Pennsylvania
Game Commission
HEADQUARTERS

Bureau of Wildlife Habitat Management
2001 Elmerton Avenue
Harrisburg, PA 17110
1-833-PGC-WILD | PA.GOV/PGC

November 10, 2026

Re: Notification of Solicitation of Competitive Proposals for Non-Surface Use Cooperative Agreement for Exercise of Oil and Gas Production Rights, Tract 037A-27, State Game Lands No. 037, Tioga County, Pennsylvania

To whom it may concern:

The Commonwealth of Pennsylvania, acting through the Pennsylvania Game Commission, will receive sealed proposals for a Non-Surface Use Cooperative Agreement for Exercise of Oil and Gas Production Rights until 2:00 P.M. prevailing local time, December 2, 2026, at the Commission's Ruffed Grouse Conference Room (Room No. 131). Submit complete proposal packages according to the attached proposal guidelines and instructions to the attention of Oil, Gas and Minerals Division, Pennsylvania Game Commission, 2001 Elmerton Avenue, Harrisburg, PA 17110-9797. Qualified proposals will be publicly opened and read at that time for the leasing of State Game Lands No. 037 more fully described as follows:

Tract 037A-27 contains approximately 9,667 +/- acres located in Charleston, Middlebury, Tioga, and Richmond Townships, Tioga County, Pennsylvania (Exhibit A).

The Commonwealth is considered to be the owner of the oil and gas rights but makes no warranty as to the presence of oil and gas, nor as to its ownership thereof, and winning firm assumes the risk of proving title.

A certified check, bank cashier's check or trust company treasurer's check to the order of the Pennsylvania Game Commission in the amount of $25,000.00 made payable to the Commission must accompany each proposal as a guarantee of the proposal. The proceeds of the check from the winning entrant shall be retained by the Commission and considered liquidated damages if winning entrant fails to execute an agreement, if tendered by the Commission, and post the required performance bond. Checks will be returned to all unsuccessful entrants.

Enclosed for your use is a list of specific terms and restrictions applying to Tract 037A-27. These noted specific terms and restrictions are incorporated into the Commission's current standard oil/gas agreement format, a copy of which is included with the proposal submission instructions for reference (Exhibit B). Additional special instructions for completing the proposal form are also attached hereto.

The Commission reserves the right to reject any or all proposals and to waive any informalities, defects or irregularities. The awardee must include in their proposal package proof of their legal right to fully implement a development plan across the maximum amount of acreage possible. The awarded proposal submission is subject to approval by the Pennsylvania Board of Game Commissioners at their January 30, 2027 quarterly meeting.

Should you have any questions regarding this matter please contact the Commission's Oil, Gas and Minerals Division Chief via the contact information below.

Sincerely,



David Yoxtheimer, Ph.D., P.G.

Oil, Gas, and Minerals Division Chief
Pennsylvania Game Commission
Bureau of Wildlife Habitat Management
2001 Elmerton Ave.
Harrisburg, PA 17110
Office: 717.787.4250 x73602 | Cell: 814.975.7457
dayoxtheim@pa.gov

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PENNSYLVANIA GAME COMMISSION PROPOSAL GUIDELINES FOR NON-SURFACE USE COOPERATIVE AGREEMENT FOR EXERCISE OF OIL AND GAS PRODUCTION RIGHTS TRACT 037A-27 (9,667 +/- Acres)
PROPOSAL DUE DATE/TIME: December 2, 2026, 2:00 P.M. LOCAL PREVAILING TIME

1. METHOD OF SUBMISSION – BEST VALUE PROPOSAL

Proposals will be received and evaluated based on the best value to the Commission including the following considerations listed in order of importance: demonstration that the bidder has the legal ability to develop the maximum extent of the subsurface, including multiple target formations (i.e. Marcellus, Utica/Point Pleasant, Upper Devonian), beneath the 9,667 +/- acres within State Game Lands No. 037 with no surface impacts; the cost-free royalty rate on produced hydrocarbons; and the bonus to be paid on all 9,667 +/- acres as shown in Exhibit A.

Selected proposals must be approved by majority vote of the Pennsylvania Game Commission Board of Commissioners at a public meeting.

Proposals may include real property for transfer to the Commission in-lieu of cash bonus payments. Real property considered for transfer should meet the Commissions land acquisition priorities by improving public access to existing State Game Lands, eliminating inholdings or indentures to existing State Game Lands, having unique habitat or wildlife significance, or conveying subsurface rights under existing State Game Lands. The prospective cooperator must own any real property considered for transfer in lieu of bonus payment at the time of submission of their proposal.

The Commission decides if it will accept real property considered for transfer by evaluating if it meets the priorities described above. The proposal package shall include a map of the real property, parcel identification numbers of the real property and such title work as necessary to demonstrate ownership free and clear of all liens and encumbrances including a warranty deed. The reduction in cash bonus payment for land cannot be more than fair market value as determined by an appraisal paid for by the Commission and must be agreed upon by prospective cooperator and the Commission prior to approval by the Board of Commissioners.

A Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas (“Agreement”) covering the Premises may be offered to the Company with the selected proposal upon approval of the Board of Commissioners at their January 30, 2027 meeting. At a minimum, the target formation for maximum development of all 9,667 acres within State Game Lands No. 037 will include the Utica/Point Pleasant Formations, and offerors may also include development of the Marcellus Formation and/or Upper Devonian intervals if believed to be economically viable.

All proposals must be submitted on the “Oil-Gas Proposal Form Tract 037A-27” and accompanied by the required development plans as outlined in the proposal instructions. The proposals must be received by the Commission or delivered to the Commission prior to

the announced proposal opening time, which is 2:00 P.M, Local Prevailing Time, December 2, 2026. A certified check, bank cashier's check, or trust company treasurer's check made payable to the order of the Commission in the amount of Twenty-Five Thousand Dollars ($25,000.00) must accompany each proposal as a guarantee.

Individual offerors must sign their proposal submission; if a corporation, partnership, company or other entity, the proposal must bear the signature of an officer or manager with legal authority to bind the entity. Any corporate signer other than indicated above will require a power of attorney or letter of authority to be attached to the proposal. If power of attorney is used, an original signed letter must be provided.

The proposal check shall be retained by the Commission and considered liquidated damages if the winning offeror should fail to execute an Agreement within 90 days of the approval of the Board of Commissioners. Checks will be returned to all unsuccessful offerors.

The Commission reserves the right to reject any or all proposals and waive any informalities, defects, or irregularities. Approval of winning proposal is subject to final approval at the January 30, 2027, Board of Commissioners' quarterly meeting.

2. AGREEMENT TERM

The primary term of the Agreement shall be ten (10) years, with an option to extend the lease an additional five (5) years at $1,000/acre at the time of the expiration of the ten (10) year primary term paid unto any undeveloped acreage or non-pooled leasehold at the time of the expiration of the ten (10) year primary term. An annual rental after the primary term and the exercised extension will be for $200 per undeveloped, non-unitized acre.

3. BONUS PAYMENT

The minimum bonus value will be the equivalent of $3,000 per net acre for all 9,667 +/- acres in State Game Lands No. 037 and due over three annual installments in equal amounts starting within sixty (60) days of executing the cooperative agreement. In the event title verification determines the Commission owns more or less than the total acreage of oil and gas rights set out herein, then the total equivalent bonus payment shall be multiplied by the number of net acres actually determined to be owned by the Commission. As detailed above transfer of lands of value to the Commission may be considered in lieu of bonus payment and may be included in the proposal package.

4. TITLE

The Pennsylvania Game Commission is considered to be the owner of the oil and gas rights but makes no warranty as to its ownership thereof. The successful offeror will assume the risk of proving title.

5. GAS, OIL, CONDENSATE, AND LIQUID HYDROCARBON ROYALTY

The minimum royalty in the Agreement will be 17.5%. The royalty clause will be a cost-free provision, such that the royalty paid, will be free of all costs of production and post-production, including all costs associated with transportation, gathering, dehydration,

separation, compression, treatment, or other processing and/or taxes (production, severance, gathering, windfall profit).

6. DEVELOPMENT/UNITS

The prospective cooperator shall provide to the Commission a development plan indicating the proposed approach to, and a projected schedule for, the development of the lease acreage. This development plan shall include a mapped depiction of Operator's existing lease acreage surrounding the proposed lease tract, as well as a mapped representation of the layout of proposed pads, pipelines/spurs, proposed well laterals, and unit boundaries for each of the proposed pads. Additionally, the operator will provide legal proof of the ability to implement the proposed plan including lease agreements and/or recorded instruments for each parcel under consideration.

Producer shall not be required to spud more wells than required or allowed under any spacing order, rule, or regulation of the Pennsylvania Department of Environmental Protection ("DEP"). In the absence of any such order, the maximum unit size shall be 1,280 acres without the written consent of the Commission. All unit sizes in which the Premises are unitized must be reported by the Producer to the Commission

7. FORMAT

All other terms, provisions and exhibits shall be as per the Commission's standard template format for a Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas, as shown in Exhibit B.

8. DISCLAIMER

Any discrepancy between the attached pre-proposal lease forms (including this form) and the executed agreement shall be resolved according to the language of the fully executed agreement.

9. PROPOSAL EVALUATION CRITERIA

An internal committee from the Commission will review all proposals and determine which proposal, if any, best meets the criteria listed above in Section 1 according to their importance, including the number of acres to be developed in each target formation; cost-free royalty rate on produced hydrocarbons; bonus value; inclusion and value of lands owned by the prospective lessee proposed for transfer to the Commission in lieu of bonus payment.

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Habitat Management
2001 Elmerton Avenue
Harrisburg, PA 17110
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INSTRUCTIONS TO OFFERORS

Tract 037A-27 (9,667 +/- Acres)

The following information covers details concerning the proposal submissions for Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas ("Agreement") for approximately 9,667 +/- acres on portions of State Game Lands No. 037, in Charleston, Middlebury, Tioga, and Richmond Townships, Tioga County, Pennsylvania (Exhibit A). See the attached sheets for additional specifications.

PROPOSALS MUST BE SUBMITTED IN AN ENVELOPE THAT CLEARLY STATES ON THE OUTSIDE: "PROPOSAL for Oil and Gas Cooperative Agreement Tract 037A-27". Proposals received in envelopes not containing this information may be rejected.

Proposals must be received at the Pennsylvania Game Commission, 2001 Elmerton Ave., Harrisburg, PA 17110, Attn: Oil, Gas, and Minerals Division prior to the announced proposal opening time of 2:00 P.M., Prevailing Local Times, on December 2, 2026 for Tract No. 037A-27. Any proposal submission received after the proposal opening time will be rejected. Please ensure that you have enclosed the required certified check, bank cashier's or trust company treasurer's check in the amount of $25,000 with your proposal.

The Commission reserves the right to reject any or all proposals and to waive any informalities, defects or irregularities in proposals. Additionally, the winning proposal is subject to approval by the PGC's Board of Commissioners.

If you have any questions, please contact David Yoxtheimer of the Commission's Oil, Gas and Minerals Division using the contact information below.

Sincerely,

David Yoxtheimer

David Yoxtheimer, Ph.D., P.G.

Oil, Gas, and Minerals Division Chief
Pennsylvania Game Commission
Bureau of Wildlife Habitat Management
2001 Elmerton Ave.
Harrisburg, PA 17110
Office: 717.787.4250 x73602 | Cell: 814.975.7457
dayoxtheim@pa.gov

NON-SURFACE USE COOPERATIVE AGREEMENT FOR EXERCISE OF OIL AND GAS PRODUCTION RIGHTS PROPOSAL FORM FOR TRACT 037A-27 FOR 9,667 +/- ACRES
OPENING DATE/TIME: DECEMBER 2, 2026/2:00 PM LOCAL PREVAILING TIME

Pennsylvania Game Commission
Bureau of Wildlife Habitat Management
ATTN: Oil, Gas, and Minerals Division
2001 Elmerton Avenue
Harrisburg, Pennsylvania 17110

PENNSYLVANIA GAME COMMISSION PERSONNEL:

The undersigned proposes to execute a Non-Surface Use Cooperative Agreement for Exercise of Oil and Gas Production Rights ("Agreement") for **Tract No. 037A-27** in the form required by the Commission (a copy of which has been read by the undersigned) which shall provide for payment to the Commonwealth of Pennsylvania, for use of the Pennsylvania Game Commission, the following:

1) Current legal ability (include legal documentation via lease agreements and/or ownership of the subsurface rights to access the Commission's subsurface on State Game Lands No. 037) to develop the following number of acres in each of the following target formations for the above agreement (if developing multiple horizons within a formation include total acreage for the multiple horizons, which could be in excess of 9,667 +/- acres for a given formation):
   a. _____ (number) of acres in the Utica/Point Pleasant Formations
   b. _____ (number) of acres in the Marcellus Formation
   c. _____ (number) of acres in the Upper Devonian formations,

2) **Cost-free** royalty rate of _____% (minimum of 17.5%) for the above Agreement,

3) Total bonus proposal of $_____ (minimum equivalent of $3,000 per net acre for all of SGL 037's 9,667 +/- acres) for the above Agreement (include estimated equivalent cash value for proposed transfer of lands),

   a) Proposed number of acres to be transferred in lieu of cash bonus: _____ (number) acres,

   b) Estimated cash value of proposed land transfer: $_____

The undersigned by submission of this proposal form acknowledge that all proposal instructions and guidelines have been followed. There is enclosed as a guarantee of this proposal, a certified check, bank cashier's or trust company treasurer's check in the amount of Twenty Five Thousand and 00/100ths Dollars ($25,000.00), drawn to the order of the Commission, which, it is understood, shall be retained by the Commission and considered as liquidated damages if the undersigned shall fail to execute an agreement for the aforesaid tract, if tendered by the Commission, and post the required performance bond if necessary within thirty (30) days after the lease is tendered. If this proposal shall not be accepted, the enclosed check will be returned to the undersigned.

_____
Signature of Offeror

_____ _____
(Witness) (An Individual)

_____(CORPORATE SEAL)

Attest:

_____ _____
Secretary President

_____ _____
(WITNESS)
(Partnership Name)

_____ _____
(SEAL)
(Witness) (Partner)

_____ _____
(SEAL)
(Witness) (Partner)

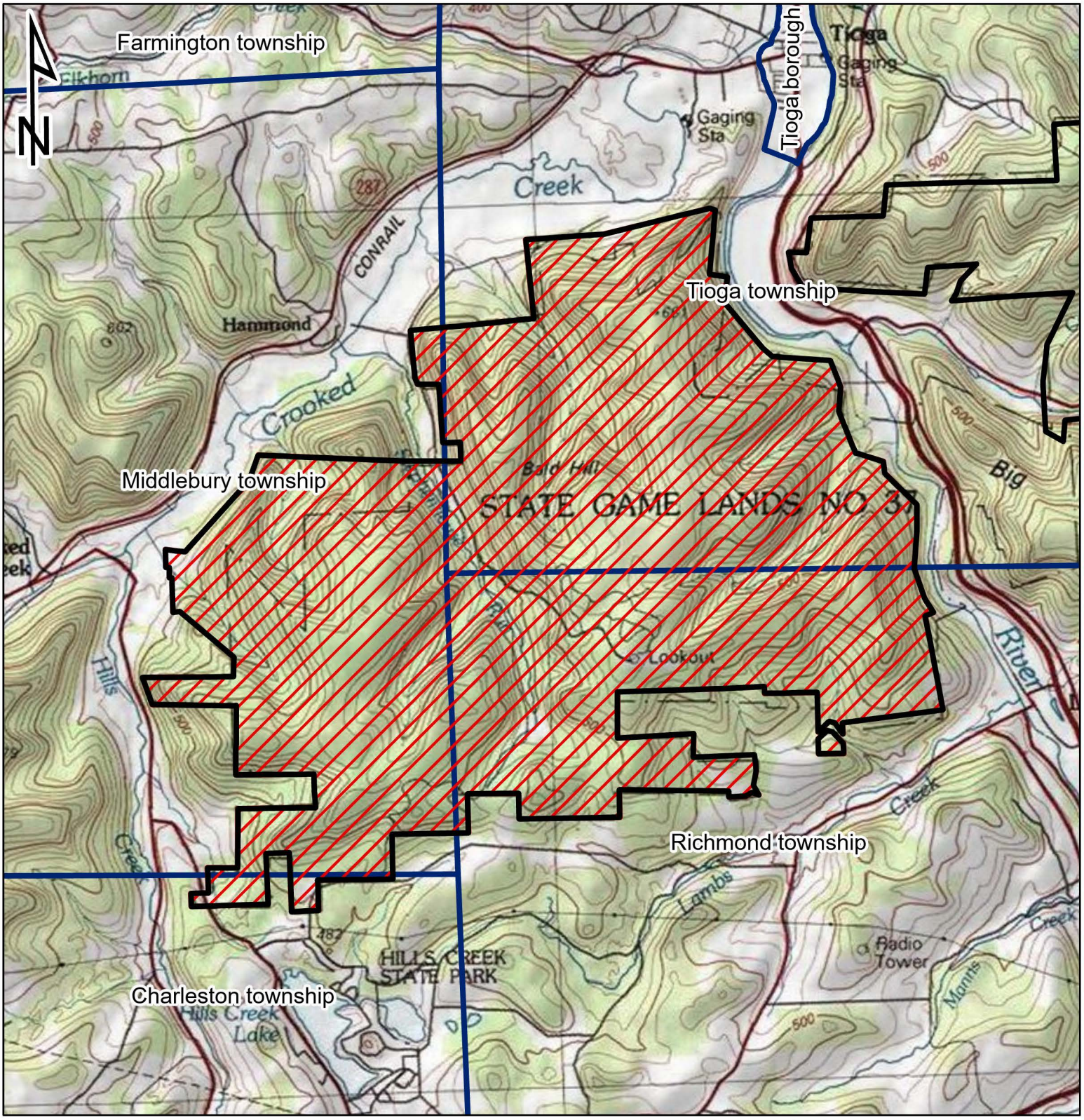
Proposer's Name and Address _____

NOTES:

1) PROPOSALS MUST BE SUBMITTED IN AN ENVELOPE THAT CLEARLY STATES ON THE OUTSIDE: **Proposal for Oil/Gas Agreement Tract 037A-27** Proposals received in envelopes not containing this information will be rejected.

2) Amount of proposal must be expressed both in words and numerals and written in ink and signature of proposers must be handwritten in ink.

3) Proposals will be opened in the Pennsylvania Game Commission, Ruffed Grouse Conference Room (Room No. 131), 2001 Elmerton Avenue, Harrisburg, PA 17110-9797, at 2:00 P.M. Prevailing Local Time, December 2, 2026. The Commission reserves the right to reject any or all proposals as deemed in the best interests of the Commission.



State Game Lands Boundary

Proposed Non-Surface Use Agreement for 9,667 +/- acres

Municipality Boundaries

0 2,500 5,000 10,000 Feet

EXHIBIT A

State Game Lands 037
Non-Surface Use
Oil & Gas Cooperative Agreement
Proposal Lease Tract 037A-27
9,667 +/- Net Acres

Charleston, Middlebury, Tioga, and Richmond Townships, Tioga County, Northcentral Region

Commonwealth of Pennsylvania
Pennsylvania Game Commission
Bureau of Wildlife Habitat Management
OGM Division
2001 Elmerton Avenue
Harrisburg, PA 17110

State Game Land No. (insert game land)
Tract: (insert tract)

EXHIBIT B

NON-SURFACE USE COOPERATIVE AGREEMENT FOR EXERCISE OF PRODUCTION RIGHTS FOR OIL AND GAS

This agreement made and entered into this ___ day of _____, 2027 ("Effective Date") by and between the COMMONWEALTH OF PENNSYLVANIA, acting through the **PENNSYLVANIA GAME COMMISSION**, with an address at 2001 Elmerton Ave., Harrisburg, PA 17110, hereinafter designated "Commission" and **(insert operator name)**, with an address at (insert address), and authorized to do business within the Commonwealth of Pennsylvania. Wherever within this Agreement appears "Producer" or "Operator" is meant (insert operator name).

WITNESSETH:

WHEREAS, the Commission is authorized by Section 724 of the Game and Wildlife Code (34 PA. C.S. Section 724) to dispose of, by agreement sale or otherwise, oil and gas or rights therein on or under lands to which it has title; and

WHEREAS, the Commission is the owner of the oil, gas, and liquid hydrocarbon rights underlying approximately **(**insert number of acres**)** net mineral acres, more or less, of State Game Land No. (insert game land number), situated in (insert municipality and county), more particularly described on **Exhibit "A"** and herein referenced as the "Premises"; and

WHEREAS, the Commission has made a determination that entering into a cooperative agreement for the removal and production of oil, gas, and liquid hydrocarbons under the Premises hereinafter described with no surface disturbance will be in the best interest of the Commonwealth of Pennsylvania and has authorized entering into this cooperative agreement.

NOW THEREFORE, in consideration of the sum of ONE and NO HUNDREDTHS DOLLARS ($1.00), paid by Producer to the Commission, receipt of which is hereby acknowledged, and other mutual promises contained herein, and intending to be legally bound, the Parties agree as follows:

1. USE OF PREMISES FOR OIL AND GAS ACTIVITIES

1.1 The Commission grants Producer exclusive production rights to explore for and, if found, drill for, produce, and remove the oil, gas, and liquid hydrocarbons from the Premises within the Marcellus Formation, including the pooling of all or a portion of the Premises.

1.2 It is understood that this Agreement is being entered into for the purpose of permitting Producer to unitize the Premises with other properties, which other properties shall bear all the burden of surface development. The Commission understands and gives consent that the wellbore(s) may pass through or terminate below the Premises.

1.3 This Agreement grants subsurface contractual rights to develop and extract oil, gas, and liquid hydrocarbons only and does not convey any surface or other subsurface rights. Unless otherwise approved in writing by the Commission, this agreement is limited to non-surface use and does not convey any surface rights associated with the Premises.

2. TERM OR PERIOD

2.1 This Agreement shall remain in force for a period of (insert number of years) years, beginning from the Effective Date ("Primary Term"). This Agreement shall be subject to the conditions set forth herein and shall continue from year to year thereafter so long as oil, gas, or liquid hydrocarbons are produced in Paying Quantities (defined below) from the Premises.

2.2 This Agreement may be further extended if written approval is obtained from the Commission at least thirty (30) days prior to the expiration of the Primary Term, based upon Producer's bona fide attempts to secure or restore the production of oil, gas, and liquid hydrocarbons by conducting drilling, completion, or reworking operations on lands unitized with the Premises, or engaging in the abandonment or plugging of wells or removal of equipment therefrom. In no instance shall the period to secure or restore production exceed ninety (90) days.

2.3 If, at the expiration of the Primary Term, oil, gas, and/or liquid hydrocarbons are not being produced from the Premises or lands pooled therewith, but Producer has commenced the drilling of a well under the Premises or lands pooled therewith, this Agreement will not terminate but will remain in effect for so long thereafter as operations are carried out with due diligence and with no cessation of more than 90 consecutive days. If such operations result in the production of oil, gas, or liquid hydrocarbons, this Agreement shall remain in force as otherwise provided herein.

2.4 For purposes of this Agreement, the term "Paying Quantities" shall be defined as a well associated with the Premises which produces an annual average of at least one (1) thousand cubic feet per day (Mcf/day), which shall be calculated by dividing the well's total annual calendar year production in Mcf by 365 days. The term shall not apply within the same calendar year during which a well first begins producing after being completed and turned-to-line if that production does not average 1 Mcf/day. The term shall be satisfied as long as a minimum of one well associated with the Premises meets the average production of 1 Mcf/day criteria.

3. BONUS, RENTAL, AND FEE PAYMENTS

3.1 **Bonus Payment.** Producer will pay the Commission a paid-up bonus payment for this Non-Surface Use Oil and Gas Agreement of (insert value) per acre, or a total of (insert total value). This payment will be paid per net acre of oil, gas, and liquid hydrocarbon rights owned by the Commission and will be made in (insert number of installments) annual installments of (insert installment value). The first bonus payment of (insert installment value) will be due within 60 days of execution of the agreement. The reminder of bonus payments will be due annually on the anniversary date(s) of the agreement. Producer shall have 90 days from the final execution of this Agreement to verify Commission's title to the oil, gas, and liquid hydrocarbons under the Premises. In the event title verification determines the Commission owns more or less than the total acreage of oil and gas rights set out herein, then the total bonus payment shall be multiplied by the number of net acres actually determined to be owned by the Commission. Once paid by Producer, these incremental bonus payments shall not be refunded.

3.2 **Rental Payment.** At the end of the Primary Term, and for each succeeding year until the termination of this Agreement, Producer shall pay the Commission an annual rental of (insert value) per

acre for all undeveloped acreage, unless Producer has drilled and completed at least three (3) distinct wells under the Premises during the Primary Term, as required in Paragraph 9.3.

If the three-well requirement is satisfied within the Primary Term, no annual rental shall be due. Payments shall be due on the anniversary of the Effective Date of this Agreement.

3.3 **Shut-In Rental.** In the event Producer does not market the production from a well unitized with the Premises or should production cease from a producing well drilled under the Premises or lands pooled therewith, or should Producer desire to shut-in producing wells, Producer agrees to pay the Commission, commencing on the date one year from the completion of such producing well or the cessation of production or the shutting in of producing wells, an annual shut-in rental of (insert value) per net unitized acre. This shut-in rental shall continue on an annual basis, with no pro rata reimbursement, until production is marketed and sold off the Premises or such well is plugged and abandoned according to law.

4. ROYALTIES

4.1 **Gas Royalty.** Producer shall pay to the Commission a gas royalty of (insert royalty rate in percent) and remain in effect for the duration of the lease. The applicable royalty percentage applies to gross proceeds received by Producer for the sale of all natural gas, casinghead gas, or other gaseous substances produced and measured at the wellhead OR to a publicly published market value of all the natural gas, casinghead gas, or other gaseous substances of like quality, from each gas well unitized with the Premises, whichever the greater.

4.2 **Liquid Hydrocarbon Royalty.** If oil and/or condensate, natural gas liquids, or other liquid hydrocarbons (collectively, "Liquid Hydrocarbons") are produced and marketed from any well unitized with the Premises, Producer shall pay the Commission a Liquid Hydrocarbon royalty of (insert royalty rate in percent) and remain in effect for the duration of the lease. The applicable royalty percentage shall apply to the gross proceeds OR a publicly published market value, whichever is greater, received by Producer per barrel (42 U.S. Gallons) at 60 degrees Fahrenheit produced and saved from the Premises for all Liquid Hydrocarbons of like grade and gravity which prevail in that geographic area on the day such Liquid Hydrocarbons are run into the pipeline or picked up from storage tanks. The amount to be paid to the Commission will be the applicable royalty percentage multiplied by the fractional interest held by the Commission.

4.3 **Provisions Applicable to all Royalties.**

4.3.1 Deductions and/or reductions from any royalty payment for production, post-production, or any other expenses or costs for processing or conditioning that may be necessary to deliver a marketable product between the wellhead and the point of sale are not permitted.

4.3.2 In the event that oil, natural gas, and/or liquid hydrocarbons are sold at less than publicly published market value to an affiliated party of the Producer or used by the Producer on or in connection with the Premises, then the applicable royalty due shall be paid to the Commission based on the price that could have otherwise been obtained in an arms-length sale by Producer to a nonaffiliated third-party purchaser during the month in which such sale or use occurred.

4.3.3 Upon production from any part of any unit, as defined in Section 9 (Unitization), the Producer shall pay royalties to the Commission for its fractional interest based on the ratio of the net acres of the Premises that are included in a unit/pool to the total number of net acres in such unit/pool.

5. PAYMENTS

5.1 Producer shall be held responsible for all payments required under this Agreement. Correspondence and payments shall be mailed to the following address unless otherwise directed:

Pennsylvania Game Commission
Bureau of Wildlife Habitat Management, OGM Division
2001 Elmerton Avenue
Harrisburg, PA 17110

Payments directed to the Commission shall be payable to "Pennsylvania Game Commission" and must include reference to the relevant State Game Lands and Tract Numbers. Payments of royalties shall be made not later than ninety (90) calendar days after the end of each monthly sales period, unless otherwise approved in writing by the Commission.

5.2 Producer shall submit statements of individual wells with the production and sales of oil, gas, and liquid hydrocarbons not later than ninety (90) calendar days after the end of each monthly sales period, unless otherwise approved in writing by the Commission. Such statements shall include, for each individual well, the gross wellhead volume as metered at the wellhead, the net royalty interest in the gas or liquid hydrocarbon product, the average monthly sales price received for the gas and liquid hydrocarbon products produced, and the net royalty amount paid on each well. Also, a copy of the "Annual Well Production Report" for each well drilled under this Agreement shall be submitted yearly and shall include the same data as the monthly statements, specifically the gross wellhead volume as metered at the wellhead, the net royalty interest in the gas or liquid hydrocarbon product, the average monthly sales price received for the gas and liquid hydrocarbon products produced, and the net royalty amount paid on each well, or any other data requested by the Commission, in a format (e.g., Excel, CSV, etc.) as specified by the Commission. All statements and reports shall be submitted to the Pennsylvania Game Commission, OGM Division. Electronic submission of reports to a Commission provided e-mail address is acceptable.

5.3 A copy of the "Annual Well Production Report" for each well drilled under this Agreement shall be submitted by March 31 of the succeeding year. All statements and reports shall be submitted to the Pennsylvania Game Commission, OGM Division at:

Pennsylvania Game Commission
Bureau of Wildlife Habitat Management, OGM Division
2001 Elmerton Avenue
Harrisburg, PA 17110

Or

via electronic mail to RA-PGC_Oilgas@pa.gov

5.4 Notwithstanding any joint venture or other similar type of agreement that Producer may have with third parties for the exploration and development of oil, gas and liquid hydrocarbon products, including the products granted under this Agreement, Producer shall remain solely responsible for

submitting payment to the Commission pursuant to this Agreement. Fractional payment by multiple parties shall not occur unless the Commission approves such payment in writing prior to the submission of any fractional payment.

6. GAS MEASUREMENT

6.1 The volume of gas produced, saved, and marketed shall be measured according to the American Gas Association's (AGA) standards and Boyle's Law for the measurement of gas under varying pressures.

6.2 Producer or party responsible for operational activities on lands pooled with the Premises ("Operator") shall operate each well with a discrete well meter at the well head, which will measure all the gas produced from that well. Producer or Operator shall ensure that all meters are maintained according to industry standards.

6.3 Producer shall gauge, measure, sample, and test all Liquid Hydrocarbons in accordance with industry standard practices, and at a temperature base of 60 degrees Fahrenheit. Producer will accurately inventory Liquid Hydrocarbons and, upon request, provide reports and records regarding such measurement.

7. OPERATIONS, CONSERVATION AND ENVIRONMENTAL ASSESSMENTS

7.1 **Best Practices.** Producer shall carry on all operations prudently under this Agreement with all due diligence, in a good and workmanlike manner, in accordance with the best and most up-to-date oil and gas field practices, and in accordance with all applicable local, state, and federal rules, orders, regulations, laws, and ordinances. Producer must obtain any necessary permits.

7.2 **Environmental Assessments.** Producer shall be obligated and shall complete any and all environmental assessments or environmental impact statements or similar assessments required and/or relating to the oil, gas, and liquid hydrocarbon development of or under the Premises as may be promulgated by current or future State or Federal regulations.

7.3 **Water Resources.**

7.3.1 Producer shall have all current water supplies within the Premises, sampled and tested prior to the spudding of any well drilled on or under the Premises. If the Commission experiences a material adverse change in the quality of the Commission's water supply during or immediately after the completion of Producer's drilling operations, Producer shall sample and test the Commission's water supply at Producer's expense and within 48 hours of the Commission's written request. Should such test reflect a material adverse change as the result of Producer's drilling operations on the Premises, Producer agrees to provide the Commission with potable water until such time as the Commission's water source has been repaired or replaced with a source of similar quality and quantity.

7.3.2 Prior to drilling under the Premises or any drilling or surface disturbance associated with oil, gas, and liquid hydrocarbon development occurring within one thousand (1,000) feet of any water resource on the Premises, including impoundments, ponds, streams, seeps, springs, wells and wetlands as identified during a site visit at such time as these surface features are visible (collectively referred to as "Water Resources"), Producer shall submit to the Commission for approval a proposed monitoring plan that includes a map showing the locations of the Water Resources. Notwithstanding

anything to the contrary in this Agreement, the one thousand (1000') foot radius shall only apply to the vertical portion of a proposed wellbore. The one thousand (1,000) foot radius shall be expanded as needed to include all Water Resources that are hydrologically connected with the development area. Prior to drilling under the Premises or any drilling or surface disturbance associated with oil, gas, and liquid hydrocarbon development occurring within the specified distance of the Water Resources, Producer shall sample and test the Water Resources in accordance with the Commission-approved monitoring plan and shall share the results with the Commission. Producer shall submit all monitoring data to the Commission in an Electronic Data Deliverable format specified by the Commission. All sampling shall be performed by a qualified professional experienced and trained in the collection of environmental samples for physical and chemical analysis in a manner consistent with the approved monitoring plan. Sample analysis shall be conducted by a DEP-certified laboratory. In the event the Commission obtains evidence to suspect a material adverse change in the quality and/or the quantity of the Water Resources during or after Producer's site development activities or drilling operations, Producer shall, upon notification by the Commission, sample and test the Water Resources at Producer's expense in consultation with the Commission. Should such a test reflect a material adverse change on the Water Resources as a result of Producer's drilling operations, Producer shall, at its own expense, take all steps necessary to return in a timely manner the quality and/or the quantity of the Water Resources to pre-development/pre-drilling conditions.

7.4 **Seismic Surveys.** Producer, its agents, contractors and subcontractors and employees of contractors and subcontractors shall have the right to conduct seismic surveys over and across the Premises. Prior to conducting any seismic work, Producer shall submit a map showing the location of every seismic line to the Commission's Land Manager for approval. If Producer's seismic lines cross State Game Lands not covered by this Agreement, Producer must obtain the customary Seismic Survey License from the Commission.

7.4.1 Two copies of the seismic survey plan showing all proposed receiver and shot locations shall be submitted to the OGM Division, PA Game Commission. The Commission will review the plans and provide a map to Producer showing avoidance areas based on the then known threatened and endangered species information, species of special concern, critical and unique habitats.

7.4.2 Unless otherwise agreed in writing, Producer agrees that seismic surveys will not be conducted on the Premises from October 1 through January 31.

7.4.3 Producer shall provide to the Commission a copy of the seismic data regarding the Premises in a "Prestack Migration Stack Volume (SEG-Y)" accompanied by the following within ninety (90) days of completion of the seismic data collection: (1) Acquisition Parameters; and (2) Processing Parameters and Sequence. If available, Producer shall also provide the Commission with copies of any reports they receive of interpretive analyses or findings relating to the seismic data covering the State Game Lands. Commission shall keep all proprietary data provided confidential between the parties hereto. The seismic survey report, plats and any graphics shall identify at a minimum, the location, elevation and depth of shot holes drilled.

7.5 **Exhibits.** Except as modified herein, Producer covenants and agrees to conduct all operations in such a manner as to comply with those provisions outlined in **Exhibits B** (Contractor Integrity Provisions for Commonwealth Contracts) and **C** (Nondiscrimination/Sexual Harassment Provisions for Commonwealth Contracts) attached hereto and made a part hereof which are applicable. In the event of an inconsistency or contradiction, the terms of either **Exhibit B** or **Exhibit C** and the terms of this Agreement, then the terms of this Agreement will govern and control.

8. WELL REQUIREMENTS

8.1 OBLIGATION WELL

8.1.1 Unless terminated sooner under the terms of this Agreement, Producer shall complete at least one horizontal well ("Obligation Well") and produce oil, gas, and/or liquid hydrocarbons on unitized acreage containing a portion of the Premises during the Primary Term.

8.2 SUBSEQUENT WELLS

8.2.1 If the Obligation Well drilled by Producer or any subsequent well is producing oil, gas, and/or liquid hydrocarbons and the well is expected to return the investment and operating costs during the anticipated productive life of the well to its economic limit, then Producer shall drill an additional well on a unit containing a portion of the Premises, but not necessarily under a portion of the Premises contained within the unit, as would be drilled by a reasonably prudent operator acting under the same or similar circumstances. Producer shall not be required under this provision to drill more wells than required under **Paragraph 9** (Unitization/Pooling) or allowed under any spacing order, rule, or regulation of the Pennsylvania Department of Environmental Protection.

8.3 OFFSET WELLS

8.3.1 **Horizontal Wells.** Upon the failure of Producer to drill and complete (3) wells as described in Paragraph 9.3, Producer shall take action as would a prudent operator under the same or similar conditions, to protect the drainage of any and all oil, gas, and liquid hydrocarbons from strata underlying the Premises to include, if necessary, the drilling of an offset well. Producer agrees to offset within one hundred eighty (180) days for any well drilled on areas where the oil, gas, and/or liquid hydrocarbons is not owned by the Commission with a bottom hole or well lateral location of one thousand (1,000) feet or less from the boundary of the Premises or any well drilled on oil, gas, and/or liquid hydrocarbons is not owned by the Commission that is completed within the radius of the drainage areas set by an order of the Department of Environmental Protection provided, however, that Producer may present evidence to the Commission to show that such offsetting well is unnecessary or economically unsound. Upon review of such evidence, the Commission may, at its discretion, relieve Producer of its obligation to drill the offsetting well. However, if the Commission determines that an offsetting well should be drilled, Producer will have the option of (1) drilling the well as required, or paying the Commission a compensatory royalty on production, which will be calculated based on the production from the completed well which was to be offset and on the ratio the affected acreage bears to the total acreage which would have been drained by the well, or (2) releasing all the acreage of the Premises except as described in **Paragraph 9** (Unitization/Pooling).

8.3.2 **Vertical Wells.** Upon the failure of Producer to drill and complete (3) wells as described in Paragraph 9.3, Producer agrees to offset within sixty (60) days, any well drilled on areas where the oil, gas, and/or liquid hydrocarbons is not owned by the Commission that is completed within five hundred (500) feet of the boundary line of the Premises or any well drilled on oil, gas, and liquid hydrocarbons is not owned by the Commission that is completed within the radius of the drainage areas set by an order of the Department of Environmental Protection provided, however, that Producer may present evidence to the Commission to show that such offsetting well is unnecessary or economically unsound. Upon review of such evidence, the Commission may, at its discretion, relieve Producer of its obligation to drill the offsetting well. However, if the Commission determines that an offsetting well should be drilled, Producer will have the option of (1) drilling the well as required, or paying the Commission a compensatory royalty on production, which will be calculated based on the production

from the completed well which was to be offset and on the ratio the affected acreage bears to the total acreage which would have been drained by the well, or (2) releasing all the acreage of the Premises except as described in **Paragraph 9** (Unitization/Pooling).

8.3.3 No well unitized with the Premises shall be shut-in if drainage will occur through any well within the distances as defined in **Paragraph 8.3.1 and 8.3.2** for oil, gas, and liquid hydrocarbon wells on areas where oil, gas, and liquid hydrocarbons is not owned by the Commission. If such draining gas wells are on compression, the offset wells on the Premises shall be placed on compression.

8.3.4 Producer agrees that any well along the boundary line of the Premises, contiguous to other lands where oil, gas, and/or liquid hydrocarbons are owned by the Commission, shall be located at least five hundred (500) feet from such boundary if gas is the principal product anticipated from the objective formation of the well which has been drilled above the Onondaga Formation; or that distance from such boundary line which will be the radius of the drainage area set forth by an order of the Department of Environmental Protection, if the area is subject to such a spacing order. Upon application by Producer, this provision providing for the distance from such boundary line may be waived by the Commission when deemed in the interest of the Commonwealth and not in an area subject to a spacing order of the Department of Environmental Protection.

8.4 PLUGGING

8.4.1 Producer shall properly and effectively plug all of Producer's wells under the Premises in accordance with the regulations of the Department of Environmental Protection, Bureau of Oil and Gas Management and all applicable laws of the Commonwealth. Two copies of the plugging procedure approved by the OGM Division and the "Certificate of Well Plugging" shall be supplied to the OGM Division, Pennsylvania Game Commission.

9. UNITIZATION/POOLING

9.1 Producer may, at any time or times, pool and consolidate the rights granted in Paragraph 1.1 (as to specific formation, strata, or depth), in whole or in part, with lands adjacent to or in the immediate vicinity of the Premises, so as to constitute a unit or units for the purpose of entering, with the owners and/or Producers, into joint operating agreements providing for the joint operation and development of the Premises or portions thereof with adjoining lands to prevent the drilling of an excessive number of wells or of wells located too close to the boundary of the Premises. In the event that Lessee decides to pool or unitize a tract covered by this Lease with other lands to form a unit or units, 100% of a tract shall be included in a unit or units.

9.2 Prior to producing from any well unitized with the Premises, the Producer shall submit to the Commission for its review the following items, at a minimum - a declaration and notice of unit agreement, if applicable; a plat identifying the name of the unit, the boundaries of the unit, the well or wells planned to be included in the unit including a depiction of any horizontal laterals, the API number of each well in the unit, and the boundaries of ownership for all other parties included in the unit agreement; a division of interest table which includes the name of the unit, the total number of acres in the unit, Producer name, lessee names (correlated to the ownership parcels shown on the plat), agreement date, number of acres for each lessee in the unit, percentage of each lessee's acreage based on the total unit acreage, tax parcel identification number, and deed recording information for each lease or agreement which is a part of the unit; the county/ies and township(s) within which the unit is located; the producing zone(s) covered by the unit should be identified; a calculation showing the Commission's net royalty

interest for each well in the unit, based on the royalty provision section specified in this Agreement; and a GIS shape file or equivalent of the unit, if requested by the Commission.

9.3 Modified Pooling Clause with Drilling Obligation: Notwithstanding anything to the contrary in this Agreement, the Commission agrees that, after the Primary Term, so long as any portion of the Premises is included in a unit formed in accordance with Paragraph 9.1 and such unit is producing in paying quantities, this Agreement shall remain in force and effect as to the entire Premises, including portions not included in such unit(s).

However, this continuation beyond the Primary Term is expressly conditioned upon the Producer drilling and completing a minimum of three (3) wells under the Premises during the Primary Term. Each such well must materially develop the Premises by including a distinct producing interval with a substantial portion of its lateral located within and draining hydrocarbons from beneath the Premises and be capable of production in paying quantities. Merely traversing or clipping the boundary of the Premises shall not satisfy this requirement.

If the Producer does not meet this three-well obligation during the Primary Term, then section 3.2 shall apply to all acreage identified within this agreement.

10. WELL RECORDS, LOGS, AND REPORTS

10.1 Producer shall keep a daily drilling record which will describe the formations penetrated, depth and volumes of water, oil, gas, and liquid hydrocarbons found while drilling each well unitized with the Premises. Upon request, any other data that is acquired in the normal procedure of drilling shall be made available to the Commission at a Pennsylvania location, such as drilling time, rate of fill-up, lost circulation zones, caving strata, casing records, core analyses, mud log analyses, perforation, and production test data. Within thirty (30) days after completion of each well, two copies of the "Well Record and Completion Report" for each well unitized with the Premises shall be submitted to the OGM Division, PA Game Commission. This report should include the open flow test results. Upon request, samples of all formations penetrated and parts of cores taken, accurately labeled with the name of the well, and interval of depth shall be furnished to the Commission at Producer's expense. If requested, Producer shall ship a complete set of samples to the Pennsylvania State Geological Survey, at their requested location, within thirty (30) days after completion of each well.

10.2 Upon written request and within a timeframe specified by the Commission, Producer shall provide the Commission with production and pressure test data, production and pressure decline curves, gas analysis data including BTU value determinations, gas gravity, water and waste disposal records, well stimulation and treatment records, maintenance records and reports, and/or any other data or records in Producer's possession for any well(s) within the unitized area which the Commission deems necessary to protect its interests.

11. AUDITS AND INFORMATION REQUESTS

11.1 Upon request, Producer shall make available to the Commission at a Pennsylvania location the meter data covering the production of each well under the Premises or unitized therewith and any statements furnished to Producer by any person or corporation to whom Producer delivers for sale or transport any oil, gas, and liquid hydrocarbons produced from the Premises.

11.2 Producer authorizes and directs any person, association, company, partnership, corporation, or other entity to whom it sells or furnishes oil, gas, and liquid hydrocarbons produced from

any well under the Premises or on lands unitized therewith, to disclose and exhibit accounts and other instruments related to production from the Premises to the Commission at its request.

11.3 Producer grants to the Commission and/or Commission's designated representatives the right at any time to examine, audit, or inspect books, records, and accounts of Producer pertinent to the purpose of verifying the accuracy of payments and reports furnished to the Commission, and for checking the amount of payments lawfully due under the terms of this Agreement. Producer agrees to provide reasonable aid or facility to enable such audit to be made by the Commission, including providing the relevant documents or materials at a Pennsylvania location. If such audit should disclose any gross error or fraud by Producer in payment of royalties, then Producer shall pay the cost and expense of the audit together with the deficiency. In case of fraud by Producer, Commission shall have the right, but not the obligation, to cancel this Agreement after thirty (30) days written notice to Producer of intent to cancel.

12. BREACH AND TERMINATION

12.1 In the event the Commission determines Producer has not complied with its express or implied obligations (including, without limitation, payments) under this Agreement, the Commission shall notify Producer in writing of the breach. Producer shall have thirty (30) days after receipt of the notice to meet or commence to cure any part of the breach alleged by the Commission. If the Producer fails to cure or correct the deficiency within ninety (90) days, the Commission shall have the right, but not the obligation, to terminate this Agreement and/or to bring an action against Producer.

13. PRODUCER'S SURRENDER

13.1 Producer may, at any time, surrender this Agreement or any portion thereof if Producer is not then in default of any obligations under this Agreement. Any such surrender must be evidenced by written notice delivered to the Commission at least thirty (30) days prior to the effective date of surrender ("Surrender Date"), confirming that Producer has performed all commitments with which Producer is charged up to the Surrender Date. **Paragraph 8.1** (Obligation Well) shall not be regarded or construed as a commitment or obligation under this paragraph.

13.2 In the event that producing wells are to be retained, Producer shall be entitled to retain drainage acreage attributable to each well as previously provided under **Paragraph 9** (Unitization/Pooling). After the Surrender Date, Producer shall be relieved of all obligations as to acreage surrendered, and any rental thereafter coming due shall be reduced in the same proportion that the acreage covered hereby is reduced. Producer, however, shall not be relieved of any obligation which accrues prior to surrender even if the result caused by Producer's performance or failure of performance of an obligation or covenant does not manifest itself until after the Surrender Date.

14. RELEASE

14.1 Producer shall not be relieved from its obligations under this Agreement until a Commission representative has met with Producer's representative on the ground, inspected the premises if necessary, and received a signed statement to such effect from the Commission. Within thirty (30) days thereafter, Producer agrees to execute and deliver a release of the Agreement, which Commission shall record.

15. FINANCIAL SECURITY

15.1 Upon execution of this Agreement, Producer shall provide the Commission with financial security in a form acceptable to the Commission (*i.e.,* surety bond, irrevocable letter of credit with evergreen provision, bank certificate of deposit, *etc.*) to assure faithful performance by Producer of the covenants of this Agreement, an amount of $50,000.

15.2 Producer shall advise the Commission of the proposed cancellation of any financial security required by this Agreement immediately upon receipt of notice by Producer of the proposed cancellation.

16. LIABILITY

16.1 Producer shall alone be liable and responsible for any pollution or other damage which occurs as a result or consequence of Producer's operations, irrespective of whether or not such pollution or damage be due to negligence or to the inherent nature of Producer's operations, unless an independent intervening cause be found to be the sole proximate cause of the pollution or damage. In any action for civil damages by the Commission, there shall be a presumption that, but for Producer's occupation and use of the Premises, the pollution or other damage would not have occurred; it shall then be incumbent upon Producer to come forward with evidence to rebut this presumption. Any action for civil damages on account of such pollution brought by the Commission against Producer shall not bar the Commonwealth from bringing other actions under the Clean Streams Law or other pertinent law, rule, or regulation of the Commonwealth.

16.2 Commission shall not be liable to Producer for any time during which the Premises cannot be used.

17. INDEMNITY

17.1 Producer shall indemnify and hold harmless the Commission from and against all detriment, damage, loss, claims, demands, suits, and expenses, or other claims of any kind whatsoever which the Commission may sustain, suffer, or be subject to directly or indirectly by reason of location, obstruction, presence, maintenance, renewal, or removal of the operations permitted by this Agreement or resulting therefrom.

18. INSURANCE

18.1 **General Commercial Liability Insurance.** Producer shall, at its sole expense, provide and maintain in full force and effect during the term of this Agreement general commercial liability insurance in an amount not less than $250,000 for each occurrence and $1,000,000 aggregate, which shall cover Producer and Commission for damage claims including, but not limited to, personal injury, accidental death, and property loss that may arise from operations conducted under this Agreement. Producer shall also maintain vehicle insurance, as well as all other insurances required by law.

18.2 **Pollution Liability Insurance.** Producer shall, at its sole expense, provide and maintain in full force and effect during the term of this Agreement pollution liability insurance as shall protect the Commission, the Producer and its contractors, if any, from claims of environmental impairment and pollution that may arise during the execution of this Agreement. The amount of pollution liability insurance shall be consistent with industry standards, but not be less than $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate.

18.3 Producer shall provide the Commission with certificates of insurance for its general commercial liability and pollution liability insurance demonstrating the above coverage prior to beginning its operations on or beneath the Premises and shall have Commission listed as an Additional Insured.

18.4 Producer shall advise the Commission of the cancellation of any insurance policy required by this Agreement immediately upon receipt of notice by Producer of the cancellation and in no event later than the effective date of the cancellation.

19. TAXES

19.1 All taxes assessed or payable on the oil, gas, or liquid hydrocarbons or any increase in the real estate tax liability (now or in the future), or taxes in lieu of real estate taxes, because of the operations under this Agreement shall be paid by the parties hereto in proportion to their interest. If applicable, Producer shall pay and fully discharge all taxes, special assessments and government charges of any character imposed during the term of this Agreement on the trade fixtures, appliances, equipment, fixtures, supplies or any other personal property placed by the Producer on the Premises. If any local, state, federal or other taxing power levies a license, severance, production, or other similar tax on oil or gas produced under the Agreement or on Producer's right to operate on the Premises, Producer shall pay all of such tax.

20. ASSIGNMENTS

20.1 Producer shall make written application to the Commission to obtain consent to a proposed assignment whereby Producer is no longer solely responsible for all obligations under this Agreement. The request shall include sufficient detail to allow the Commission to evaluate the viability of any party seeking to obtain an interest in this Agreement, the interest to be transferred, and the relationship among the parties if more than one party will hold an interest in this Agreement.

20.2 The Commission's approval of a request for assignment will be contingent upon satisfying the conditions set forth in this section and any additional conditions necessary to ensure that the assignment is in the best interest of the Commission.

20.3 A party seeking to obtain an interest in this Agreement must agree in writing to be bound by all the terms and provisions of this Agreement, as well as any additional requirements identified by the Commission. This written agreement may require a three-party document wherein the third-party interest holder verifies that its interest will be subordinate to any public interest the Commission maintains in its real property.

20.4 **Assignment to Multiple Parties.**

20.4.1 If the Agreement is assigned to multiple parties, the parties must identify a single point of contact with the Commission for the purposes of notification and communication pursuant to this Agreement and that will be responsible for aggregating payment. Fractional payments by multiple parties shall not occur unless the Commission approves such payment in writing.

20.4.2 If multiple parties hold an interest in this Agreement, all parties must agree in writing to be jointly and severally liable for compliance with the terms and provisions of this Agreement and any additional requirements identified by the Commission. If a party defaults on any of the covenants, conditions, or obligations of this Agreement, as modified by the Commission's consent to

assignment, the Commission, in its sole discretion, may hold all parties jointly liable for the default and may take action pursuant to this Agreement, including termination, against all parties; or the Commission may hold one party severally liable and take action against that party while allowing the other parties to continue to operate under this Agreement, if appropriate.

20.5 The Commission will release a Producer from responsibility and liability under this Agreement upon the completion of the following: (1) approval by the Commission of the assignment of all of the Producer's interest in this Agreement, (2) verification by the Commission that the Producer has fully complied with this Agreement as of the date of release, and (3) assumption by the assignee(s) of responsibility for the covenants, conditions, or obligations of this Agreement, as modified by the Commission's consent to assignment.

21. LIMITATION

21.1 The Commission is considered to be the owner of the oil, gas, and liquid hydrocarbons rights under the Premises but makes no warranty as to the presence of oil, gas, and liquid hydrocarbons, nor as to its ownership thereof. If it is determined by compromise or by a final judgment of a court of competent jurisdiction that the Commission does not have title to all or part of the oil, gas, and liquid hydrocarbon rights on the lands hereby entered into this Agreement, the royalties thereafter accruing from any part as to which this Agreement covers less than the full interest in such oil, gas, and liquid hydrocarbon rights, shall be paid only in the proportion to the Commission's interest, if any. Any prior payments under the terms of this Agreement shall not be reimbursable to Producer.

21.2 In the event of an adverse claim to the premises affecting title to all or a portion of the oil, gas, and liquid hydrocarbon rights under the Premises, notice of such claim will be given to the Commission which may enter into an escrow arrangement for future royalties accruing to such disputed portion under terms and conditions that the Commission feels proper to safeguard the rights and interests of the Commonwealth. If an adverse claimant files suit against the Commonwealth or against Producer claiming title to all or a portion of the oil, gas, and liquid hydrocarbon rights under the Premises or if the Producer, after receiving notice of an adverse claim, institutes litigation in a court of competent jurisdiction to secure an adjudication of the validity of the claim, the royalties accruing to the litigated portion shall be placed in an escrow account until such time as the ownership of the disputed interest shall be determined and paid accordingly.

21.3 Except as provided above, this proportionate reduction clause shall not apply to and shall not reduce the paid-up bonus payments or rents payable under this Agreement.

22. FORCE MAJEURE

22.1 If Producer is prevented from complying with any obligations imposed in this Agreement solely because of a fire, flood, act of God, or other circumstances beyond Producer's control and which Producer, by the exercise of all reasonable diligence, is unable to prevent, then the Producer may petition the Commission for an extension of time to satisfy such obligations.

22.2 Producer shall notify the Commission within ten (10) working days by telephone and within twenty (20) working days in writing of the date it becomes aware or reasonably should have become aware of the force majeure event impeding performance. Producer shall forfeit the right to obtain an extension of time for performance under this section if such notice is not provided. The written submission shall include all necessary documentation, as well as a notarized affidavit from an authorized representative of producer specifying the reasons for the delay, the expected duration of the delay, and the

efforts which have been made and are being made by the Producer to mitigate the effects of the event and to minimize the length of the delay. The Commission will determine, in its sole discretion whether to permit an extension of time.

22.3 An increase in the cost of performing the obligations set forth in this Agreement shall not constitute circumstances beyond Producer's control. Producer's financial inability to comply with any of the obligations of this Agreement shall not be considered a force majeure event. Producer agrees to use all commercially reasonable efforts to expedite the resolution or termination of a force majeure event.

23. RIGHTS RETAINED OR RESERVED BY COMMISSION

23.1 The Commission maintains the right to use the Premises in any and all respects not specifically limited by the terms of this Agreement.

23.2 No gas storage rights are granted under this Agreement.

23.3 The Commission retains or reserves all minerals, oil, gas and liquid hydrocarbons other than those rights specifically granted under this Agreement. Commission shall have the right to enter into other agreements with regard to those retained or reserved rights.

23.4 Producer acknowledges and agrees that certain information used, disclosed, or maintained in connection with the Agreement may be subject to public access or disclosure consistent with the Pennsylvania Right-to-Know law, 65 P.S. § 67.101 *et seq.* ("RTKL"). Producer further acknowledges and agrees that "public records," as defined under the RTKL, shall be disclosed by the Commission pursuant to a lawful request for records. The Commission agrees to notify Producer in writing if records responsive to a lawful Right-to-Know request are known by Commission to constitute or reveal trade secrets or confidential, proprietary, or privileged information. In the event Producer objects to public access or disclosure of such records, it agrees to notify the Commission of its objection in writing and to furnish to it any affidavits(s) or other signed writing(s) to that effect within ten (10) business days from the date of the Commission's notice to Producer.

24. PRODUCER REPRESENTATIONS AND WARRANTIES

24.1 Producer represents and warrants that it has the full power, authority and legal right to execute, deliver and comply with this agreement and has taken all actions necessary or appropriate for the execution and delivery of and compliance with this agreement. This agreement constitutes valid and legally binding obligations of Producer enforceable against the Producer in accordance with its respective terms.

24.2 Producer represents and warrants that it has not applied for or consented to the appointment of a receiver, conservator, trustee or liquidator for itself or any of its property; admitted in writing its inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been adjudicated a bankrupt or insolvent or filed a voluntary petition in bankruptcy or a petition or answer seeking reorganization or any arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law; and no action has been taken by it for the purpose of effecting any of the foregoing. No order, judgment or decree has been entered by any court of competent jurisdiction approving a petition seeking reorganization of Producer or all or a substantial part of the assets of the Producer, or appointing a receiver, conservator, sequestrator, trustee or liquidator of it or any of its property.

25. GENERAL

25.1 This Agreement shall not be construed for, or against, any party, but shall be construed fairly according to its plain meeting.

25.2 The paragraph headings herein are for reference only and are not intended to have any legal force or effect.

25.3 Should any one or more of the provisions of this Agreement become or be adjudicated by a court of competent jurisdiction to be void or invalid, in whole or in part, the remainder of the Agreement shall remain in full force and effect.

25.4 This Agreement shall be governed by the law of the Commonwealth of Pennsylvania.

IT IS HEREBY MUTUALLY UNDERSTOOD AND AGREED that this Agreement shall be legally binding on the parties hereto, their heirs, administrators, executors, successors, and assigns.

IN WITNESS WHEREOF, the Commission and Producer have caused this Agreement to be duly executed by their proper officers, all hereunto duly authorized, on the date first above written.

ATTEST:

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION

_____

_____
(insert Commission officer name and title)

ATTEST:

(INSERT OPERATOR NAME).

_____

_____
(insert operator officer name and title)

APPROVED AS TO LEGALITY AND FORM:

_____
PGC Chief Counsel /Assistant Counsel

_____
Office of Attorney General

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF DAUPHIN :

On this, the _____day of _____, 2027, before me, a Notary Public for the Commonwealth of Pennsylvania, personally appeared (insert name), Director of the Bureau of Wildlife Habitat Management and known to me to be the person described in the foregoing instrument, and that he, as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF DAUPHIN :

On this the _____day of _____, 2020, before me, a Notary Public, the undersigned officer personally appeared [name]_____, [title]_____ of [company]_____, known to me to be the person described in the foregoing instrument, and acknowledged that he/she executed the same in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

_____
Notary Public
My Commission Expires:

EXHIBIT A
State Game Land Lease Agreement Map

EXHIBIT B

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION

CONTRACTOR INTEGRITY PROVISIONS FOR COMMONWEALTH CONTRACTS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth procurement process.

In furtherance of this policy, Contractor agrees to the following:

1. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting with the Commonwealth.

2. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Contractor employee activity with the Commonwealth and Commonwealth employees, and which is distributed and made known to all Contractor employees.

3. Contractor, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.*; the *State Adverse Interest Act, 71 P.S. §776.1 et seq.*; and the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.*, or to breach any other state or federal law or regulation.

4. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person at the direction or request of any Commonwealth official or employee.

5. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person, the acceptance of which would violate the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.* or any statute, regulation, statement of policy, management directive or any other published standard of the Commonwealth.

6. Contractor, its affiliates, agents and employees shall not, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any Commonwealth official or employee.

7. Contractor, its affiliates, agents, employees, or anyone in privity with him or her shall not accept or agree to accept from any person, any gratuity in connection with the performance of work under the contract, except as provided in the contract.

8. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.

9. Contractor, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Contractor under this contract without the prior written approval of the Commonwealth, except as required by the *Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104*, or other applicable law or as otherwise provided in this contract. Any information, documents, reports, data, or records secured by Contractor from the Commonwealth or a third party in connection with the performance of this contract shall be kept confidential unless disclosure of such information is:

a. Approved in writing by the Commonwealth prior to its disclosure; or

b. Directed by a court or other tribunal of competent jurisdiction unless the contract requires prior Commonwealth approval; or

c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or

d. Necessary for purposes of Contractor's internal assessment and review; or

e. Deemed necessary by Contractor in any action to enforce the provisions of this contract or to defend or prosecute claims by or against parties other than the Commonwealth; or

f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain: or

g. Otherwise required by law.

10. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has not been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the Commonwealth agency contracting officer in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:

a. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

b. Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by Contractor or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:

(1) obtaining;

(2) attempting to obtain; or

(3) performing a public contract or subcontract.

Contractor's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

c. Violation of federal or state antitrust statutes.

d. Violation of any federal or state law regulating campaign contributions.

e. Violation of any federal or state environmental law.

f. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.

g. Violation of the *Act of June 2, 1915 (P.L.736, No. 338)*, known as the *Workers' Compensation Act,* 77 P.S. 1 *et seq*.

h. Violation of any federal or state law prohibiting discrimination in employment.

i. Debarment by any agency or department of the federal government or by any other state.

j. Any other crime involving moral turpitude or business honesty or integrity.

Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause upon such notification or when the Commonwealth otherwise learns that Contractor has been officially notified, charged, or convicted.

11. If this contract was awarded to Contractor on a non-bid basis, Contractor must, (as required by *Section 1641* of the *Pennsylvania Election Code*) file a report of political contributions with the Secretary of the Commonwealth on or before February 15 of the next calendar year. The report must include an itemized list of all political contributions known to Contractor by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:

a. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars ($1,000) by any individual during the preceding year; or

b. Any employee or members of his immediate family whose political contribution exceeded one thousand dollars ($1,000) during the preceding year.

To obtain a copy of the reporting form, Contractor shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

12. Contractor shall comply with requirements of the *Lobbying Disclosure Act, 65 Pa.C.S. § 13A01 et seq*., and the regulations promulgated pursuant to that law. Contractor employee activities prior to or outside of formal Commonwealth procurement communication protocol are considered lobbying and subjects the Contractor employees to the registration and reporting requirements of the law. Actions by outside lobbyists on Contractor's behalf, no matter the procurement stage, are not exempt and must be reported.

13. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or Commonwealth Inspector General in writing.

14. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these contractor integrity provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract.

15. Contractor shall cooperate with the Office of Inspector General in its investigation of any alleged Commonwealth employee breach of ethical standards and any alleged Contractor non-compliance with these provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of the Office of Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refers to or concern this contract.

16. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

17. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Paragraph 17.

a. "Confidential information" means information that a) is not already in the public domain; b) is not available to the public upon request; c) is not or does not become generally known to Contractor from a third party without an obligation to maintain its confidentiality; d) has not become generally known to the public through a act or omission of Contractor; or e) has not been independently developed by Contractor without the use of confidential information of the Commonwealth.

b. **"**Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by pre-qualification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this contract.

c. **"**Contractor" means the individual or entity that has entered into this contract with the Commonwealth, including those directors, officers, partners, managers, and owners having more than a five percent interest in Contractor.

d. "Financial interest" means:

(1) Ownership of more than a five percent interest in any business; or

(2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

e. "Gratuity" means tendering, giving or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18*, the *4 Pa. Code §7.153(b)*, shall apply.

f. "Immediate family" means a spouse and any unemancipated child.

g. "Non-bid basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

h. "Political contribution" means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the Commonwealth of Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

EXHIBIT C

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION

NONDISCRIMINATION/SEXUAL HARASSMENT PROVISIONS FOR COMMONWEALTH CONTRACTS

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
3. The Contractor and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. The Contractor and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relates.
5. The Contractor and each subcontractor shall, within the time periods requested by the Commonwealth, furnish all necessary employment documents and records and permit access to their books, records, and accounts by the contracting agency and the Bureau of Minority and Women Business Opportunities (BMWBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. Within fifteen (15) days after award of any contract, the Contractor shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the contract is a construction contract, then the Contractor shall be required to complete, sign and submit Form STD-28, the "Monthly Contract Compliance Report for Construction Contractors", each month no later than the 15th of the month following the reporting period beginning with the initial job conference and continuing through the completion of the project. Those contractors who have fewer than five employees or whose employees are all from the same family or who have completed the Form STD-21 within the past 12 months may, within the 15 days, request an exemption from the Form STD-21 submission requirement from the contracting agency.
6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.