SOOGA Board of Trustees 2017 Elections

2017 candidates for the Board of Trustees shall be elected by secret ballot to be conducted at the annual meeting to be held on April 26, 2017 at the Marietta Shrine Club, located at 249 Pennsylvania Avenue, Marietta, OH. The election ballots shall be sent by email or fax and will be printed in the January/February 2017 Insider Newsletter.

Voting members will be Producers, Contractors, Allied Industries, Professionals, and Associates in good standing. Any voting member may be represented and vote at the annual meeting in person or by properly authorized proxy/representative or ballot mailed to the Executive Secretary, SOOGA, 214 1/2 Warner Street, Marietta OH 45744.

The list of candidates currently running for the Board of Trustees for the 2017 term are: Roger Heldman, HG Energy; Barry Bowers, Huffman-Bowers; Henry (Winnie) Sinnett, Buckeye Oil Producing Company; and Kevin Rothenbuhler, PDC Energy. The candidate bios and further election information will be printed in the Jan/Feb 2017 Insider Newsletter. Call Billie at 740-374-3204 if you have any questions.

The History of John C. Dinsmoor

By: Carl Heinrich
December 30, 2016

If you go to the Oak Grove Cemetery in Marietta you will find a unique monument that is unlike any other there or in any other cemetery in the area. This is an old cemetery where many of the area’s prominent people rest in peace. Normally the grave markers are of standard design, listing name along with a death dates. However, that of John C Dinsmoor stands out as well as illustrating his occupation. He was very proud to have been a successful oil man. He is dressed in Victorian era business clothing and leaning on the top of an oil derrick.

(Continued to page 20)
THE CROW’S NEST

Up, up, and up! A great way to end 2016 and enter a new year! In a mere 3 months, the Dominion Transmission Appalachian Index (DTI) price has literally tripled. The DTI price has risen a whopping $2.00 per mmbtu since the October 2016 settle. Incredible! A welcome price rally is also occurring with the Columbia Appalachian Index (TCO), albeit not nearly as dramatic as DTI, but still moving up $0.70 per mmbtu over the past couple months. Oil has also been on the move, pushing above the $50 per barrel mark. Will the recent rally establish a new floor for prices? Let’s hope so!

The price rally will provide some welcome relief, however a sustained rally is essential for the long term health of our industry. In order to establish a floor under the improved prices, it is absolutely imperative that our industry, in particular the E&P sector, make sound economic decisions moving forward. Another collapse in the near future, if caused by continued development of uneconomic wells and projects, would be foolish. Plotting a path towards continued losses and negative cashflows, despite the painful lessons of the recent downturn, would be akin to cutting one’s nose off to spite their face. It would be a very bad (and again painful) decision.

The pain was definitely felt in 2016 as our industry experienced the lowest oil and gas prices in decades. The Henry Hub price averaged $2.46 per mmbtu in 2016, an average annual price not seen since 1999. The DTI price averaged just $1.37 per mmbtu, a price not seen since sometime prior to 1995 (the furthest back I could track it). While 2016 was gloomy, 2017 is beginning to look brighter. Will things continue to look up? If sound economic principles and positive cashflow become and remain important, one would hope so.

When I began my term as SOOGA President back in January 2015, oil and natural gas prices were at similar levels as they are today. The big difference now however is the trajectory is up rather than down. My hope moving forward is that past themes like “weathering the storm” and “surviving these tough times” get replaced with “preparing for the upturn” or “back in (the) black”. And I know our incoming SOOGA President Christy Chavez is hoping the same!

This Crow’s Nest article will be my last as President of SOOGA. It has been a tremendous honor to serve the SOOGA membership in this capacity and I look forward to continuing to serve as Past President. We have a fantastic Executive Secretary, Executive Committee, and Board of Trustees who will continue to work hard for you and fight for the best interests of our industry.

Thank you for all you do to provide energy for our community, state, and country. As you continue to navigate through the tough times and weather the storm, keep your head up and remember…this too shall pass (and may be doing just that as we speak)!

President
Matt Lupardus

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
## 2016 NEW MEMBERS

SOOGA would like to welcome the following new members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANDREA BARNES</td>
<td>Producer</td>
<td>EdgeMarc Energy Holdings, LLC</td>
<td>1800 Main Street Suite 200</td>
<td>412-564-1300</td>
</tr>
<tr>
<td>BOB WILLIAMSON</td>
<td>Associate-Producer</td>
<td>PDC Energy</td>
<td>2161 C State Rt. 821</td>
<td>740-336-7831</td>
</tr>
<tr>
<td>ANTONIO VIZURRAGA</td>
<td>Associate-Producer</td>
<td>PDC Energy</td>
<td>1775 Sherman Street</td>
<td>303-883-4454</td>
</tr>
<tr>
<td>AUSTIN CLARK</td>
<td>Associate-Producer</td>
<td>Triad Hunter, Inc.</td>
<td>125 Putnam Street</td>
<td>740-760-0594</td>
</tr>
<tr>
<td>ANDREW ULRICH</td>
<td>Producer</td>
<td>AM-TEK Oil, Inc.</td>
<td>315 Mill Ave. SE Suite 283</td>
<td>330-870-0086</td>
</tr>
<tr>
<td>ZACHARY MULLEN</td>
<td>Associate-Professional</td>
<td>Eastern Mountain Fuel, Inc.</td>
<td>103 Seneca Dr.</td>
<td>740-376-9663</td>
</tr>
<tr>
<td>Jonas Troyer</td>
<td>Royalty Owner</td>
<td></td>
<td>9919 Hackett Rd.</td>
<td>330-465-6037</td>
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### Southeastern Ohio Oil & Gas Association

#### Board of Trustees - 2016

<table>
<thead>
<tr>
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<th>Name</th>
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<tbody>
<tr>
<td>President</td>
<td>Matt Lupardus</td>
<td>HG Energy LLC</td>
<td>304-420-1107</td>
</tr>
<tr>
<td>Vice President</td>
<td>Christy Chavez</td>
<td>Heinrich Enterprises, Inc.</td>
<td>740-373-5302</td>
</tr>
<tr>
<td>Past President</td>
<td>Jim Javins</td>
<td>Constellation</td>
<td>614-844-4308</td>
</tr>
<tr>
<td>Treasurer</td>
<td>John Albrecht</td>
<td>Water Energy Services</td>
<td>740-371-5078</td>
</tr>
<tr>
<td>Secretary</td>
<td>Roger Heldman</td>
<td>HG Energy LLC</td>
<td>304-420-1107</td>
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<tr>
<td>Executive Secretary</td>
<td>Billie Leister</td>
<td>SOOGA</td>
<td>740-374-3203</td>
</tr>
<tr>
<td>TRUSTEES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barbara Graham</td>
<td>United Chart Processors</td>
<td></td>
<td>740-373-5801</td>
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<tr>
<td>Dan Corcoran</td>
<td>Theisen Brock, LPA</td>
<td></td>
<td>740-373-5455</td>
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<tr>
<td>Carl Heinrich</td>
<td>Heinrich Enterprises, Inc.</td>
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<tr>
<td>Brian Chavez</td>
<td>Heinrich Enterprises, Inc.</td>
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<tr>
<td>Kathy Hill</td>
<td>Ergon Oil Purchasing, Inc.</td>
<td></td>
<td>740-350-2804</td>
</tr>
<tr>
<td>Jim Rose</td>
<td>740-683-5002 cell</td>
<td></td>
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<tr>
<td>Steve Sigler</td>
<td>Buckeye Oil Producing Company</td>
<td></td>
<td>330-264-8847</td>
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<tr>
<td>Robert Gerst, Sr.</td>
<td>Ergon Oil Purchasing, Inc.</td>
<td></td>
<td>740-516-6623</td>
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<tr>
<td>Jared Stevens</td>
<td>Stevens Oil &amp; Gas</td>
<td></td>
<td>740-374-4542</td>
</tr>
<tr>
<td>Roy Marshall</td>
<td>United Rental Inc.</td>
<td></td>
<td>740-373-5161</td>
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<tr>
<td>Bob Matthey</td>
<td>Lippizan Petroleum, Inc.</td>
<td></td>
<td>740-869-3418</td>
</tr>
<tr>
<td>Don Huck</td>
<td>Artex Oil Company</td>
<td></td>
<td>740-373-3313</td>
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</table>
Southeastern Ohio Oil and Gas Association
Gas Committee Report
December, 2016

PRICING

Prices December 12, 2016

One Year NYMEX strip (Jan., 2016 – Dec., 2017) $3.42
Summer NYMEX strip for 2017 (April-October) $3.34
TCO Index Posting –December, 2016 $3.07
DTI Index Posting – December, 2016 $2.40

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 December 8, 2016 Report

Working Gas in storage was 3,953 bcf as of Friday, December 2, 2016. At 3,953, total working gas is 254 bcf above the 5 year historical range.

Storage is 91.2% full compared to normal as of this report, with normal total capacity of 4,336 at the start of the withdrawal season. Storage is 51 BCF above last year, and 254 BCF above the five year average.


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<th>Region</th>
<th>12/02/16</th>
<th>11/25/2016</th>
<th>change</th>
<th>Year ago (12/02/15)</th>
<th>% change</th>
<th>5-Year average (2011-2015)</th>
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<tr>
<td></td>
<td>Bcf</td>
<td>Bcf</td>
<td>(Bcf)</td>
<td>% change</td>
<td>(Bcf)</td>
<td>% change</td>
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<td>899</td>
<td>912</td>
<td>-13</td>
<td>913</td>
<td>-1.5</td>
<td>889</td>
<td>1.1</td>
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<td>Midwest</td>
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<td>1,130</td>
<td>-18</td>
<td>1,090</td>
<td>2.0</td>
<td>1,038</td>
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<td>Mountain</td>
<td>256</td>
<td>258</td>
<td>-2</td>
<td>205</td>
<td>15.9</td>
<td>203</td>
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<td>Pacific</td>
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<td>328</td>
<td>-5</td>
<td>365</td>
<td>-11.5</td>
<td>359</td>
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<td>South Central</td>
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<td>1,367</td>
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<td>1,328</td>
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<td>1,210</td>
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<td>Salt</td>
<td>403</td>
<td>400</td>
<td>3</td>
<td>379</td>
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<td>320</td>
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<td>Nonsalt</td>
<td>960</td>
<td>967</td>
<td>-7</td>
<td>948</td>
<td>1.3</td>
<td>889</td>
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<tr>
<td>Total</td>
<td>3,953</td>
<td>3,995</td>
<td>-42</td>
<td>3,902</td>
<td>1.3</td>
<td>3,699</td>
<td>6.9</td>
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Aspire Energy:

Chesapeake Utilities Corporation announced a Definitive Merger Agreement to acquire Gatherco, Inc.

On January 30, 2015, Chesapeake Utilities announced a merger agreement to acquire Gatherco, merging it into Aspire Energy of Ohio, LLC. A wholly-owned subsidiary of Chesapeake Utilities. It is expected to be completed in the second quarter of 2015.

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

(Continued to page 6)
Wayne Forest Leases Generate $1.7 Million for Taxpayers

by Jackie Stewart, Energy In Depth
jackie@energyindepth.org, Canfield, Ohio

This week the Bureau of Land Management (BLM) hosted an online competitive auction sale of federal minerals located under the surface of the Wayne National Forest. The BLM auctioned off 719 acres for a total sale of over $1.7 million. On average, each acre sold for $2,416.85.

More importantly, the local government will see a portion of this sale, as well as a portion of the royalty payments. In this case, the sale included leases with a royalty requirement of 12.5%.

Because the Wayne National Forest is public land, the area does not benefit from the revenues of private property taxes, which typically support schools, roads, bridges, and government services. Monroe County in particular has to grapple with this as Wayne National Forest covers tens of thousands of acres. Instead of property tax payments, the Bureau of Land Management instead pays Payment in Lieu of Taxes (PILT) to counties that contain the forest. Here’s how it works: Funds are returned to the states annually and then distributed to the counties based on national forest acres within the county, (a system which has been in place since 1908). So, for Monroe County, leasing federal minerals in the most prolific dry gas region of the state will in fact be a windfall for local governments over the next few years. For example, take a look at the receipts in 2014 from the national forest to Monroe County. As you will clearly see, they received no money from federal minerals as there was no development then.

With WNF leasing going ahead, all that will change for Monroe County

Perhaps that’s why the Monroe County Commissioners, local schools, landowners, and practically everyone in the county supported leasing the Wayne in the first place. Not only have they watched their sales tax revenues increase by 340 percent from oil and gas development on private lands, they are going to realize a boost from leasing county public lands as well. As the bi-partisan Board of County Commissioners in Monroe County said in a support letter to lease minerals in the Wayne,

“Since 2008, mineral development has generated more than $460,000 for local governments in 2014, Monroe County received $33,286 in PILT, of which there was no monies received from federal minerals. Sir, in addition to our concerns over lack of PILT payments, we also find this matter concerning from a perspective of “The Secure Rural School and Community Self Determination Act of 2000”, which is another source of funding received from the Wayne National Forest that provide payments to fund important local services, such as schools and roads. Delay and/or a determination by BLM that would impeded Monroe County’s ability to realize additional funding from these sources would not be in the best interest of the county”.

Indeed, it would not be. Once again, taxpayers are the winner when it comes to development of oil and gas in Ohio!

Jackie Stewart
Director
Energy & Natural Resources | Strategic Communications
ASPIRE RETAINAGE
Retainage for August, 2016 is as follows for the Gatherco systems. Treat was 19.0%, Miley was 7.0%, Meigs was 19.0%, York was 5.0%, Grimes was 20.0%, and Elk was 18.0%.

September, 2016 retainage was not available as of the date of this report.

EIA FORECAST August 11, 2016:
EIA forecasts that inventories will end the winter heating season (March 31) at 2,288 Bcf, which would be 54% above the level at the same time last year. Forecast Henry Hub spot prices average $2.41/month British thermal units (MMBtu) in 2016 and $3.02/MMBtu in 2017, compared with an average of $2.95/MMBtu in 2015.

US crude oil production averaged an estimated 9.4 million barrels per day (b/d) in 2015, and it is forecast to average 8.7 million b/d in 2016 and 8.3 million b/d in 2017. EIA estimates that crude oil production in December fell 80,000 b/d from the January level.

Forecast West Texas Intermediate (WTI) crude oil prices average $2/b lower than Brent in 2016 and $3/b lower in 2017. However, the current values of futures and options contracts continue to suggest high uncertainty in the price outlook. For example, EIA's forecast for the average WTI price in June, 2016 of $35/b should be considered in the context of recent contract values for April 2016 delivery (Market Prices and Uncertainty Report) suggesting that the market expects WTI prices to range from $24/b to $58/b (at the 95% confidence interval).

WEST VIRGINIA NEWS:
West Virginia legislators are currently considering forced pooling, and the producers and oil and gas associations are working with the House and Senate to develop rules. The last attempt did not pass, and they are working to come up with some acceptable legislation in 2015.

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.

KINDER MORGAN:
Kinder Morgan, one of the country’s largest gas transmission companies, is set to start building two new compressor stations near Sissonville by the end of the year as part of an $800 million pipeline expansion project.

On Tuesday, the Houston-based company received approval from the Federal Energy Regulatory Commission to build the two compressor stations in Kanawha County that are worth $100 million as part of the Broad Run Expansion Project. That project is being undertaken by Tennessee Gas Pipeline Company, Kinder Morgan’s subsidiary. The company says the project will improve gas transport through an existing pipeline in West Virginia, Kentucky and Tennessee by enhancing two existing compressor stations and building four new compressor stations.

With federal approval, the construction of the new compressor stations in West Virginia is expected to start by December, according to the company’s website.

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.
### 2017 SOOGA Calendar of Events

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<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
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<tr>
<td>2017 Spring Membership Meeting</td>
<td>Wednesday April 26, 2017</td>
<td>Marietta Shrine Club</td>
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<tr>
<td></td>
<td></td>
<td>Marietta, OH</td>
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<td>2017 Spring Golf Outing</td>
<td>Friday May 26th, 2017</td>
<td>Oxbow Golf Course</td>
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<td></td>
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<td>Belpre, OH</td>
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<td>2017 Spring Clay Shoot</td>
<td>Friday June 16, 2017</td>
<td>Hilltop Sports, LLC</td>
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<td></td>
<td></td>
<td>Whipple, OH</td>
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<td>2017 Fall Golf Outing</td>
<td>Friday August 25, 2017</td>
<td>Lakeside Golf Course</td>
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<td></td>
<td></td>
<td>Beverly, OH</td>
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<td>2017 Annual Fall Trade Show</td>
<td>Thursday September 21, 2016</td>
<td>Washington County Fairgrounds</td>
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<td></td>
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<td>Marietta, OH</td>
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<tr>
<td>2017 Fall Clay Shoot</td>
<td>Friday October 20, 2017</td>
<td>Hilltop Sports, LLC</td>
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<td>Whipple, OH</td>
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<td>Annual Gun Raffle</td>
<td>November 1, 2017</td>
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<td>IOGA WV Winter Meeting</td>
<td>February 14 – 15, 2017</td>
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<tr>
<td>OOOGA Winter Meeting</td>
<td>March 8-10, 2017</td>
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DOMINION RESOURCES INC.:  
Four energy partners formally asked the federal government on Friday for permission to build a 564-mile natural gas pipeline in West Virginia, Virginia and North Carolina.

The 348-page application was submitted to the Federal Energy Regulatory Commission.

The $5 billion Atlantic Coast Pipeline is intended to deliver cleaner burning natural gas to the Southeast as utilities move away from coal-burning power plants amid tighter federal rules on pollution that contributes to climate change.

Richmond, Virginia-based Dominion Resources Inc. and Charlotte, North Carolina-based Duke Energy would have 45 percent and 40 percent ownership stakes in the pipeline, respectively. Charlotte-based Piedmont Natural Gas would have a 10 percent ownership and Atlanta-based AGL Resources, 5 percent.

The pipeline would carry natural gas from Marcellus shale drilling in Pennsylvania, Ohio and West Virginia to the Southeast. It would run from Harrison County, West Virginia, southeast to Greensville County, Virginia, and into North Carolina.

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.

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 Texas 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 ship 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.

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 new 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.

(Continued to page 16)
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. I 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.

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/

SECOND QUARTER – 2016 – PRODUCTION VOLUMES:

COLUMBUS, OH - During the second quarter of 2016, Ohio’s horizontal shale wells produced 4,839,792 barrels of oil and 334,257,982 Mcf (334 billion cubic feet) of natural gas, according the figures released today by the Ohio Department of Natural Resources (ODNR). Natural gas production from the second quarter of 2016 showed an increase over the second quarter of 2015, while oil production was reduced for that same period.

<table>
<thead>
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<th>2015 QUARTER 2 (SHALE)</th>
<th>2016 QUARTER 2 (SHALE)</th>
<th>PERCENTAGE CHANGE</th>
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<tr>
<td>Barrels of Oil</td>
<td>5,955,042</td>
<td>4,839,792</td>
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<tr>
<td>Mcf of Natural Gas</td>
<td>221,914,394</td>
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</tbody>
</table>

As of December 3, 2016, there have been 2,319 Utica Shale permits issued in 23 counties in Ohio to 29 companies, and 1,860 of them have been developed. The counties are listed below.


There are currently 1,473 Utica Shale wells in production, with 19 rigs running.

Use of Data:
The information contained in this document is compiled and furnished without responsibility for accuracy and is provided to the recipients on the condition that errors or omissions shall not be made the basis for a claim, demand or cause of action. The information contained in this document is obtained from recognized statistical services and other sources believed to be reliable, however we have not verified such information and we do not make any representations as to its accuracy or completeness.

Disclaimer:
Neither the information, nor any opinion expressed, shall be construed to be, or constitute, an offer to buy or sell or a solicitation of an offer to buy or sell any futures, options-on-futures, or fixed price natural gas. From time to time, this publication may issue reports on fundamental and technical market indicators. The conclusions of these reports may not be consistent.
COMMON ACCIDENT CAUSES

1. **SHORTCUTS:** Every day we make decisions we hope will make the job faster and more efficient. But do time savers ever risk your own safety, or that of other employees? Shortcuts that reduce your safety on the job are not shortcuts but an increased chance of injury.

2. **BEING OVER-CONFIDENT:** Confidence is a good thing. Overconfidence is too much of a good thing. “It’ll never happen to me” is an attitude that can lead to improper procedures, tools, or methods in your work. Any of these can lead to injury.

3. **INSUFFICIENT INSTRUCTIONS:** To do the job safely and right the first time you need complete information. Don’t be shy about asking for explanations about work procedures and safety precautions. It isn’t dumb to ask questions; it’s dumb not to.

4. **POOR HOUSEKEEPING:** When clients, managers, or safety professionals walk through your site, housekeeping is an accurate indicator of everyone’s attitude about quality, production and safety. Poor housekeeping creates hazards of all types. A well maintained area sets a standard for others to follow.

5. **IGNORING SAFETY:** Purposely failing to observe safety procedures can endanger you and your co-workers. You are being paid to follow the company safety policies, not to make your own rules. Being “casual” about safety can lead to a casualty.

6. **MENTAL DISTRACTIONS:** Having a bad day at home and worrying about it at work is a hazardous combination. Dropping your mental guard can pull your focus away from safe work procedures. Don’t become a statistic because you took your eyes off the machine “just for a minute.”

7. **FAILURE TO PRE-PLAN:** There is a lot of talk today about Job Hazard Analysis. JHA’s are an effective way to figure out the smartest ways to work safely and effectively. Being hasty in starting a task, or not thinking through the process can put you in harms way. Plan your work and then work your plan.

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## GAS PRICING 2016

**NOVEMBER 2016**
- NYMEX Settlement: $2.7640
- Inside FERC/DTI: $1.1200 (Basis: $1.644)
- Inside FERC/TCO: $2.5600 (Basis: $0.204)
- NYMEX 3 day Average: $2.7740

**DECEMBER 2016**
- NYMEX Settlement: $3.2320
- Inside FERC/DTI: $2.4000 (Basis: $0.8320)
- Inside FERC/TCO: $3.0700 (Basis: $0.162)
- NYMEX 3 day Average: $3.0260

## OIL PRICING 2016

### ERGON OIL PURCHASING WEST VIRGINIA

#### MONTHLY AVERAGE
- **October Ohio Tier 1**: $48.8271
- **October Ohio Tier 2**: $45.2871
- **October Ohio Tier 3**: $43.8271
- **October West Virginia Tier 1**: $48.8271
- **October West Virginia Tier 2**: $45.8271
- **October West Virginia Tier 3**: $43.8271
- **October Marcellus/Utica Condensate**: $32.0163
- **October Marcellus/Utica Medium**: $48.8271
- **October Marcellus/Utica Light**: $43.8271

  - **November Ohio Tier 1**: $44.5823
  - **November Ohio Tier 2**: $41.5823
  - **November Ohio Tier 3**: $39.5823
  - **November West Virginia Tier 1**: $44.5823
  - **November West Virginia Tier 2**: $41.5823
  - **November West Virginia Tier 3**: $39.5823
  - **November Marcellus/Utica Condensate**: $29.5823
  - **November Marcellus/Utica Medium**: $44.5823
  - **November Marcellus/Utica Light**: $39.0823

**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**
- **50.0-59.9 API Gravity** — **Marcellus/Utica Light**
- **60.0+ API Gravity** — **Marcellus/Utica Condensate** (formerly posted as Appalachian Sweet LightALS).

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

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## OIL PRICING 2015/2016

### AMERICAN REFINING GROUP AVERAGE

10/11 to 10/20
- **Group 1 OH**: $49.47
- **Group 2 OH**: $46.47
- **Group 3 OH**: $44.47

10/21 to 10/31
- **Group 1 OH**: $48.54
- **Group 2 OH**: $45.54
- **Group 3 OH**: $43.54

11/1 to 11/10
- **Group 1 OH**: $43.87
- **Group 2 OH**: $40.87
- **Group 3 OH**: $38.87

11/11 to 11/20
- **Group 1 OH**: $43.74
- **Group 2 OH**: $40.74
- **Group 3 OH**: $38.74

11/21 to 11/30
- **Group 1 OH**: $46.14
- **Group 2 OH**: $43.14
- **Group 3 OH**: $41.14

12/1 to 12/10
- **Group 1 OH**: $50.24
- **Group 2 OH**: $47.24
- **Group 3 OH**: $45.24

### 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

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2016 MEMBERSHIP DRIVE

The SOOGA Board of Trustees would like to thank everyone for the support of our organization. SOOGA has seen a steady growth in membership over the past 15 years, from a few hundred to over 500 by the end of 2014. This growth is thanks to you.

Our industry has experienced its’ share of highs and lows. Currently we are in the midst of unprecedented challenges. The issues at hand, whether regulatory, environmental or economic, are challenges aimed at the way we do business and impact our livelihood.

Make your voices heard. SOOGA has dedicated leadership that is connected to the issues at hand and a voice heard by the people who can make a difference.

Now more than ever your SOOGA membership is valuable. By staying involved in your organization you have the ability to stay ahead of the issues that will affect your business.

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The Board of Directors and officers of SOOGA want to thank you for your continued support.

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ODNR, Division of Oil and Gas Resources Management
Notice of Abandoned Wells

Do you think you have a valid interest in an abandoned well, or the equipment appurtenant to an abandoned well? If so, please visit the Division’s website for more information on wells to be plugged, at: http://oilandgas.ohiodnr.gov/citizens/orphan-well-program.

If you have any questions please contact the SOOGA office at 740-374-3203.
John Calhoun Dinsmoor who died on May 19, 1919 was born in Warren County, Pennsylvania on March 21, 1838. Educated in the common schools of the area he taught school for several winters and then read law in his Brother Charles’s office. Then most lawyers obtained their legal skills by “reading law” in another practicing lawyer’s office and then learning the practical aspects of the profession by mentoring under an older experienced attorney. This was how Abraham Lincoln gained his legal education. Very few of the old time lawyers went to a formal law school. After completing his legal apprenticeship he was admitted to the practice of law by the state or local bar association. When the oil development began in northwest Pennsylvania in the 1860’s he engaged in transporting oil by boat on Oil Creek. Still later he developed coal mines in Clarion Co., PA.

In the Tarklin oil pool south of Oil City, PA. J.C. Dinsmoor was an early operator. This pool produces from the Vernango Third Sand and early in the development phase, secondary recovery in the form of gas pumping (vacuum) was practiced and produced much oil which would never have been recovered from the 1890’s up to 1937. Using this experience gained at Tarklin, Dinsmoor looked for other areas he could develop.

In the early 1900’s he became involved in the older fields around St. Mary’s WV. Here the Cow Run sand has similar characteristics to the Venango Third at Tarklin with respect to high porosity and permeability. As the Cow Run wells declined after a period of flush production, they became low volume “stripper” producers. After a period in which he acquired many of these old “stripper” leases Dinsmoor began a program of well reconditioning, and secondary recovery by “gas pumping” (vacuum and recycling of gas). Because of the high porosity and permeability found in the Cow Run sand his efforts were very successful and J.C. Dinsmoor became one of the leading producers in the Southwest District of Penn Grade oil production (S.E. Ohio and WV). His company was joined by his two sons (Lyle E. and John D.) where they were the largest oil producer in St. Mary’s area and prominent in local banking circles. They operated as Dinsmourn and Co. which had oil and gas interests in Ohio, West Virginia, Pennsylvania, Illinois and Kentucky.

John C. Dinsmoor died on May 19, 1919 but is not buried under his monument but rests at a different part of the cemetery. This is because a concerns from large trees that formerly existed near the large monument.

All in all, the monument is to a man who had a vision that old stripper wells could be revitalized through secondary recovery processes that he had seen work in other areas. The Dinsmoor and Co. wells continued producing up into the 1950’s when they reached the economic limit based on then price of $2.76/barrel. At time the well count was over 500 on 7886 acres. Several attempts were made to install pilot water floods but these were unsuccessful due to economics of the 1950s.

Most of the old Dinsmoor wells are gone now but the magnificent monument remains to memorialize him in the history of petroleum engineering as a early developer of secondary recovery. When you discover that primary plus secondary recovery only recovers about forty percent of the original oil in place there is quite a bit left in the ground until future generations develop a process to recover it.
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It's the Law.
Energy Business Alliance, a student-led organization at Marietta College, is now in its third year of extending education beyond the classroom for petroleum, geology, and land students. Since its inception, EBA has worked to simulate a legacy oil and gas company that ‘owns’ 262 Clinton Wells in Eastern Ohio. Founders of the organization wanted to show students what many of the small producers are experiencing during these times of lower oil and gas prices and truly capture the big picture of what goes into running such a business.

In addition to exploring the ins and outs of oilfield decision analysis, EBA has reached out to the oil & gas community for numerous field excursions, including a trip to the Ergon Oil Refinery in Newell, WV. “Visiting the Ergon facility was an experience that broadened my view of the industry beyond the typical upstream environment where petroleum students usually spend their careers,” said Jon Hinson, EBA co-founder. About 20 students were able to spend their day out in the field at Ergon’s facility, where they could learn first-hand about the processes that turn our Penn-Grade crude into gasoline, lube oil, wax, and countless other products essential to our daily lives. EBA thanks SOOGA and Kathy Hill for organizing the trip.

EBA also orchestrated a field trip with Bob Matthey where about 25 students were able to visit some conventional production, including solution gas flowing wells and a couple on pump jack. For many students, this experience was their very first exposure to oil and gas production in person. At CONSOL Energy’s Gas Training Academy, members received safety training for a future frac site trip and were given multiple in-depth presentations of varying topics by five members of CONSOL’s team. EBA members also realize the importance of giving back to their local community and spent the first of many Sunday afternoons volunteering at the Parkersburg Oil and Gas Museum a few weeks ago.

With the help of local alumni, students have run economic models, mapped wells in conjunction with formation characteristics in ArcGIS, explored enhanced oil recovery (EOR) methods that could be used to improve current production in ‘their’ wells, and have benefited from multiple industry speakers. In the upcoming months, EBA’s leadership team has plans to focus on how they can improve ‘cash flow’ immediately (sell some wells, plug back wells to a different formation, etc) and peruse their goal of ‘joint venturing’ with another company to simulate drilling a horizontal well.

As Energy Business Alliance continues to make their members “ready for the job, day one,” President of EBA, sophomore Derek Krieg, wishes to reach out to anyone in the industry who would like to get involved. “As students, we form our projects and trips based on our schooling and limited field experience. Please reach out to us if you have any ideas for projects or trips, would like to help, or have a project that you would like us students to help you with. We are also looking for speakers for the spring semester and beyond” states Krieg. He encourages you to reach out to him at (740) 516-0501 or by emailing him at dlk002@marietta.edu. You can also learn more about EBA by visiting their website at EnergyBusinessAlliance.org.
Thanks to our sponsors, attendees, Chuck Davis and Smokin Pigs Ash BBQ for another great meal.
2016 FALL CLAY SHOOT WINNERS

Master Winner – Gale Depuy
Novice Winner – Rocky Ross (Not Picture)
Intermediate Winner – Catlin Ball
Ladies Winner – Kristen Kutchak

2016 FALL CLAY SQUADS

THANK YOU!!
NOTICE OF OHIO OIL AND GAS ENERGY EDUCATION PROGRAM AMENDMENTS

In accordance with Ohio Revised Code Sections 1510.04 and 1510.05, the Ohio Department of Natural Resources, Division of Oil & Gas Resources Management, Technical Advisory Council, hereby notifies all interested parties that they are in receipt of proposed Program amendments. The amendments were submitted by the Ohio Oil and Gas Energy Education Program, along with qualified petitions signed by Ohio producers.

Copies of the proposed Program amendments are available by contacting the Ohio Oil and Gas Energy Education Program, P.O. Box 187, Granville, OH 43023, (740) 587-0410, redo@oogeep.org. All comments should be mailed directly to OOGEEP and must be postmarked no later than January 20, 2017.

NOTICE OF REFERENDUM VOTING PERIOD

In accordance with Ohio Revised Code Section 1510.05, the Ohio Department of Natural Resources, Division of Oil & Gas Resources Management, Technical Advisory Council, has established a three-day voting period of March 8 – 10, 2017, during which eligible producers may vote either in person during normal business hours, or by mail-in-ballot, to approve or disapprove of amendments to the Ohio Oil and Gas Energy Education Program at any of the following established polling places:

Ohio Oil and Gas Association’s Winter Meeting, Hilton Columbus at Easton
3900 Chagrin Drive, Columbus, OH 43219

Southeastern Ohio Oil and Gas Association’s Office
214 ½ Warner Street, Marietta, OH 45750

NOTICE OF REFERENDUM BALLOT REQUEST FORM

In accordance with Ohio Revised Code Section 1510.05, the Ohio Department of Natural Resources, Division of Oil & Gas Resources Management, Technical Advisory Council, hereby publishes this “Ballot Request Form” for any qualified producer that would like to vote by mail in the Referendum to be held on March 8 – 10, 2017, to approve or disapprove of amendments to the Ohio Oil and Gas Energy Education Program.

REFERENDUM BALLOT REQUEST FORM

I am a qualified Ohio producer, as defined in Ohio Revised Code 1510, and hereby request that a mail-in-ballot be sent to the following address. I further recognized that it is my obligation to make sure this is returned to the Ohio Oil and Gas Energy Education Program, P.O. Box 187, Granville, OH 43023, and postmarked no later than March 10, 2017.

Name: ______________________________ Company: ______________________________
Address: ____________________________ City: ____________________ State: ______ Zip Code: _________

Remit this Ballot Request Form to: OOGEEP, P.O. Box 187, Granville, OH 43023
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