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March 27, 2019

## VIA ELECTRONIC AND FIRST CLASS MAIL

Christian E. Turak, Esquire Gold, Khourey & Turak, L.C. 510 Tomlinson Avenue Moundsville, WV 26041

Re:

Oil & Gas Conservation Commission

Docket No. 277; Cause No. 269

Dear Mr. Turak:

Antero Resources Corporation ("Antero") has requested that we respond to your letter dated March 14, 2019. Antero has elected not to proceed with development of the oil and gas underlying the tract of land containing 13.43000 gross acres, more or less, located in Ellsworth District, Tyler County, the surface of which is described for tax purposes as Tax Map 14, Parcel 19.2, p/o 21 ("Subject Minerals"), at this time. Accordingly, Antero withdraws its prior offers to lease your clients' interests in the Subject Minerals.

By copy of this letter, we ask the West Virginia Oil & Gas Conservation Commission to dismiss your request for a hearing as moot. As your clients disputed any obligation to make an election pursuant to West Virginia Code Section 37B-1-4, we question whether they even have standing before the Commission. Nevertheless, as Antero has withdrawn its prior offers, this matter is moot and resolved.

Should you have questions regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

W. Henry Lawrence

WHL/kad Enclosure

cc (w/encl):

West Virginia Oil and Gas Conservation Commission (susan.w.rose@wv.gov)



JONATHAN E. TURAK
ALSO ADMITTED IN PA
CHRISTOPHER M. TURAK
ALSO ADMITTED IN PA
CHRISTIAN E. TURAK
ALSO ADMITTED IN OHIO AND NY

TEENA Y. MILLER
ALSO ADMITTED IN OHIO

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OF COUNSEL LOUIS H. KHOUREY DAVID R. GOLD

March 14, 2019

Via U.S.P.S. Certified Mail Return Receipt Requested and Email (hwest@anteroresources.com)

Haley E. West Antero Resources Corporation 1615 Wynkoop St. Denver, CO 80202

Re: Letter, dated January 28, 2019, Regarding Final Offer for Lease of Minerals Underlying 13.43000 Acres, Situate in Ellsworth District, Tyler County, WV, being Tax Map 14, Parcel 19.2, p/o 21

Letter, dated January 31, 2019, Regarding Antero's Response to Letter, dated <u>January 10, 2019</u>

Demand for Evidence and Information Relating to W. Va. Code S. 37B-1-4

## Dear Haley:

This letter is in response to the above-referenced letters on behalf of my clients, Robert Lee Templeton and Mary Jean Poling.

Please also take notice that this is a formal demand that Antero Resources Corporation ("Antero") provide adequate and satisfactory evidence that it is entitled to avail itself of W. Va. Code S. 37B-1-4 (the "Co-Tenancy Law"). To date, neither myself nor my clients have received any evidence that these two parcels in question has "seven or more royalty owners" and "at least three fourths of the right to develop, operate, and produce oil, natural gas, or their constituents."

Moreover, please provide any evidence substantiating Antero's claim that it has made "reasonable efforts to negotiate with all royalty owners" of these parcels. On this subject, Antero has refused to negotiate or even discuss this matter with myself, as legal counsel for Mr. Templeton and Ms. Poling, despite Antero's acknowledgment that I am their legal counsel. Even more, Antero has continued to mail its "Final Offer Letter" directly to Mr. Templeton and Ms. Poling, which, as you are aware, is a pre-requisite requirement to Antero's attempt to utilize the Co-Tenancy Law. As a final consideration on this topic, I would like to point out that this is the third "Final Offer Letter"

Haley E. West March 14, 2019 Page 2

that my clients have received. This latest "Final Offer Letter" indicates that Antero's final offer has been reduced from a bonus of \$5,000 per net mineral acre and 20% royalty to \$4,000 per net mineral acre and 18% royalty.

As you will remember, I requested that Antero provide this information and evidence by my letter, dated January 10, 2019. In response, you stated in your above-referenced letter that "[u]nder W. V. Code S.37B 1-4 Antero has the right to use cotenancy on these mineral interests as we have met all components of the statute. As such, we will proceed with the cotenancy process." Without evidence substantiating Antero's entitlement to avail itself of the Co-Tenancy Law, it is impossible to make an independent determination as to whether the Co-Tenancy Law is applicable to these parcels at this time. And, as it is Antero that is seeking to avail itself of the Co-Tenancy Law, it has the burden of proving that it is entitled to do so.

As my clients cannot be satisfied that Antero is entitled to avail itself of the Co-Tenancy Law, my clients do not make any election pursuant to the Co-Tenancy Law. Furthermore, my clients dispute that they can be deemed to have made an election pursuant to the Co-Tenancy Law as no independent determination as to the Co-Tenancy Law's application to this matter can be made.

Again, this is a formal demand for the above-referenced evidence and information. Please feel free to give me a call to discuss this matter at your earliest convenience. Thank you for your attention to this matter.

Sincerely yours,

GOLD, KHOUREY & TURAK, L. C.

Christian E. Turak E-Mail: cet@gkt.com

CET:cet

cc. West Virginia Oil and Gas Conservation Commission Clients