on the Mississippian Exemption you have the obligation to determine where your brine wastewater is going and if it is flowing into "waters of the United States". Ditches that could flow into streams and eventually rivers are protected under the Clean Water Act and Ohio law and should not be getting brine waste.

Growing up in Southeastern Ohio, I have spent my life working hard. As a young boy, I helped my father and grandfather farm the land that has been in my family since the 1800's. Today, at age 68, I still live on that land and I work it daily. I regret what I have done and encourage oil and gas developers to consult with Ohio EPA and Ohio DNR before discharging brine waste.

Discharging brine water into a roadside ditch or the like can harm the environment and violates the law if the brine reaches waters of the United States. Owner/operators need to be aware of this and be sure to discharge legally, unless they want to stand in front of a judge like I did.

This article is provided for informational purposes and is not legal advice. If you need legal advice, please consult an attorney.
Ohio Supreme Court hears oil, gas rights case
Article taken from The Marietta Times 5/2017

Two Marietta law firms are awaiting a ruling from the Ohio Supreme Court after arguing in Columbus this week a question of natural gas leasing and landowner rights.

“It’s rare for a case to make it all the way to the (Ohio Supreme Court) anyway, but that two area firms are arguing on opposing sides there, the last time that happened was maybe 17 years ago in a personal injury case,” said Ethan Vessels of Fields, Dehmlow and Vessels on Wednesday.

Vessels represents Patricia Schultheiss, who owns 48 acres of land in Warren Township. In 2014, Schultheiss filed a lawsuit in Washington County Common Pleas Court to terminate the lease on her property’s mineral rights to Heinrich Enterprises, Inc. et al, claiming that because there had been no profitable production of the natural gas well on her property between 1977 and 1981, the terms of the lease were completed.

“Lots of these kinds of lawsuits have been filed in Washington, Monroe and Noble counties,” said Vessels. “The purpose is to clean up the title for your property so that you could be clear to lease to another party in the future. It’s not a suit for damages or any money, simply to clear the title.”

Representing Heinrich Enterprises, Inc. et al are James Huggins and Dan Corcoran of Theisen and Brock. They argued Tuesday in front of the supreme court that because Schultheiss continued to receive free natural gas to her home not only between 1977 and 1981 but also to this day, that the lease was not terminated by lack of outside sales.

(Continued to page 18)
“Right now we have more than one case on hold that could be impacted by this case,” said Corcoran on Wednesday. “This type of lawsuit isn’t new, what we’re asking the (Ohio Supreme Court) to do in this case is tell us what the law says and how it is applied to these old wells and the many small oil and gas businesses that could be impacted by its decision.”

The court has several options available to them at this time: to determine that the case was improvidently accepted and make no decision (essentially upholding the 4th District of Appeals decision without a written determination of its own), to affirm the appellate court’s decision that the lease was indeed terminated or to rule in favor of Heinrich in either a broad or narrow scope with possible additional consideration of a statute of limitations.

Justice Judith French asked Corcoran Tuesday if he had raised the estoppel argument—an inconsistency in behavior on the part of Schultheiss continuing to accept free natural gas in lieu of royalty in the lower courts before Heinrich’s appeal was accepted to the court.

Corcoran said that while the term itself was not used in the lower courts, the legal principle was.

“What we said, your honor, was that the lease was continued because of what she had received under the lease agreement,” argued Corcoran Tuesday. “It would be inconsistent to say that the lease isn’t in effect at the same time she was receiving those benefits ... (and) acquiescing in the continued operation of the lease for more than 30 years by our clients.”

Corcoran said Wednesday that had the suit to terminate the lease been filed closer to the time frame when the well was not actively producing commercial gas, then the case would be different.

“We’re hoping that (the court) says that it does matter what the behavior is over 30 years,” he said.

Vessels’ argument is directly in opposition to the assumption that acceptance of free gas continued the lease.

“The appellate court said the lease had terminated under its own terms and that nothing she did after that had any bearing,” said Vessels Wednesday. “And we don’t know if (Heinrich) ever provided continued maintenance on the well in question after 1981, the gas Ms. Schultheiss was receiving to heat her home could have been coming up without that maintenance.”

Vessels said the court could take anywhere from one to six months to decide on the case.

At a glance
Issues to be determined by the Ohio Supreme Court in Patricia J. Schultheiss v. Heinrich Enterprises Inc. et al.:

− Should the doctrine of “estoppel” prevent a landowner from terminating an oil and gas lease if the owner accepts benefits from the driller, such as free gas to the home?

− Does a prolonged, but temporary, production stoppage of an oil and gas well during the secondary term of an oil and gas lease automatically terminate a lease?

− Should Ohio’s general statute of limitations prevent any claim from being filed based on an incident that happened more than 21 years before the filing of the lawsuit?

What’s next

− Heinrich Enterprises, Inc. et al. and Patricia Schultheiss and their respective attorneys will await a decision expected in the next one to six months.

Source: Ohio Supreme Court.

See Ohio Supreme Court Ruling on Page 22.
OBITUARIES

PATRICK LEGGETT

Patrick D. Leggett, 62, a resident of both Parkesburg and Charleston, died May 7, 2017 at the Camden-Clark Medical Center. He was born May 23, 1954 in Morgantown, WV a son of the late Dwight Ross and Dorothy McCain Leggett. Pat was graduated from South Charleston High School, Marshall University and received Master degrees from both Indiana University and Quinnipiac University. He worked as a banker on Wall Street before starting his own banking related company. He then changed careers and entered health care and later became very active and involved with the Oil, Gas, Historical and Industrial Association. He is survived by his wife of 39 years, Kathy Leggett; two nieces Jennifer Leggett of Chicago, Michelle Nath of Idaho; one nephew Dwight Leggett, II of Colorado; six cousins, Cathy Rasnake, Melinda Bender, Christopher Rasnake, Blake Rasnake, Sara Jo Bender, Carolyn Titcher all of Charleston, WV; beloved cats Tigger, Mouser, Purrcy, Thumpurr, Caspurr and Olipurr. In addition to his parents he was preceded in death by his brother, Mike Leggett. Memorial Contributions may be made in Pat's memory to the Oil & Gas Museum, PO Box 1685, 119 Third Street, Parkersburg, WV 26101 or Kanawha Charleston Animal Shelter, 1248 Greenbrier Street, Charleston, WV 25311. Online condolences may be sent to the family at www.LeavittFuneralHome.com
Supreme Court case ends in favor of local landowner

The May Ohio Supreme Court case represented by two Marietta law firms concluded Monday in favor of a local landowner.

The court decided Monday that the case of Schultheiss v. Heinrich Enterprises was improvidently accepted and so dismissed the case, upholding the Fourth District Court of Appeals decision.

That decision said the landowner, Patricia Schultheiss of Warren Township, was no longer bound by a mineral rights lease which was terminated after no profitable production occurred from the well on her property between 1977 and 1981.

The case was decided by the district court on Jan. 12, 2016.
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Flight A, 3rd Place – J.F. Deem – Donavon Cunningham, Colton Nutt, Ron Nutt, Jason Lockard

Flight B, 1st Place – CB&I Michael Manning, Jill Vovaris – John Albrecht, Noah Albrecht,
Flight B, 2nd Place – Lubrizol Oilfield Solutions – Dave Batten, Jim Rose, Ron Anderson
Flight B, 3rd Place – Ergon Team #1 – Bob Moss, Larry Hill, Bobbie Lauer, Joey McNamee

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#7 Closest to the Pin 2nd shot – Sam Palleschi

#11 Closest to the Pin – Colton Nutt

#9 Straightest Drive (Closet to Line) - Jim Rose

50/50 Winner – Jeff Brammer

Skins Winner – Ergon #3 had a Double Eagle on #5

Skill Prize Winners:

#5 Long Drive in Fairway – Rob Beardmore

#18 Longest Putt - Dave Batten

#14 Long Drive in Fairway – Wendy Driscoll

#5 Longest Putt Made – No winner

#4 Closest to the Pin – Bobbie Lauer
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