

OHIO LAND USE CONFERENCE “PLANNING FOR PROSPERITY”

Penny Seipel, Vice President of Public Affairs
The Ohio Oil and Gas Association
January 11, 2012



Who is OOGA?

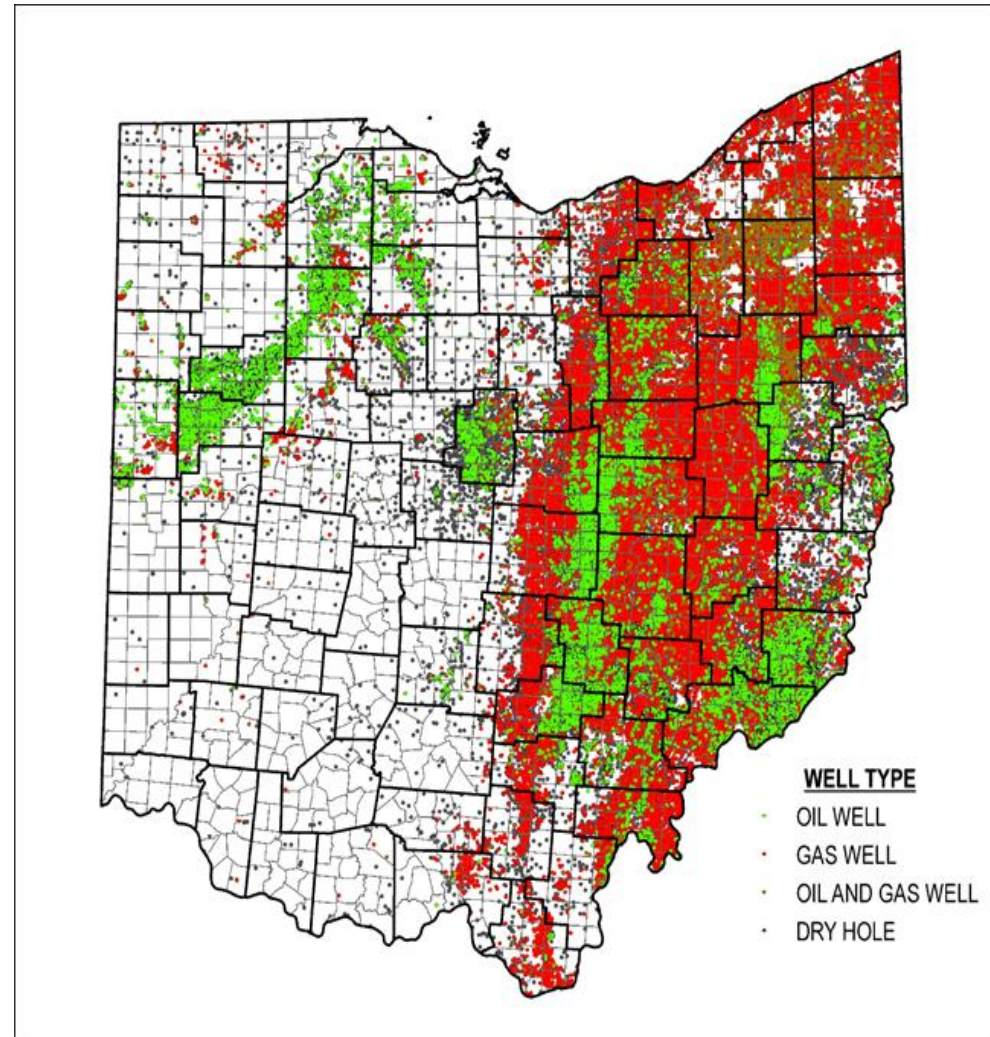


Founded in 1947, the Ohio Oil & Gas Association strives to serve the broad range of entities involved in the Ohio oil and natural gas extractive industry.

The Ohio Oil & Gas Association (OOGA) is a trade association with over 3,000 members involved in all aspects of the exploration, production and development of crude oil and natural gas resources within the State of Ohio.

Oil & Gas in Ohio?

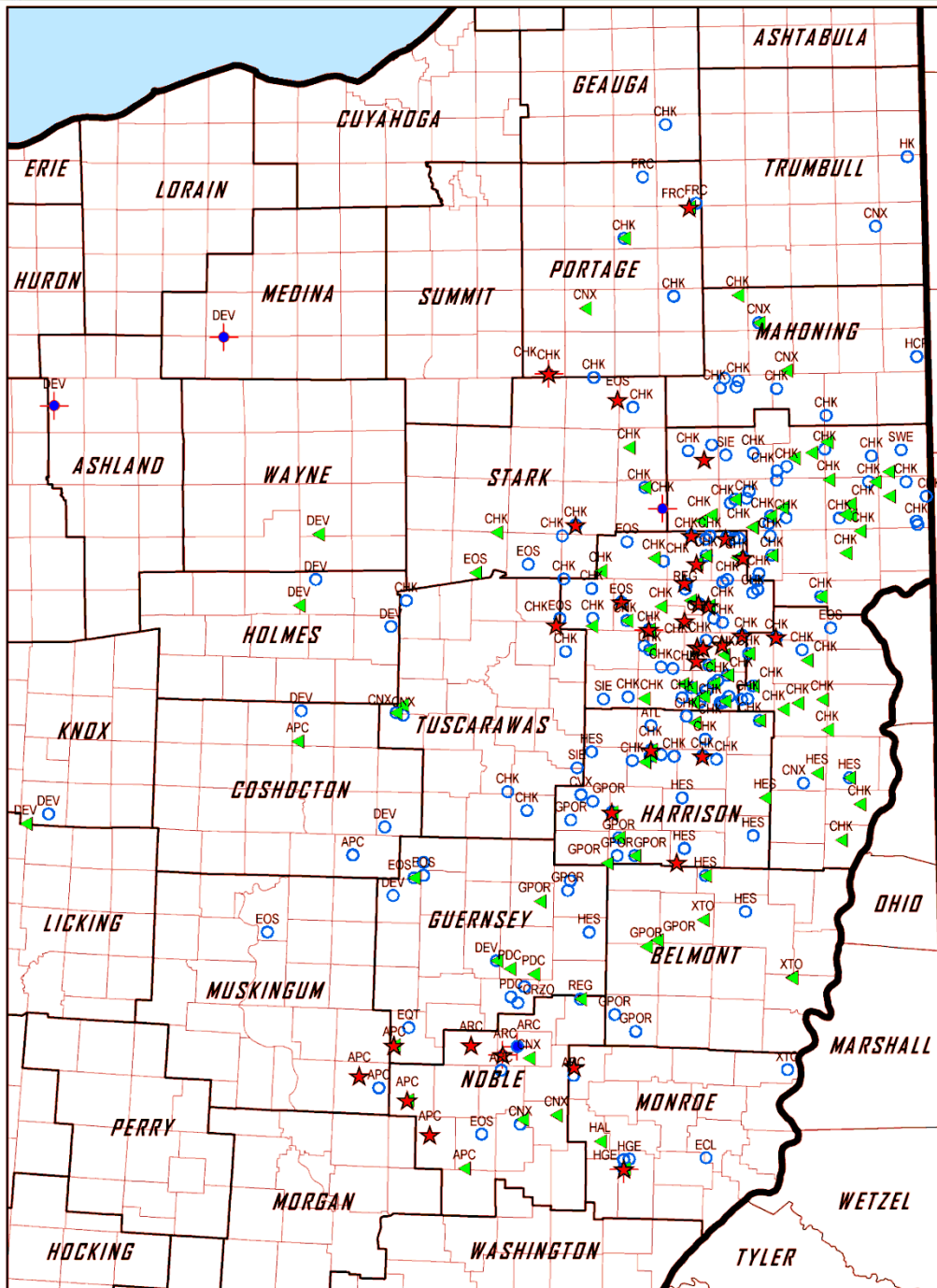
- 275,774 wells drilled for oil and gas
- Wells have been productive in 79/88 counties
- Ohio has 64,378 active wells
- Oil & gas reservoirs have been tested at depths from less than 100 feet to over 13,700 feet
- Ohio ranks 4th nationwide in number of wells drilled



- Pace of Drilling – Exploration Phase (now until about 2014-2015)
- As of 1/5/2013
 - Utica Permits Issued 487
 - Utica Wells Drilled 205
 - Wells in Production 47
 - A study commissioned by OOGEEP, completed by Kleinhenz and Associates, estimates that by the end of 2013 we could have up to 785 wells drilled.
- Production Phase (will likely begin in 2 years)
 - Companies have a better understanding of the geology of the shale play

UTICA HORIZONTAL WELL STATUS THROUGH 12/29/2012

- PERMITTED OR NOT DRILLED (282)
- ★ PRODUCING (45)
- ◀ DRILLED, DRILLING OR INACTIVE (149)
- ⊕ PLUGGED (9)



OPERATOR	LBL	PROD	PMT	DRLG	DRLD	PLUG	INAC	NDRD	TOT
ANADARKO E & P CO. LP	APC	5	3	2	2	0	0	0	12
ANTERO RES APPALACHIAN CORP	ARC	3	6	0	0	2	0	0	11
ATLAS NOBLE LLC	ATL	0	5	0	0	0	0	0	5
CHEASPEAKE EXPLORATION LLC	CHK	30	176	5	101	3	1	3	319
CNX GAS COMPANY LLC	CNX	0	9	3	6	0	0	0	18
CARRIZO OIL & GAS INC.	CRZO	0	2	0	0	0	0	0	2
CHEVRON APPALACHIA LLC	CVX	0	2	0	0	0	0	0	2
DEVON ENERGY PRODUCTION CO	DEV	0	7	3	1	2	0	0	13
ENERVEST OPERATING LLC	EOS	2	12	0	2	0	0	0	16
EQT PRODUCTION COMPANY	EQT	0	1	0	0	0	0	0	1
ECLIPSE RESOURCES I LP	ECL	0	1	0	0	0	0	0	1
MOUNTAINEER KEYSTONE LLC	FRC	1	5	0	1	0	0	0	7
GULFPORT ENERGY CORPOTATION	GPOR	2	14	3	4	0	0	2	25
HALL DRILLING LLC (OIL & GAS)	HAL	0	1	0	0	0	0	0	1
HILCORP ENERGY	HCP	0	0	1	0	0	0	0	1
HESS OHIO RESOURCES LLC	HES	0	12	1	2	0	0	0	15
HG ENERGY	HGE	1	9	0	1	2	3	0	16
HALCON OPERATING COMPANY	HK	0	1	0	0	0	0	0	1
PETROLEUM DEVELOPMENT CORP	PDC	0	0	0	2	0	0	1	3
R E GAS DEVELOPMENT LLC	REG	1	6	0	1	0	0	0	8
SIERRA RESOURCES LLC	SIE	0	2	0	1	0	0	0	3
SWEPI LP	SWE	0	1	0	0	0	0	0	1
XTO ENERGY INC.	XTO	0	1	3	0	0	0	0	4
TOTALS		45	276	21	124	9	4	6	485

KEY	DESCRIPTION
DRLD	DRILLED
DRLG	DRILLING
INAC	INACTIVE
NDRD	NDRD
PMT	PERMITTED
PLUG	PLUGGED
PROD	PRODUCING

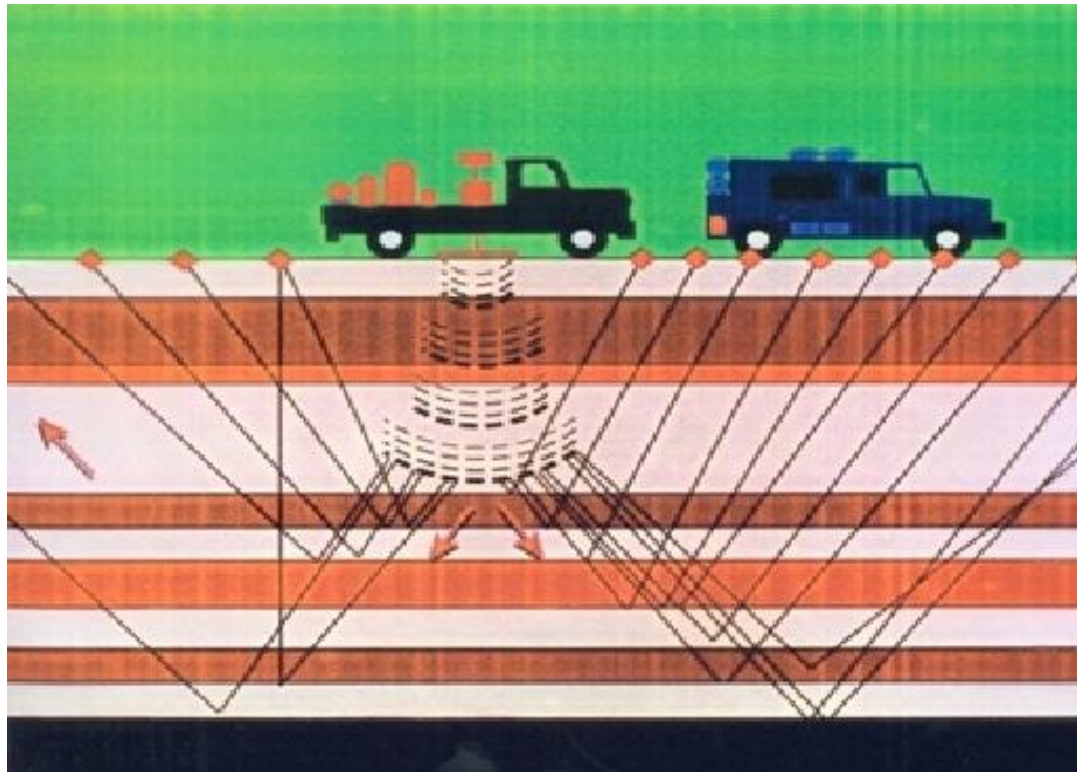


What to Expect When Oil and Gas Operations Come to Your Community



- Increased Traffic in the County Records Office
 - Abstractors- An abstractor of title is a person who prepares and certified the condensed history of the ownership of a particular parcel of real estate, consisting of a summary of the original grant and all subsequent conveyances and encumbrances affecting the property
- Seismic Testing
- Leasing of Land in the community
 - Landman is an individual who performs various services for oil and gas exploration companies, including: negotiating for the acquisition or divestiture of mineral rights; negotiating business agreements that provide for the exploration for and/or development of minerals; determining ownership in minerals through the research of public and private records.

Seismic Testing



- Meetings with Local Government Officials including Township Trustees, County Commissioners or County Engineers
 - Time line of work
 - Sewage and Water Needs, Noise ordinances and potentially even additional setbacks that they community may want to discuss
 - Cultural or community concerns that the company should be aware of in advance of activity.
 - State regulations and the company best practices
 - Road Use Maintenance Agreements (RUMA)

- Meetings with Local Economic Development Organizations or Chambers of Commerce
- Potentially host a town hall meeting to engage the community and answer questions
- Staff Volunteer hours in the community, i.e. Habitat for Humanity
- Tax abatement areas

Shale Well Site

- Sites are much larger.
 - Instead of having multiple locations for well sites, often times well pads for horizontal wells can contain 6-12 wells.
 - This means less roads being traveled.
 - Less surface disturbance
 - One large containment area for environmental and worker safety.
- Well sites are often identical so that vendors know where to go on every site.



Shale Well Site



Reclaimed Sites



How do Industry and Local Governments Collaborate?



- It's important for oil and gas operators, especially shale operators, to meet with local officials, including County Engineers, to work out RUMA's.
 - Often times operators simply want to discuss how they will work together to address the community's concerns and to be good neighbors.
- Economic Development Groups can have locations ready for prospective businesses including oil and gas operators and service companies who may be in need of office space.

If You Build It, They Will Come



- Business Activities that Follow Drilling
 - Service Companies
 - Business Parks
 - Hotels
 - Restaurants
 - Gas Stations
 - Midstream Processing
 - Pipelines
 - Permanent facilities that will employ construction trades, and host permanent employees

Recent Significant Regulatory Initiatives



- Senate Bill 165 (128th G.A.) Ohio Response to National Issues
 - Adequate funding; urban drilling; pooling; major issues dealing with well construction, hydraulic fracturing, enforcement, Class II injection, and non-producing wells.
- Senate Bill 315 (129th G.A.) Energy MBR
 - Three major components to the legislation:
 1. Direct oil and gas policy
 2. Midstream proposals
 3. UIC program
 - Signed into Law on June 11, 2012 and was effective on September 10, 2012

Contact Information



THANK YOU!

Ohio Oil & Gas Association

P.O. Box 535
1718 Columbus Rd SW
Granville, OH 43023
740.587.0444

Penny Seipel
V.P. of Public Affairs
penny@oga.org

