SOOGA
THE INSIDER
JANUARY/FEBRUARY 2015
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SERVING SOUTHEASTERN OHIO & NORTHERN WEST VIRGINIA'S OIL & GAS INDUSTRY

INSIDE THIS ISSUE

SOOGA OFFICERS

For additional information visit www.sooga.org

SOOGA Open Forum with Presentation by
Jerry James, Artex Oil Co.

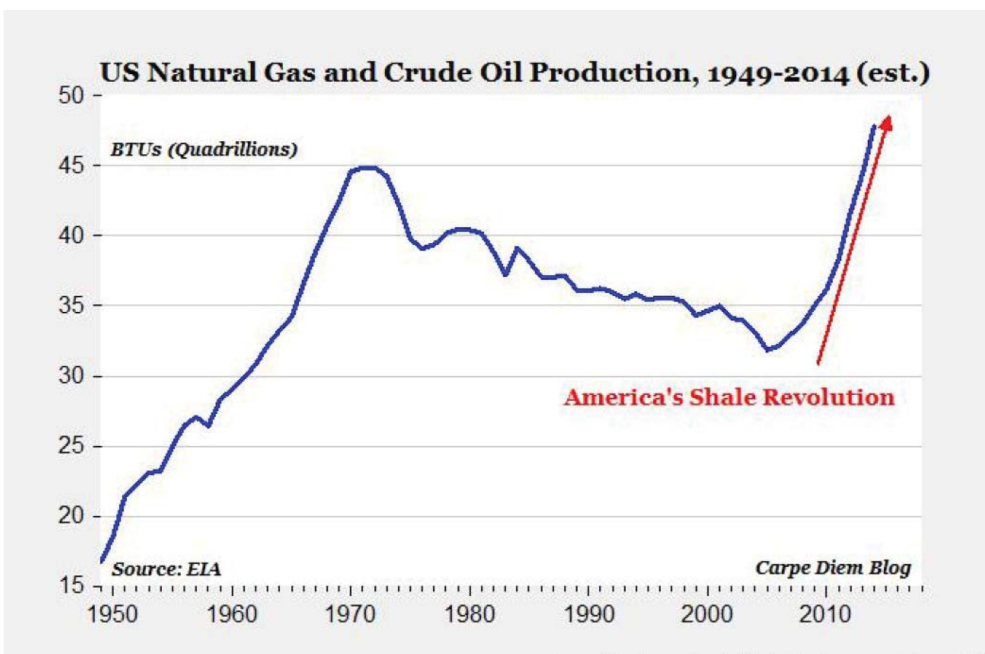
A large crowd of SOOGA members packed the Marietta Best Western on February 13, 2015, to listen to featured speaker Jerry James, with Artex Oil Company.

Jerry gave a PowerPoint presentation: Oil and Gas Markets. He elaborated on the current oil and gas downward trend and where the industry is headed. Some key points discussed were:

-No one can predict the future, so we need to look at the past. The drop in oil price and low natural gas price are with us again. There are positive signs this time, not like back in the 1980's, America's Shale Revolution. (See Graph below.)

-Oil and gas have now separated in trending each other in price. Oil is in an international (world) market and natural gas is in a North American (US, Canada and Mexico) market with an over supply of natural gas.

Jerry's PowerPoint Presentation can be found at www.sooga.org.



Other topics discussed at the Open Forum continued to page 9.

THE CROW'S NEST

Severe headwinds. This is just one of many ways to describe the current conditions facing our industry today. As we have entered the new year, we find ourselves embattled on all fronts. One of the few bright spots over the last several years has been a high oil price. My how that bright spot has quickly faded! Just a year ago oil prices were $100 per barrel and natural gas prices were climbing toward $5.00 per mmbtu. Fast forward a year and oil prices have dropped in half to $50 per barrel and local natural gas prices sit at less than $2.00/mmbtu!

The new year has certainly ushered in a challenging price environment, but unfortunately the man made affronts on our industry, such as proposed tax increases and new regulatory burdens, have not gone away either. Despite these major obstacles, SOOGA's resolve to step up and help our members weather this storm has only increased.

Let's set aside the gloom and doom for a moment shall we! On a positive note, I would like to mention some changes that have occurred here at SOOGA since the start of the new year. I'll start by introducing myself, Matt Lupardus, your new SOOGA President. I have served on the Board of Trustees for the last 7-8 years and I look forward to continuing to serve you in this capacity. I would also like to thank Jim Javins, our immediate Past President, for his extraordinary service to our Association over the last several years. Please take time to thank Jim for his service. He did an outstanding job as your President and has certainly served as an excellent role model for myself. Jim is what a great leader looks like.

Christy Chavez, our former Secretary, has moved into the role of Vice President and John Albrecht will continue to serve as our Treasurer. Thank you Christy & John for your continued service on our Executive Committee. Thank you also to our extremely hard working Executive Secretary Billie Leister as well as Whitney Huck for doing a tremendous job of keeping our Association in high gear on a daily basis! Thank you also to our SOOGA Board of Trustees! We welcome back our long time trustees as well as several newly elected and appointed members to the Board. Thank you for your service! To view your current Board of Trustees, please visit the "About Us" tab on our sooga.org web page.

Your SOOGA leadership has been diligently focused on efforts to help our membership navigate through these challenging times. One such effort was our recent SOOGA Open Forum held on February 13th, which drew a record crowd; more than triple the attendance of past open forums. At this Open Forum, Jerry James delivered an excellent presentation on how oil and gas prices got to where they are and where they may be headed. Also discussed were key issues like the severance tax, federal leasing, condensate safety, issues related to the Mississippian Exemption, and WV Tank Act legislation. SOOGA compiled notes during the Open Forum and will develop action items to address these key issues.

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2015 NEW MEMBERS
SOOGA would like to welcome the following new members:

Scott Schultz
Associate—Allied Industry
Lubrizol Oilfield Solutions
918 Bradgate Dr.
North Huntingdon PA 15642
724-972-9409

Lori Acor-Kraft
Associate—Allied Industry
Lubrizol Oilfield Solutions
100 Leetsdale Industrial Drive Suite 100
Leetsdale PA 15056
724-263-9747

Mike Eberhart
Professional
2021 Kingsgate Cir NE
North Canton, OH 44720
330-417-5326

Kevin Rothenbuhler
Producer
PDC Energy
2167C St. Rt. 821
Marietta OH 45750
740-336-7831

Nicole Strike
Professional
ARM Group INC
1000 Town Center Way Suite 130
Canonsburg PA 15317
724-485-2761

Aaron Cannon
Associate
Parmaco of Parkersburg Inc
600 Parmaco Street
Parkersbug WV 26101
304-422-6525

Mike Manning
Allied Industry
APO Pumps & Compressors Inc
6607 Chittenden Road
Hudson, OH 44236
740-447-3515

Southeastern Ohio Oil and Gas Association
Gas Committee Report
February, 2015

PRICING

Prices February 10, 2015

One Year NYMEX strip (Mar., 2015 – Feb., 2016)	$2.89
Summer NYMEX strip for 2015 (April-October)	$2.77
Winter NYMEX strip (Nov., 2015—March, 2016)	$3.18
TCO Index Posting - February, 2015	$2.73
DTI Index Posting - February, 2015	$1.75

It appears that high storage levels combined with enhanced production capabilities and slow usage growth could keep gas prices from rising dramatically over the next couple of years.

GAS STORAGE AS OF THE February 5, 2015 Report

Working Gas in storage was 2,428 bcf as of Friday, January 30, 2015. At 2,428, total working gas is **below** the 5 year historical range.

	Stocks billion cubic feet (Bcf)			Year ago (1/30/15)		5-Year average (2010-2014)	
Region	1/30/15	1/23/15	change	(Bcf)	% change	(Bcf)	% change
East	1,194	1,281	-87	940	27.0	1,216	-1.8
West	371	375	-4	305	21.6	354	4.8
Producing	863	897	-24	715	20.7	887	-27
Salt	247	257	-10	143	72.7	176	40.3
Nonsalt	616	630	-14	572	7.7	711	-13.4
Total	**2,428**	**2,543**	**-115**	**1,960**	**8.8**	**2,457**	**-1.2**

Storage is 56.0% full compared to normal as of this report, with normal total capacity of 4,332 at the start of the withdrawal season. Storage is 468 BCF below last year, and 29 BCF below the five year average.

Source: Form EIA-912, "Weekly Underground Natural Gas Storage Report." The dashed vertical lines indicate current and year-ago weekly periods.

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2015 NEW MEMBERS
SOOGA would like to welcome the

Mark Sackett
Associate—Allied Industry
Constellation
470 Old Worthington Rd. Suite 375
Westerville OH 43082
614-797-4396

Wes Casto
Professional
Casto Petroleum Engineering
425 6th Street
Marietta, OH
740-236-2221

Joe Greco
Contractor
Black Bear Energy Services
100 Phoenix Dr.
Finleyville, PA 15332
724-681-4414

2015 SOOGA Tentative Calendar of Events

April 23rd, 2015
Spring Membership Meeting
Marietta Shrine Club
249 Pennsylvania Ave.
Marietta, OH 45750

May 8th, 2015
Spring Golf Outing
Lakeside Golf Course
Beverly, OH

June 5th, 2015
Spring Clay Shoot
Hilltop Sports
Whipple, OH

August 14th, 2015
Fall Golf Outing
Oxbow Golf Course
Belpre, OH

September 17th, 2015
Annual Trade Show
Washington County Fairgrounds
Marietta, OH

October 16th, 2015
Fall Clay Shoot
Hilltop Sports
Whipple, OH

November 2015
Annual Gun Raffle

(Continued from page 4)

January 13,2013 EIA Forecast for natural Gas Prices:

According to the EIA, natural gas consumption will average of 73.8 Bcf per day in 2015, and 74.8 Bcf/d in 2016. The projected Henry Hub natural gas price averages $3.44/MMBtu in 2015 and $3.86/MMBtu in 2016.

GATHERCO

Retainage for October, 2014 is as follows for the Gatherco systems. Treat was 2.0%, Miley was 2.0%, Meigs was 2.0%, York was 2.0%, Grimes was 2.0%, and Elk was 2.0%.

December, 2014 retainage was not available as of the date of this report.

WEST VIRGNIA NEWS:

West Virginia appears to be close to landing a coveted ethane cracker plant to serve the Utica and Marcellus shale plays -- the sort of billion-dollar project coveted by Ohio economic development officials for some time.

West Virginia Gov. Earl Ray Tomblin and officials from Brazilian company Odebrecht stood shoulder to shoulder at a press conference recently, saying the company is looking at developing a cracker near Parkersburg across the Ohio River from Marietta.

The plant, which would separate ethane from natural gas, would be part of a petrochemical complex that would include three polyethylene plants and facilities for water treatment and energy cogeneration.

New Tank Regulations:

West Virginia has adopted some new tank regulations recently. The results and requirements of this new regulation was set out and explained in the latest SOOGA Newsletter, so please read it to familiarize yourself with these regulations if you have production in WV.

Tank Inspections are scheduled to be started this month.

UTICA NEWS:

NEW PIPELINES PROPOSED TO SPUR UTICA SHALE DRILLING IN OHIO

SUNOCO LOGISTICS PARTNERS, L.P.

Sunoco Logistics Partners L.P. announced on 11/6/2014 that it will build a huge pipeline project that will quadruple the Marcellus Shale gas liquids moving through the Philadelphia area called the Mariner East 2 project. It will be at least 16 inches in diameter, and begin in Scio, Ohio and cross West Virginia and Western Pennsylvania to the Philadelphia area. The pipeline will be 350 miles long, and is expected to deliver 275,000 barrels per day of natural gas liquids (NGL) to the Marcus Hook complex, and will begin operations by the end of 2016, subject to regulatory and permit approvals.

COLUMBIA PIPELINE GROUP:

Columbia Pipeline Group (CPG), a unit of NiSource Inc. (NYSE: NI), today announced a total of $1.75 billion in new investment in infrastructure that will enable it to transport up to 1.5 billion cubic feet per day (Bcf/D) of natural gas from Marcellus and Utica production areas to markets served by its Columbia Gas Transmission (Columbia Transmission) and Columbia Gulf Transmission (Columbia Gulf) pipeline systems. The proposed Ohio and West Virginia pipeline, known as Columbia Transmission's Leach XPress project, is supported by long-term firm service agreements with Range Resources - Appalachia, LLC, Noble Energy, Inc., Kaiser Marketing Appalachian, LLC and American Energy Utica - LLC. The project, which involves construction of approximately 160 miles of pipeline, compression and related facilities on Columbia Transmission's system, will provide access to multiple Marcellus and Utica receipt points and establish a substantial new header system serving the heart of the Appalachian supply basin

(Continued from page 2)

Another recent and major effort launched by SOOGA has been in the fight against the Governor's latest severance tax proposal. Oil and natural gas prices have declined 60% in just the past year, companies are shutting down and leaving Ohio, and proposing a tax increase on top of all that is absurd. As a result, Brian Chavez, Christy Chavez, and I traveled to Columbus on March 3rd to testify in opposition to the severance tax proposal before the House Ways & Means Committee. We also had numerous one on one discussions with other representatives and senators. It was a good day, however the battle is far from over.

Other key issues we are currently tackling include BLM leasing and streamlining EPCRA filing through the ODNR. We have been greatly aided in these efforts by our friends at EID Ohio, OOGA, as well as several industry partners. We sincerely appreciate the team effort and look forward to resolving these issues.

We will provide updates on these items in addition to several other excellent presentations at our upcoming SOOGA Spring Membership Meeting on April 23rd, 2015. The Meeting agenda and registration information will be sent out soon. We look forward to seeing you there! In the meantime, your SOOGA Executive Committee and Board of Trustees will continue to diligently serve you to the best of our abilities during these challenging times.

This too shall pass!

President
Matt Lupardus

(Continued from page 1)

2.) Governor Kasich's Severance Tax - Brian Chavez, Condevco

- Governor Kasich's Budget Bill presented Wednesday-2780 pages long, so Brian Chavez tried to summarize the pertinent issues for oil and gas.
- Propaganda from Governor-"Modernization of the severance tax."
- Increase severance tax on "Shale Fracking Wells" based on spot price of market:
  - 6.5% tax on oil, condensate, natural gas into processing
  - 4.5% tax on processed natural gas and natural gas liquids
- Wants to use the tax to reduce Income Tax for entire State of Ohio.
- 20% of tax back to counties with drilling activity, but after all other costs are deducted out. What will be left?
- Budget also includes increases in sales tax and CAT tax (25% Increase) for the privilege for doing business in Ohio.
- Budget needs to be approved by June.
- One of SOOGA's concerns – when Tax income drops the tax burden will be passed onto the small producers. Taxes never go away.

SOOGA is talking to our local legislators and others in Columbus to fight for us against this tax.

3.) WV Tank Act – Bob Matthey, Lippizan Petroleum

- New Legislature in WV presented two new bills: Senate Bill 423 and House Bill 427 for review.
- Need to contact WV Legislators to voice your support for both bills.

See Article on Page 29 for latest update on the WV Tank Act.

4.) Safety at the Tank Battery – Nate Eschbaugh, Enlink

- Two flash fires occurred at two different tank sites when Enlink trucks were picking up crude oil.
- After review, Enlink found probable cause to be static electricity. In both instances, the tanks were not grounded at the tank battery.
- Enlink is requiring grounding rods at all tank batteries when Enlink trucks pick up oil.
- Gene Huck, Artex Oil Company, discussed one of their tanks exploding due to static electricity when no one was there. Activity of water can create conditions for static electricity.
- Call Enlink if you have any questions.

5.) Federal Leasing- Brian Chavez, Condevco

- Anyone can nominate Federal land they are interested in leasing. But we need to find out why it goes into a "black hole."
- Congressman Johnson would like to help with this situation.
- Let Brian Chavez know if there is any land that has been nominated and needs to be moved forward.

6.) EPCRA –Christy Chavez, Condevco

- Must send paperwork by March 1, 2015
- Not available through the ODNR this year; must do separate reporting.
- Do not have to send maps to LERC, SERC, EPA or Fire Departments.
- SOOGA will continue to pressure ODNR to update their website for electronic reporting.

7.) Mississippian Exempt Wells – Bobby Anderson, Anderson Drilling

- Rules under the Mississippian Exemption, have not been changed; but inspectors are saying no to minimal brine or water drainage for Mississippian wells because they say "you can't drink it."
- In Washington Co. and Monroe Co., producers have been shut down and fined.
- Need to put a group together to review the rules in place and write letter to the ODNR.

8.) Local Disposal Wells - Bob Chase, Marietta College

- Proposed disposal wells at Career Center –In discussion mode with public and company

9.) Summer jobs for Marietta College Students needed—Call Bob Chase , Marietta College Petroleum Dept.

10.) Public Education- SOOGA continues to run radio ads on WMOA. Let us know what you think of them.

These issues are important to the SOOGA members. The Board of Trustees will designate a Task Force for each of these issues. If you are interested in participating on a Task Force call Billie at the SOOGA office.

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DUKE ENERGY:

Duke Energy and Piedmont Natural Gas today announced the selection of Dominion to build and operate a 550-mile interstate natural gas pipeline from West Virginia, through Virginia and into eastern North Carolina to meet the region's rapidly growing demand for natural gas. The pipeline has an estimated cost of between $4.5 billion and $5 billion, an initial capacity of 1.5 billion cubic feet of natural gas per day, and a target in-service date of late 2018. Gas will be carried through a 42-inch-diameter pipe in West Virginia and Virginia, and a 36-inch-diameter pipe in North Carolina. The pipeline's main customers are six utilities and related companies that collectively will purchase a substantial majority of the pipeline's capacity to transport natural gas – Duke Energy Carolinas, Duke Energy Progress, Virginia Power Services Energy, Piedmont Natural Gas, Virginia Natural Gas, and PSNC Energy.

SPECTRA ENERGY:

Spectra Energy, along with two other companies, are proposing a new 250 mile 36" pipeline, Nexus Gas Transmission, for transporting gas from shale drilling in eastern Ohio to Detroit and southern Ontario, subject to FERC approval. The anticipated cost of this new pipeline is $1.5 billion, and could be in service as early as November, 2016. The proposed pipeline will run from Carroll County. Ohio, to Detroit and southern Ontario.

AMERICAN ENERGY/REGENCY ENERGY PARTNERS

American Energy and Regency Energy Partners are planning a $500 million pipeline to move American Energy's Utica shale gas to major pipelines like Rockies Express and Tesas Eastern that service Texas, Colorado, and states along the nation's southeastern rim. The 52 mile system will deliver more than 2 BCF per day of gas supply. It is expected to be completed in the third quarter of 2015.

ENERGY TRANSFER

A second interstate pipeline is being planned to shop natural gas from the Utica and Marcellus Shale regions across Stark County. The planned Rover Pipeline would carry up to 3.25 BCF of natural gas per day from West Virginia, Pennsylvania, and Ohio. In total, the Rover mainline will include 380 miles of 36 inch and 43 inch diameter pipe and five compressor stations, plus 197 miles of supply laterals ranging in diameter from 24 to 47 inches.

DOMINION EAST OHIO:

Blue Racer Midstream has finalized a new agreement for liquids uplift for producers on the DEO Guernsey/Cambridge gathering system for conventional production. The new agreement will be an amendment to the original HCA agreement. More details will be available later.

MIDSTREAM/PROCESSING NEWS:

Pinto Energy is looking to build a 2,800 bbl/day gas to liquids plant east of Ashtabula, Ohio. It will produce high quality synthetic liquids as well as lubricants, waxes and solvents from gas being produced by the Utica and Marcellus formations.

Utica East Ohio (UEO), a joint venture by Access Midstream, M3, and EV Energy Partners, became the first fully integrated gathering, processing, and fractionation complex to be put into operation on July 28th. in Eastern Ohio. This initial phase of the UEO project is capable of processing 220-million cubic feet per day at their cryogenic processing facility near Kensington, and is processing 45,000 barrels per day of natural gas liquids at their fractionation, storage and rail facility near Scio.

The second phase is under construction and scheduled to be completed in December, 2014 with a third phase to follow. When complete, the UEO project will have 800 million cubic feet per day of cryogenic processing, 135,000 barrels per day of natural gas liquids fractionation, 870,000 barrels per day of natural gas liquids fractionation, 870,000 barrels of gas liquids storage and a rail facility capable of loading 90 cars per day.

Hickory Bend Project, the NiSource and Hilcorp natural gas processing project, has announced the construction of a $60 million pipeline to move natural gas liquids from their cryogenic natural gas processing plant in Springfield Township to attractive market destinations. Pennant Midstream will construct the 12 inch 38 mile pipeline. It will have the capacity to deliver up to 90,000 bbls. of NGS per day to a Utica East Ohio pipeline in Columbiana County, and from there be transported to the fractionator in Harrison County. It is expected to be complete by July, 2014

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High Court Upholds Ohio's Power To Regulate Oil & Gas

By: Associated Press Email Updated: Tue 3:09 PM, Feb 17, 2015

COLUMBUS, Ohio (AP) - A fiercely divided Ohio Supreme Court has upheld the power of state-level oil and gas drilling regulations to supersede local zoning laws.

In a 4-3 decision Tuesday with three written dissents, the court decided the home rule clause of Ohio's constitution doesn't allow a municipality to unfairly impede or obstruct drilling activities otherwise permitted by the state.

The decision came in a case brought by the Akron suburb of Munroe Falls against Beck Energy Corp. The lawsuit has been closely monitored by pro- and anti-drilling forces for its potential impact on local efforts to block hydraulic fracturing, or fracking.

Beck received a state-required permit in 2011 to drill a traditional well on private property in Munroe Falls. The city sued, saying the company illegally sidestepped local ordinances.

Cold Weather Factsheet

Oil and Gas Industry employees normally participate in outdoor activities, and work outdoors. These employees should take precautions against winter storms, freezing temperatures, chilling winds, ice storms, and snow.

These weather conditions can create severe problems for people more accustomed to heat indexes than wind chill factors.

Hypothermia

Hypothermia, the severe or prolonged loss of body heat, begins when a person's body temperature falls below 95 degrees. Because the temperature drop may be gradual, and an early symptom of hypothermia is mental confusion, the victim may not know a problem exists.

Some workers can be at an increased risk to hypothermia if they have predisposing health conditions such as cardiovascular disease, diabetes, and hypertension; they take certain medication; and/or they are in poor physical condition, have a poor diet, or are older.

Watch for hypothermia symptoms including:

- confusion;
- drowsiness;
- slurred speech;
- a drop in blood pressure;
- shallow breathing; and
- a pinkish tint to the skin;

Frostbite

Not only can wind chill cause rapid body heat loss, it also can cause frostbite, the freezing of body tissues. Frostbite can occur in 15 minutes or less at wind chill values of 18 below zero or lower.

Workers can be at an increased risk to frostbite because of factors such as exhaustion, hunger, and dehydration, which further lower the body's defenses against cold.

Watch for the symptoms of frostbite including:

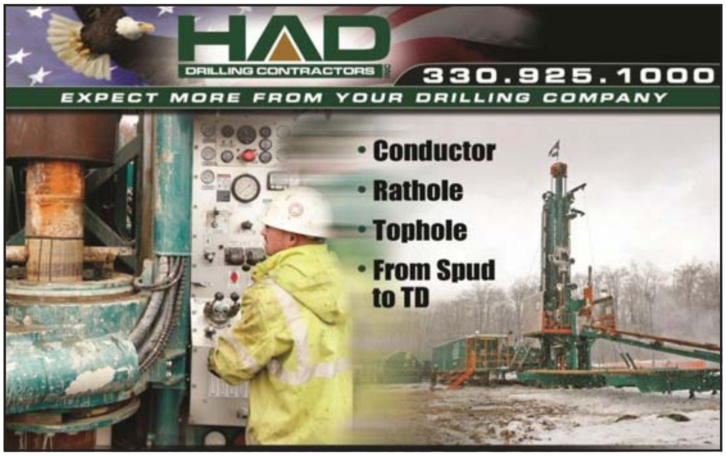
- cold, white, and hard skin;
- loss of feeling in the affected area;
- swelling and blistering;
- skin becomes red and blotchy when warmed; and tissue loss, depending on the severity of the frostbite.

How to Protect Workers

Employers can take steps to reduce the potential dangers of hypothermia and frostbite:

- Train workers about cold-related conditions.
- Recognize the environmental and workplace conditions that lead to potential cold induced illnesses and injuries.
- Be extremely cautious in the wind. A strong wind, even in only moderately cool weather, can cause a wind chill far below freezing.
- Try to schedule work for the warmest part of the day.
- Encourage workers to wear proper clothing for cold, wet, and windy conditions. Layer clothing to adjust to changing environmental temperatures. Wear clothing that will keep water away from skin (polypropylene).
- Be sure that workers take frequent short breaks in warm dry shelters to allow body to warm up.
- Eat regularly; eating warm, high-calorie foods.

4650 Southway St. Canton OH 44706 330-477-1100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330.925.1000
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• Conductor
• Rathole
• Tophole
• From Spud to TD

GAS PRICING 2014

JANUARY 2015
NYMEX Settlement: $ 3.1890
Inside FERC/DTI: $ 1.7500(Basis: -$1.439)
Inside FERC/TCO: $3.1000 (Basis: -$0.089)
NYMEX 3-day Average: $3.0753

FEBRUARY 2015
NYMEX Settlement: $ 2.8660
Inside FERC/DTI: $1.7500 (Basis: -$1.116)
Inside FERC/TCO: $2.7300 (Basis: -$0.136)
NYMEX 3-day Average: $2.9093

OIL PRICING 2014

ERGON OIL PURCHASING WEST VIRGINIA
MONTHLY AVERAGE

December Ohio Tier 1: $58.0326
December Ohio Tier 2: $55.0326
December Ohio Tier 3: $52.0326
December West Virginia Tier 1: $58.0326
December West Virginia Tier 2: $55.0326
December West Virginia Tier 3: $52.0326
December Marcellus/Utica Condensate: $34.3229
December Marcellus/Utica Medium: $ 58.0326
December Marcellus/Utica Light: $52.0326

January Ohio Tier 1: $46.9797
January Ohio Tier 2: $43.9797
January Ohio Tier 3: $40.9797
January West Virginia Tier 1: $46.9797
January West Virginia Tier 2: $43.9797
January West Virginia Tier 3: $40.9797
January Marcellus/Utica Condensate: $22.9797
January Marcellus/Utica Medium: $46.9797
January Marcellus/Utica Light: $40.9797

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

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

OIL PRICING 2014

AMERICAN REFINING GROUP
AVERAGE

12/11 to 12/20 Group 1 OH: $55.88
Group 2 OH: $52.88
Group 3 OH: $49.88
12/21 to 12/31 Group 1 OH: $54.07
Group 2 OH: $51.07
Group 3 OH: $48.07
1/1 to 1/10 Group 1 OH: $49.35
Group 2 OH: $46.35
Group 3 OH: $43.35
1/11 to 1/20 Group 1 OH: $46.62
Group 2 OH: $43.62
Group 3 OH: $40.62
1/21 to 1/31 Group 1 OH: $45.15
Group 2 OH: $42.15
Group 3 OH: $ 39.15
2/1 to 2/10 Group 1 OH: $49.77
Group 2 OH: $46.77
Group 3 OH: $ 43.77

ARG GROUP PRICING CATEGORIES AND DEFINITIONS FOR PENNSYLVANIA GRADE CRUDE OIL (LEGACY)

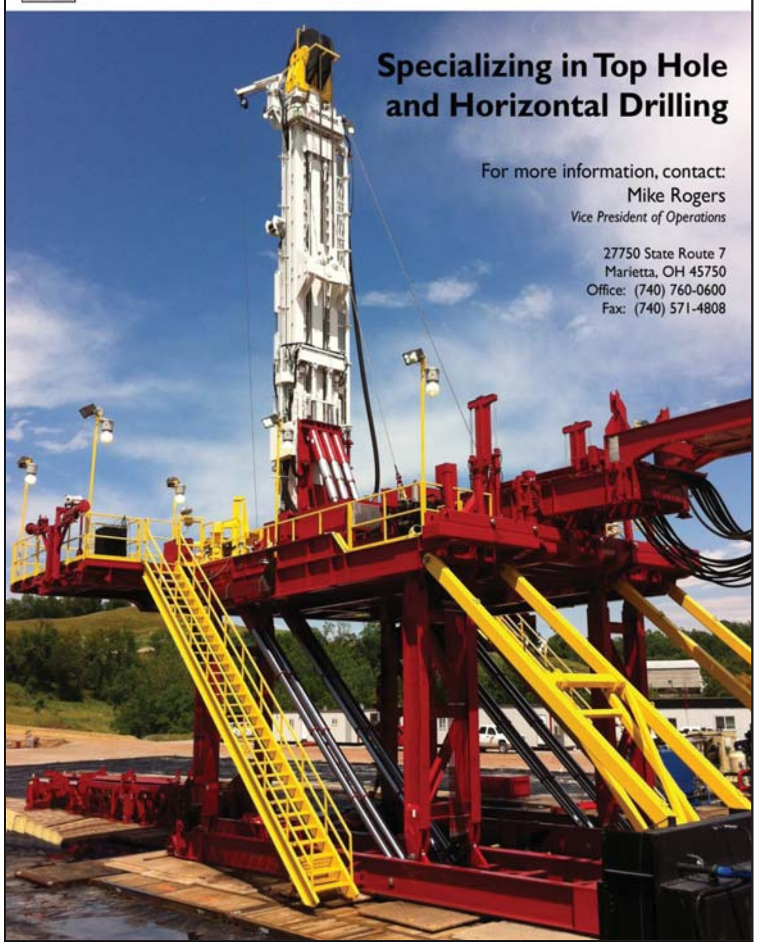
Group 1 (OH/PA/NY) - 150.0 barrels from a single location, with a BS&W of 2% or less,

Group 2 (OH/PA/NY) - 60.0-149.99 net barrels from a single location

Group 3 (OH/PA/NY) - 30-59.9 net barrels from a single location

For questions relating to ARG Group Pricing or Utica / Marcellus Shale pricing, please contact:
Gary Welker, Mgr.-Crude Supply & Gathering -
330-813-1898; gwelker@amref.com

www.amref.com


Specializing in Top Hole and Horizontal Drilling
For more information, contact:
Mike Rogers
Vice President of Operations
27750 State Route 7
Marietta, OH 45750
Office: (740) 760-0600
Fax: (740) 571-4808

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Appalachian Resins announced that it will build a $1 billion facility in Monroe County that will be able to process approximately 18,000 barrels per day of ethane into ethylene and polyethylene, the feedstock for plastic and many other items we use in our daily lives. The facility is expected to begin operating in early 2019 and will produce 600 million pounds of ethylene/polyethylene per a year. This new feedstock has the potential to reinvigorate the manufacturing sector in the region, which will, in turn, increase investment and jobs in the Ohio Valley.

For more information, click on this link; **http://energyindepth.org/ohio/new-natural-gas-plant-up-and-running-in-eastern-ohio/**

Utica Facts and Numbers:

The Utica gas production has been added to the Energy Information Agency's Monthly Drilling Report as of August, 2014. Since January 2012, production has increased from 155 million cubic feet per day (MMcf/d) to approximately 1.667 billion cubic feet per day (Bcf/d). Utica's production per rig has also steadily improved.

Horizontal wells in the Utica shale in the eastern part of the state produced more natural gas the second quarter than all of the Ohio wells combined in 2012, reports the Ohio Department of Natural Resources.

Third Quarter Production Results:

Production from horizontal oil and gas wells across the state was 49% higher during the third quarter compared to the second quarter, according to a newly released report from the Ohio Department of Natural Resources. Horizontal shale wells in Ohio produced three million barrels of oil and 132 billion cubic feet of natural gas during the three months ended Sept. 30, ODNR said.

Oil production increased more than 546,000 barrels during the period and natural gas production rose by 43 billion cubic feet. The report lists 717 wells, of which 674 reported production results, ODNR said. Forty-three wells reported no production because they still await pipeline infrastructure.

Utica wells each produced an average of 4,471 barrels of oil and 195 million cubic feet of natural gas, ODNR said. Production periods ranged from one to 92 days, with an average well production period of 75 days.

The highest-producing oil well in the state was Pittsburgh-based CNX Gas Co.'s Reserve Coal Properties Co. well in Noble County, ODNR reported, with 50,159 barrels of oil over 86 days of production.

Denver-based Antero Resources' Gary 3H well in Monroe County produced the most natural gas, 1.7 billion cubic feet during 90 days, and is thus by far the biggest producing natural gas well on record in Ohio, according to ODNR data.

AS of January 31, 2015, there have been 1,791 Utica Shale permits issued in 23 counties in Ohio to 29 companies, and 1,341 of them have been developed. The counties are listed below.

Ashland, Belmont, Carroll, Columbiana, Coshocton, Geauga, Guernsey, Harrison, Holmes Jefferson, Knox, Mahoning, Medina, Monroe, Muskingum, Noble, Portage, Stark, Trumbull, Tuscarawas, Washington, and Wayne.

There are currently 713 Utica Shale wells in production, with 40 rigs running.

MARCELLUS SUPPLY UPDATE:

It has been reported by the EIA that the Marcellus Shale gas has hit 15 BCF per day in July, 2014.

NEW VENUE for SOOGA Membership Meeting

SOOGA's Spring Membership Meeting will be held on April 23, 2015 at The Marietta Shrine Club, 249 Pennsylvania Avenue, Marietta Ohio.

The meeting will start with registration at 8 am. and finish at 4 PM with the presentation of SOOGA Awards.

Tentative topics to be covered:

OOGA and IOGA WV updates

Political Issues

OOGEEP & ENERGY IN DEPTH presentations by Rhonda Reda and Jackie Stewart

Paul Fulton Scholar's presentations

Safety Panel

Utica Activity Report by Matt Lupardus

Oil & Gas Prices: How Did We Get Here and Where are We Headed ?

Please mark the date on your calendars and look for the Membership Flyer in the mail.

Chesapeake Utilities Corporation Announces Definitive Merger Agreement To Acquire Gatherco, Inc.

Feb 2, 2015/PR Newswire Source Chesapeake Utilities Corp

DOVER, Del., Feb. 2, 2015 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities" or "Company") and Gatherco, Inc. ("Gatherco") today announced that they have entered into a merger agreement, dated as of January 30, 2015 under which Chesapeake Utilities will acquire Gatherco. Upon consummation of the transaction, Gatherco will merge into Aspire Energy of Ohio, LLC ("Aspire Energy"), a wholly-owned subsidiary of Chesapeake Utilities. The transaction was approved by the Gatherco Board of Directors and by Chesapeake Utilities' Merger and Acquisition Committee. The merger, which is expected to close in the second quarter of 2015, is subject to approval by the Gatherco shareholders. Chesapeake Utilities stockholder approval of the merger is not required. Management expects the transaction to be accretive in 2016 – the first full year of operation following the merger. The transaction has an aggregate value of approximately $59.2 million, inclusive of the following:

- $49.8 million in exchange for all outstanding shares of Gatherco common stock, paid as follows:
  - o 593,005 shares of Chesapeake Utilities common stock, valued at $29.9 million, and
  - o $19.9 million in cash (before payment of certain transaction expenses and escrow deposits);
-
  - o $7.7 million in cash in consideration for cancellation of all outstanding Gatherco stock options; and
  - o Assumption of Gatherco's debt at closing, estimated to be $1.7 million.

Gatherco is a natural gas infrastructure company providing natural gas midstream services. Gatherco was established in 1997 in conjunction with the acquisition of Columbia Gas Transmission's natural gas gathering assets in Ohio. Gatherco's assets include 16 gathering systems and over 2,000 miles of pipelines in Central and Eastern Ohio. Gatherco provides natural gas gathering services and natural gas liquid processing services to over 300 producers, and supplies natural gas to over 6,000 customers in Ohio through the Consumers Gas Cooperative ("Cooperative"), an independent entity which Gatherco manages under an operating agreement.

At the close of the transaction, Gatherco, as merged into Aspire Energy, will continue to operate as a separate business unit, reporting to Elaine B. Bittner, Chesapeake Utilities' Senior Vice President of Strategic Development. "This transaction is a great strategic win for both companies, and meets key goals in Chesapeake Utilities' strategic plan. Both Chesapeake Utilities and Gatherco value their employees, are committed to excellent customer service, and are dedicated to achieving profitable long-term growth. Chesapeake Utilities will invest additional resources in Gatherco to increase its marketing channels, generate increased opportunities for the Cooperative it manages and attract additional producers to Gatherco's services. We look forward to building meaningful connections with the local communities in the Ohio region and serving them in the Chesapeake Utilities tradition," noted Ms. Bittner.

"We believe this transaction provides growth opportunities that will benefit the shareholders and customers of both companies, along with accretive earnings in the first full year of operation following the merger," saidMichael P. McMasters, President and Chief Executive Officer of Chesapeake Utilities Corporation. "In addition, Gatherco has an established footprint in the Ohio natural gas production area. Over the long term, this may provide opportunities to construct new pipelines to gather and transport natural gas from the production area to the natural gas interstate pipelines that carry gas from the region."

Tony Kovacevich, President of Gatherco, added, "We have built a very successful company that is positioned for continued growth as the availability, clean burning nature, and economic competitiveness of natural gas continue to increase its use and create opportunities to serve producers in the shale production areas. With Chesapeake Utilities' resources, Gatherco will be even better positioned to pursue the many growth opportunities in those areas."

(Continued to page 23)

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West Virginia, Ohio Energy Firms Slashing Budgets

January 22, 2015 By Casey Junkins Staff Writer, The Intelligencer/ Wheeling New-Register

Wheeling – Amid low low oil and natural gas prices, both Antero Resources and Stone Energy are joining Gastar Exploration and PDC Energy in slashing their Marcellus and Utica shale drilling plans for this year.

The price of natural gas again dipped below $3 per 1,000 cubic feet Wednesday, down from $4.60 just two months ago, while oil prices remain around $47 per barrel, compared to $100 in July.

As a result, Denver – based Antero will trim its capitol from $3 billion last year down to $1.8 billion in 2015, roughly a 41 percent cut. Meanwhile, Lafayette, La.-based Stone is slicing drilling funds from $895 million in 2014 to $450 million this year, approximately a 50 % decrease.

Antero Chairman and CEO Paul Rady said the company – which has operations throughout eastern Ohio and northern West Virginia – will defer fracking 50 Marcellus wells that previously had been scheduled to start producing oil & gas by 2016 because of “unfavorable pricing markets.”

Rady then joined Gaster Senior Vice President Mike McCown in blaming a lack of operational pipeline infrastructure in the Marcellus region for the company’s challenges in the area.

“Consequently, we have adjusted our Marcellous plan so that we can sell the vast majority of our gas into more favorable markets. We will continue to monitor commodity prices throughout the year and may revise the capital budget lower if conditions warrant,” Rady said.

At least four major pipeline projects to do just that are in the works, but are not yet complete: the Atlantic Coast Pipeline, the Rover Pipeline, the Leach Xpress and the Mountain Valley Pipeline.

Despite cutting back on drilling and fracking, Antero expects its daily production to reach 1.4 billion cubic feet this year, a 40 percent increase from 2014. The company expects to produce 37,000 barrels per day worth of natural gas liquids – primarily ethane, propane and butane – this year, driven by development in the wet areas of the Marcellus and Utica.

Even though Antero is cutting back on drilling, the company still plans to run nine rigs in West Virginia this year, with five more in Ohio. Projections are for fracking 80 Marcellus wells and 50 Utica.

“Our ability to generate production growth of 40 percent, while materially reducing the 2015 drilling and completion budget, is a testament to the momentum established and efficiencies attained from having the largest development program in Appalachia, “ Rady added.

Stone Energy Chairman, President and CEO David Welch said the company will not drill any new Marcellus wells after March 31, at least not for this year.

“In Appalachia, we drilled another 38 wells in the Marcellus Shale and averaged over 100 million cubic feet equivalent per day for the year, while our successful Utica test well confirmed the play on our acreage position for future development ,” Welch said for 2014.

For 2016, Stone expects to receive a dual – purpose Utica and Marcellus rig that is capable of drilling in either shale formation, he added.

(Continued from page 20)

Expected Benefits of the Transaction

The transaction is expected to provide the following benefits:

1. **Investment in new midstream unregulated energy opportunities with higher return potential.** Chesapeake Utilities' current business includes both midstream and downstream natural gas operations. Eastern Shore Natural Gas Company, the Company's interstate pipeline subsidiary, and Peninsula Pipeline Company, the Company's Florida intrastate pipeline subsidiary, collectively represented approximately 30 percent and 28 percent of Chesapeake Utilities' total investment and net income as of the 12 months ended September 30, 2014, respectively. In addition, Chesapeake Utilities has owned and operated several unregulated energy businesses, going back as far as the early 1980s. These unregulated energy businesses have been complementary to the Company's utility operations and have generated returns higher than traditional regulated returns. The Gatherco transaction is a new unregulated midstream energy opportunity that has the potential to yield higher than traditional regulated returns.

2. **Future Growth Potential.** Gatherco, working in tandem with the Cooperative, will be identifying additional opportunities to provide natural gas service to new end use customers that can be served by the Cooperative and which are currently using propane and/or oil. Conversion of these users to natural gas represents an attractive source of potential future growth. Today, the Cooperative serves approximately 6,000 customers with another 150,000 potential customers for possible conversion.

3. **Expansion of footprint into a new geographic territory.** Gatherco distributes natural gas to customers in over 40 counties throughout Ohio. The Gatherco acquisition will expand Chesapeake Utilities' footprint beyond its Delmarva Peninsula and Florida service areas.

4. **Long-term potential.** The acquisition of Gatherco positions Chesapeake Utilities in the middle of the shale production area in Ohio. The portion of the shale basin in eastern Ohio is the newest, and therefore least developed, shale play in the U.S. Gatherco has an established footprint in this region. In the longer term, if economic, the footprint may provide Chesapeake Utilities a platform from which to capitalize on this potential opportunity.

Approvals and Timing

The closing of the merger is subject to a number of conditions, including approval by Gatherco shareholders. Chesapeake Utilities will file with the U.S. Securities and Exchange Commission, a registration statement on Form S-4 to register the common stock that Chesapeake Utilities will issue to Gatherco's shareholders in connection with the merger. The registration statement on Form S-4 will also include a proxy statement relating to the Gatherco shareholder vote. Gatherco anticipates seeking shareholder approval to facilitate closing of the transaction in the second quarter of 2015.

Conference Call

Chesapeake Utilities will host a conference call on Wednesday, February 4, 2015 at 11:00 a.m. Eastern Time to discuss the transaction. To participate in this call, dial 866.821.5457 and reference the Chesapeake Utilities/Gatherco Transaction Conference Call. To access the audio replay of this call, please visit the linkGatherCo Transaction or download the replay on your mobile device by accessing the Audiocast section of the Company's IR App.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution, transmission and marketing, electricity distribution, propane distribution and wholesale marketing, and other related services. In total, Chesapeake Utilities currently serves approximately 225,000 customers with natural gas, electricity or propane gas. Chesapeake Utilities employs approximately 800 people and posted $35.7 million in net income for the 12 months ended September 30, 2014. Information about Chesapeake Utilities Corporation and the Company's family of businesses is available at www.chpk.com.

(Continued to page 26)

OBITUARIES

Randall H. Perry

www.thenewscenter.tv Jan. 30th, 2015

Randall H. Perry, 65, of Belpre, died Wednesday, January 28, 2015, at his residence. He was born July 1, 1949 in Marietta to the late Howard Sherman and Evelyn June Lent Perry. Randy was a 1967 graduate of Marietta High School, and graduated from Mountain State College and Bliss College. He started the accounting firm of Perry & Associates, CPA, A.C. in May of 1974 and it expanded to be a regional accounting firm with offices in Marietta, Parkersburg and St. Clairsville. In 1987 he was principal in starting River City Financial Services, LLC, with offices throughout the Mid- Ohio Valley. On February 29, 1980, Randy married Patti Jo Malone Perry and one of his biggest accomplishments are his three beautiful daughters, Misty Sue Perry-Durham (Michael Durham II) of Belpre, Amy Marie Perry of Charleston, SC and Tiffany Rose Perry of Belpre. He is also survived by a grandson, Brody Durham, and a sister, Wanda Perry of Marietta. In addition to his parents, he was preceded in death by his grandparents, Henry H. and Frieda Lauer Beardmore Lent and John Quincy, Sr. and Lola Lee Parsons Perry. His hobbies included farming, hunting and traveling. Randy was a member of the Highland Ridge Community Church and 43 year member of the Civitan Club. Randall was elected to the Selby General Hospital Board of Directors in January of 2005 and was one of the Selby directors who joined the Memorial Health System Board and had been serving as chair of the Audit and Investment committees of the board. Donations may be made to the Memorial Health Foundation, P.O. Box 97, Marietta, OH 45750. Cawley & Peoples is honored to serve the family of Mr. Perry and offers many resources at ww.cawleyandpeoples.com.

Randal was a member of the Southeastern Ohio Oil and Gas Association.


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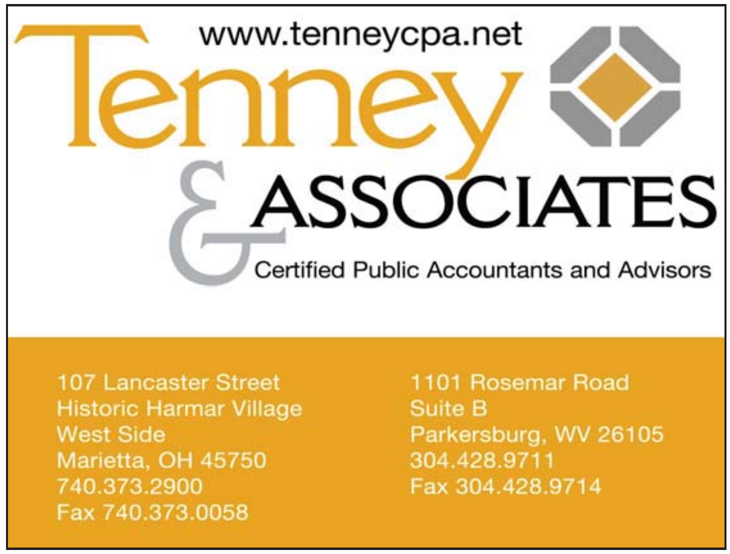
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(Continued from page 23)

About Gatherco, Inc.

Gatherco, Inc., located in Orrville, Ohio, is a privately held company that has been in operation since 1997. Gatherco employs 30 people and has operations in 40 counties throughout Ohio. Gatherco is a mid-stream company, providing gathering, gas processing, and gas transportation services for producers with wells in the shallow formations of the Appalachian Basin. Over the past 16 years, Gatherco has expanded its gathering services to now include over 2,000 miles of pipelines serving more than 300 producers. Additionally, Gatherco has established gas processing services to manage natural gas liquids production, such as propane, from its clients. Gatherco serves as a supplier to Columbia Gas of Ohio, regional marketers of natural gas, and Consumers Gas Cooperative, which has over 6,000 customers.

Forward-Looking Statements

This document includes statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include statements regarding benefits of the proposed Merger, anticipated future financial operating performance and results, including estimates of growth and expectation that earnings will be accretive in its first full year of operation following the Merger. These statements are based on the current expectations of Chesapeake Utilities' management. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this document. These risks and uncertainties include the following: Gatherco may be unable to obtain the shareholder approval required for the Merger; conditions to the closing of the Merger may not be satisfied; problems may arise in successfully integrating Gatherco's business; the Merger may involve unexpected costs or unexpected liabilities, or the tax treatment of or accounting for the Merger may be different from the companies' expectations; Gatherco's business may suffer as a result of uncertainty surrounding the transaction; the natural gas industry may be subject to future regulatory or legislative actions that could adversely affect the combined Company; and the combined Company may be adversely affected by other economic, business, and/or competitive factors post-transaction. Additional factors that may affect the future results of Chesapeake Utilities are set forth in its respective filings with the SEC, which are available at CPK SEC Filings. Chesapeake Utilities undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

In connection with the proposed transaction, Chesapeake Utilities' registration statement on Form S-4, which will include a proxy statement for Gatherco, a prospectus, and other materials, will be filed with the SEC. WE URGE INVESTORS TO READ THE REGISTRATION STATEMENT AND PROXY STATEMENT/ PROSPECTUS AND THESE OTHER MATERIALS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CHESAPEAKE UTILITIES, GATHERCO AND THE PROPOSED TRANSACTION. Investors will be able to obtain free copies of the registration statement and proxy statement/prospectus (when available) as well as other filed documents containing information about Chesapeake Utilities at http://www.sec.gov, the SEC's website. Free copies of Chesapeake Utilities' SEC filings are also available on Chesapeake Utilities' website at CPK SEC Filings.

Participants in the Solicitation

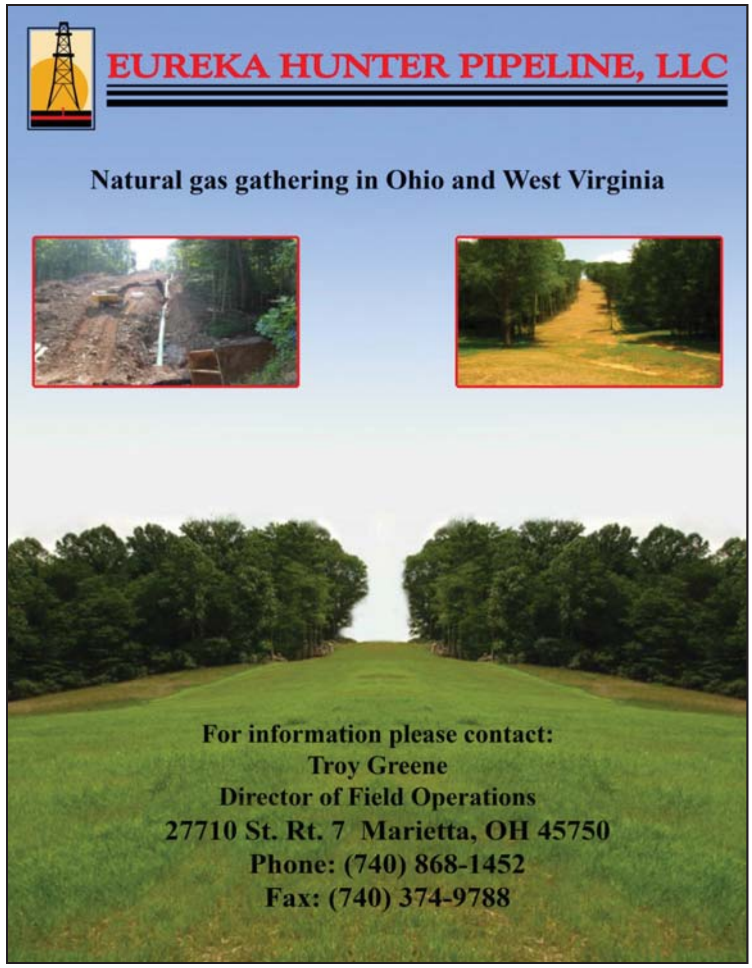
Chesapeake Utilities, Gatherco and their respective directors, executive officers, other members of management and employees may be deemed, under SEC rules, to be participants in the solicitation of proxies with respect to the proposed transaction. Information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the registration statement, proxy statement/prospectus and other materials to be filed with the SEC regarding the proposed transaction when it becomes available. Information about the directors and executive officers of Chesapeake Utilities is set forth in the proxy statement for Chesapeake Utilities' 2014 Annual Meeting of Stockholders, as filed with the SEC on a Schedule 14A on April 3, 2014 and Form 10-K filed with the SEC on March 6, 2014. You may obtain free copies of these documents as described previously.

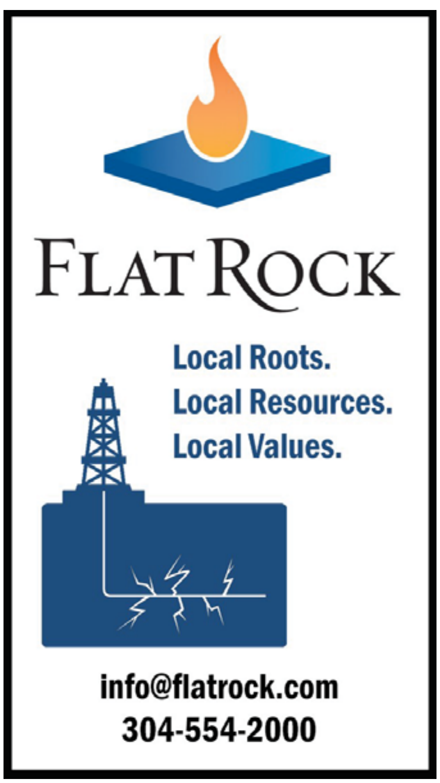
For more information, contact:

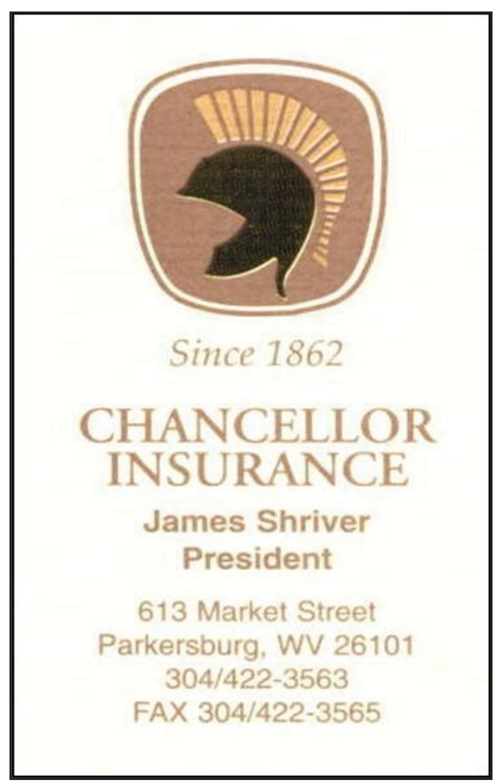
Chesapeake Utilities Corporation– www.chpk.com

Ohio Valley Desk & Derrick Club

March is Desk and Derrick awareness month. The Ohio Valley Desk and Derrick Club is a nonprofit club with the purpose of promoting the education and professional development of individuals employed in or affiliated with the petroleum, energy and allied industries, and to educate the general public about these industries. We accomplish this through informative program meetings and field trips that are devoted to subjects directly related to or concerned with these industries. You are eligible to join if you are either actively employed or retired from these industries, a former Desk and Derrick member or an individual who is enrolled in an accredited course of study in the petroleum, energy or allied industries. Our club would like you to consider membership with us. The Ohio Valley Desk and Derrick Club meets on the first Tuesday of each month in Marietta, OH. If you would like more information regarding our club, please contact Telma Anderson at temanderson@msn.com or call (740) 373-1480.







Ohio Appellate Decision on Implied Duty to Develop Affirms Victory for Oil and Gas Producers

Article provided by Bowles Rice, LLP

Last April, we alerted you to a trial court victory in an Ohio oil and gas case in which Bowles Rice defended the owners of the leasehold estate in the deep oil and gas formations from a challenge by the landowners, who wished to have those rights deemed terminated or abandoned because production had only occurred from shallow formations. Today, Bowles Rice is very pleased to announce that Bowles Rice lawyers Robert Bays and Bret McNab successfully defended the trial court's decision in an appeal to the Fourth District Court of Appeals of Ohio.

In this case, the landowners asked the Court of Common Pleas in Washington County, Ohio to declare two oil and gas leases forfeited or abandoned as to formations below the Germantown Sands since there had been no production of oil and gas below that formation. The trial court refused, finding instead in favor of the owner of the deep rights leasehold estate and holding there was no abandonment and no breach of the implied covenant to development because production in paying quantities occurred on the leased premises from shallow producing wells drilled above the Germantown Sands.

On appeal, the landowners contended the deep rights were separated from the shallow rights by a 1960 assignment of the lease which, they argued, created a new and distinct leasehold with its own independent obligations and duties to develop. The Fourth District Court of Appeals of Ohio rejected the argument.

This is a significant decision for Ohio oil and gas producers. Recent interest in the Utica shale and the bonus money offered for new leases have made every old oil and gas lease susceptible to increasingly creative challenges by those who wish to "get out from under" them. Bob and Bret regard this decision as the first Appeals Court ruling that supports the proposition that an assignment of deep rights does not create a separate duty to develop where there has been shallow production under the lease.

For more information about this case or related matters, please contact Bob Bays, Bret McNab, or Breck Martin with the Bowles Rice Oil and Gas Industry Team at (304) 485-8500.

(For a copy of the opinion visit sooga.org)

West Virginia Update

By: Bob Matthey

The West Virginia Legislature is busy with oil and gas issues. Senate Bill 423 and HB 427 has been introduced as amendments to the West Virginia Tank Act. SB 423 has passed the Senate and would amend the Tank Act. The amendment would require tanks located in the zone of critical concern and a new zone of peripheral concern to have certified inspections. The zone of peripheral concern is any tank greater than 1320 gallons within 500 feet of a stream or tributary that is within a 10 hr. flow of water intake. This would include about 12,000 tanks to be inspected.

HB 2688 is forced pooling bill that has been introduced and I being discussed in the House Judiciary Committee. Another bill in the House Judiciary Committee would make producers notify royalty owners if they assign a lease or a well to new owners.

We will keep you informed as the legislative session continues.

2/13/15 OPEN FORUM PICTURES

E– Finity Distributed Generation, LLC now offering Capstone Microturbines

The ability to listen to customer needs and respond in a way that meets the demand of the industry is key to a company's success. This ability can most recently be seen in E-Finity Distributed Generation's innovative, new product offering.

E-Finity Distributed Generation, a distributor of the Capstone Turbine product line, has been leading the way in sales since 2007. Starting in October 2014, E-Finity began packaging Capstone's established C30 and C65 units into one compact, customizable skid mounted package.

"The skid package offering, like the mTIM our PLC controller is a result of listening to our customers and responding to a need," said Jerry Todd, Senior Sales Engineer, Oil & Gas Division, for E-Finity.

This product was originally created in response to a request from a gathering and production customer in southwest Pennsylvania. With sites in the heart of the wet gas region of the Marcellus Shale, the customer was faced with the issue of bringing their compressor stations online quickly to take advantage of market prices. They wanted to reduce construction and startup time while increasing the reliability of the power systems. To achieve these goals, E-Finity assembled a system that incorporated gas piping and electrical components that were specified by the customer. In order to meet the urgent need of the customer, the system was pre-commissioned before leaving the shop and arrived onsite ready for final gas and power connections.

"Once the system arrives onsite it can be powered up in a matter of hours, this greatly reduces construction time and guarantees the quality of the micoturbine installation," said the customer.

Each E-Finity skid mounted system comes with a fuel header that includes the 10 micron filter, regulation, and individual disconnects at each microturbine. The system is welded and tested to meet the customer's specifications. The skid package also contains the full control system normally present in any microturbine array and an outdoor rated PLC control system mounted next to a power distribution panel with 480v disconnects for each unit. The power disconnecting devices and the fuel isolation valves allows the lockout, tagout of individual microturbines without shutting down the array. If lower voltage systems or single phase power is required this can be added to the skid as well.

E-Finity plans on supplying these customizable and scalable skids to many oil and gas sites within the Marcellus and Utica Shale regions and expanding it into the company's commercial and industrial CHP and CCHP product offering, helping customers meet the increasing demands of their facilities.

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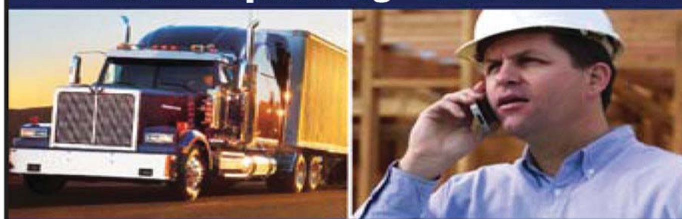

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W.Va. lawmakers pass bill allowing well pad permit transfers

Marietta Times January 28,2015

CHARLESTON, W.Va. (AP) — State lawmakers have approved a bill letting companies transfer well permits for oil and natural gas drilling.

The change would help Southwestern Energy Co., which bought $5 billion in assets from Chesapeake Energy Corp. last October.

The House of Delegates fast-tracked the bill to a 96-0 vote Wednesday, instead of taking the normal three days.

The Senate did the same last week before a 31-0 vote. According to the Charleston Daily Mail (http://bit.ly/1trv2mh), Southwestern Energy attorney Mike Basile told lawmakers last week the company currently must go through the permitting process again, delaying production.

The area includes 413,000 acres and 435 wells between West Virginia and southwestern Pennsylvania. Southwestern Energy expects to invest $120 million in the state and employ up to 400 full-time workers by the first quarter's end.

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PLEASE CONTACT:

Jason F. Henthorne / Petro Evaluation Services

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