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
MICHELLE MARINACCI
ALSO ADMITTED IN OHIO
TAYLOR D. POTTS



GOLD, KHOUREY & TURAK, L.C. 510 TOMLINSON AVENUE MOUNDSVILLE, WV 26041

> PHONE: (304) 845-9750 FAX: (304) 845-1286

OF COUNSEL LOUIS H. KHOUREY DAVID R. GOLD

March 14, 2019

Via U.S.P.S. Certified Mail Return Receipt Requested and Email (Susan.W.Rose@wv.gov)

West Virginia Oil and Gas Conservation Commission 601 57<sup>th</sup> Street, SE Charleston, WV 25304

Re: Request for Hearing as to the Applicability of W. Va. Code 37B-1-4

Dear Commission:

I represent Robert Lee Templeton and Mary Jean Poling. My clients own an interest in two mineral parcels situate in Ellsworth District, Tyler County, West Virginia, which is further identified by the Tyler County Assessor's Office as Tax Map 14, Parcels 19 and p/o 21.

Antero Resources Corporation ("Antero") is seeking to avail itself of W. Va. Code S. 37B-1-4 (the "Co-Tenancy Law") in regard to my clients interests in the above-referenced parcels. Please accept this letter as a formal request to hold a hearing at which myself and my clients may appear to determine the applicability of the Co-Tenancy Law to this matter--i.e. whether (1) "there are seven or more royalty owners; (2) the "operator or owner makes or has made reasonable efforts to negotiate with all royalty owners"; and (3) "royalty owners vested with at least three fourths of the right ot develop, operate, and produce oil, natural gas, or their constituents consent to the lawful development of the oil or natural gas mineral property." W. Va. Code S. 37B-1-4(a).

As background, my clients have received three separate "Final Offer Letters" from Antero. The first "Final Offer Letter" is dated January 10, 2018, the second "Final Offer Letter" is dated November 5, 2018, and the latest "Final Offer Letter" is dated January 28, 2019. Copies of Antero's three "Final Offer Letters" are enclosed herewith.

In response to Antero's second "Final Offer Letter," dated November 5, 2018, I sent Antero a letter, dated January 10, 2019. In my January 10, 2019 letter, I requested that Antero provide me with information and/or evidence substantiating its claim that it has met the requirements set forth in subsection (a) of the Co-Tenancy Law, detailed above. I also stated that my clients' position that Antero has not made reasonable efforts to negotiate with my clients as required by subsection (a) of the Co-Tenancy Law. A copy of my January 10, 2019 letter is enclosed herewith.

West Virginia Oil and Gas Conservation Commission March 14, 2019 Page 2

Haley E. West, on behalf of Antero, responded by letter, dated January 31, 2019. In her January 31, 2019 letter, Ms. West simply stated 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." Ms. West did not provide any other information or any evidence in support of Antero's position that it is entitled to avail itself of the Co-Tenancy Law. A copy of Ms. West's January 31, 2019 letter is enclosed herewith.

By letter of this same date, of which the West Virginia Oil and Gas Conservation Commission has been carbon copied, I, again, requested that Antero provide information and/or evidence that it is entitled to avail itself of the Co-Tenancy Law. Also, in that same letter, I explained my clients' position that Antero has not made reasonable efforts to negotiate as required by subsection (a) of the Co-Tenancy Law, by among other things, reducing its "final offer" from \$5,000 per net mineral acre to \$4,000 per net mineral acre and the royalty from 20% to 18% in its latest "Final Offer Letter." A copy of my March 14, 2019 letter is enclosed herewith.

Because Antero has, to date, refused to provide any information and/or evidence substantiating its entitlement to avail itself of the Co-Tenancy Law, my clients are unable to make an independent determination as to the Co-Tenancy Law's applicability to this matter. As such, I am formally requesting a hearing before the West Virginia Oil and Gas Conservation Commission.

In the meantime, my clients do not make an election pursuant to subsection (c) of 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 request for a hearing before the West Virginia Oil and Gas Conservation Commission. 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. Haley E. West Clients



## **FINAL OFFER LETTER**

January 19, 2018

Robert Lee Templeton 395 Pleasants Ridge Rd. Sistersville, WV 26175

RE: Leasing Offer for County Land Reference #: 2-14-19.2 and p/o 21 13.43 surface acres, Ellsworth District Rabbit Ears Prospect, Tyler County, WV

Mr. Templeton.

Pursuant to our multiple phone conversations, please consider the below. You advised me in these conversations, that your sister, Mary Jean Poling lives in Jackson burg, WV. I have been unable to find her phone number or address. I have requested this information via your voicemail and would greatly appreciate you advising me of same.

As we have discussed, preliminary research of public records indicates you and Mary Jean Poling own an undivided **2.44333** net mineral acres, **(1.22167 each)** more or less, under the referenced land(s). Antero Resources Corporation is presently securing leases in this area. I **could find no other acreage that you own which is within Antero's area of interest**. We are in the final stages of our plans to drill one or more horizontal natural gas wells, which would affect the property listed above, we **need to make one last attempt to finalize the documentation that will allow you to share in the royalties produced from drilling.** We would like to acquire a lease covering your interest in the referenced tracts and offer to pay you and Mrs. Poling bonus consideration of **\$12,216.65** (**\$6,108.33 each**) for the execution of the enclosed Oil and Gas Lease and Memorandum. The lease provides for a five (5) year term and **20%** royalty in the event production is established. The consideration is based on **\$5,000.00 per net mineral acre** and will be paid upon the receipt of the properly signed and executed documents along with your properly completed W-9.

If we have not received the executed documents by the February 5, 2018, we will pursue other remedies to comply with our duty to the other mineral owners in this property to develop the lands for oil and gas purposes. In doing so, the State of West Virginia allows all Lessees and Lessors of mineral interests to petition the court for partition of the lands of any un-leased mineral owners. Because this option involves the court system, which can be a slow process, we wish to avoid this option. However, if a petition is filed, we likely will prevail, resulting in our receiving a date certain of the determination, which allows us to proceed with our proposed drilling activities. As a result, you will no longer be able to share in the benefits, i.e. royalties, of the proposed well(s).

Please review the accuracy of the original instruments for any errors or omissions and follow these steps:

- Sign Original Oil and Gas Lease Please sign exactly as your name is typed, in the presence of a notary public, in the space provided.
- Sign Memorandum of Oil and Gas Lease Please sign exactly as your name is typed in the presence of a notary public, in the space provided.
- Complete and Sign Form W9 This is a required form. This form
  provides for an address for which to receive payments and federal
  records.
- The instruments marked COPY are for your records.



We wish to be fair and negotiate in good faith. Antero is the leading exploration and production company in West Virginia and has a proven track record. Please feel free to visit our website for additional information on our company <a href="https://www.anteroresources.com/">http://www.anteroresources.com/</a>.

Please take a moment and consider our offer. We would like to proceed with our planned well(s) as soon as possible. Again, please contact the undersigned to discuss or sign the Lease and Memorandum in the presence of a notary and return to our office in the enclosed prepaid envelope by the end of business **February 5, 2018**, at which time we will be forced to pursue legal remedies.

This offer is valid until February 5, 2018, please have all documentation returned by this date,

Robin Roberts

Sincerely,

Petroleum Landman

Texhoma Land Consultants, Inc.

Representative of Antero Resources Corporation

Email: robinrobertsut@hotmail.com

Cell Phone 214-213-4111



# ANTERO RESOURCES CORPORATION Office (304) 842-8040 Fax (304) 842-8049

November 5, 2018

#### <u>VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED</u>

Robert Lee Templeton & Mary Jean Poling 395 Pleasants Ridge Rd. Sistersville, WV 26175

RE: Best and 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

Dear Robert Lee Templeton & Mary Jean Poling,

Antero Resources Corporation ("Antero") has determined that you appear to own an undivided 2.44333net acres of oil and gas underlying a 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 Property"). Despite Antero's reasonable attempts to negotiate with you, Antero has been unable to obtain a lease covering your interest in the Subject Property. Thus, I am writing to deliver Antero's best and final offer to lease your interest in the Subject Property as required by West Virginia Code § 37B-1-4(a).

In the absence of a lease executed by you, Antero may proceed with developing your interest pursuant to W. Va. Code § 37B-1-4(a) et seq. This statute allows for development of a mineral estate upon agreement by the cotenants owning at least an undivided three-fourths of the right to develop the mineral estate. See W. Va. Code § 37B-1-4(a).

Enclosed please find the following: 1) Two (2) copies of the Oil and Gas Lease, which is Antero's best and final offer to lease your interest in the Subject Minerals; 2) Two (2) copies of the Memorandum of Oil and Gas Lease; and 3) A W9 Tax Form. Upon review, please sign a copy of the Oil and Gas Lease and Memorandum of Oil and Gas Lease in the presence of a Notary Public and return them to me with a filled out W9 Tax Form in the enclosed self-addressed, stamped envelope. You may keep the documents marked "COPY" for your records. Upon receipt of the documents, Antero will send you a check in the amount of \$12,216.65 for your lease bonus payment.

Should you choose not to sign and return the documents to me within 45 calendar days from the date of this letter, you will be deemed to have elected to receive a production royalty pursuant to W. Va. Code § 37B-1-4(c), and Antero will proceed with the development of your interest in the Subject Property. Should you have any questions, please do not hesitate to contact me at 304-842-9591.

Very truly yours,

Tierce Weaver



## **FINAL OFFER LETTER**

January 28, 2019

Robert Lee Templeton 395 Pleasants Ridge Rd. Sistersville, WV 26175

RE: Leasing Offer for County Land Reference #: 2-14-19.2 and p/o 21 13.43 surface acres, Ellsworth District Rabbit Ears Prospect, Tyler County, WV

Mr. Templeton,

Pursuant to our multiple phone conversations, please consider the below. You advised me in these conversations, that your sister, Mary Jean Poling lives in Jackson burg, WV. I have been unable to find her phone number or address.

As we have discussed, preliminary research of public records indicates you and Mrs. Poling own an undivided 2.44313 net mineral acres, more or less, under the referenced land(s). Antero Resources Corporation is presently securing leases in this area. We are in the final stages of our plans to drill one or more horizontal natural gas wells, which would affect the property listed above, we need to make one last attempt to finalize the documentation that will allow you to share in the royalties produced from drilling. We would like to acquire a lease covering your interest in the referenced tracts and offer to pay bonus consideration of \$9,772.52 for the execution of the enclosed Oil and Gas Lease and Memorandum. The lease provides for a five (5) year term and 18% royalty in the event production is established. The consideration is based on \$4,000.00 per net mineral acre and will be paid upon the receipt of the properly signed and executed documents along with your properly completed W-9. Please note that due to changes in the market, Antero has had to change their offers in all leasing areas. The parameters in this particular area have been changed to the maximum terms as above offered.

If we have not received the executed documents by the February 22, 2019, we will pursue other remedies to comply with our duty to the other mineral owners in this property to develop the lands for oil and gas purposes.

Please review the accuracy of the original instruments for any errors or omissions and follow these steps:

- Sign Original Oil and Gas Lease Please sign exactly as your name is typed, in the presence of a notary public, in the space provided.
- Sign Memorandum of Oil and Gas Lease Please sign exactly as your name is typed in the presence of a notary public, in the space provided.
- Complete and Sign Form W9 This is a required form. This form provides for an address for which to receive payments and federal records.
- The instruments marked COPY are for your records.



We wish to be fair and negotiate in good faith. Antero is the leading exploration and production company in West Virginia and has a proven track record. Please feel free to visit our website for additional information on our company <a href="http://www.anteroresources.com/">http://www.anteroresources.com/</a>.

Please take a moment and consider our offer. We would like to proceed with our planned well(s) as soon as possible. Again, please contact the undersigned to discuss or sign the Lease and Memorandum in the presence of a notary and return to our office in the enclosed prepaid envelope by the end of business **February 22, 2019**.

This offer is valid until February 22, 2019, please have all documentation returned by this date.

Robin Roberts

Sincerely

Petroleum Landman

Texhoma Land Consultants, Inc.

Representative of Antero Resources Corporation

Email: robinrobertsut@hotmail.com

Cell Phone 214-213-4111

JONATHAN E. TURAK ALSO ADMITISD IN PA

1.

CHRISTOPHER M. TURAK ALSO ADMITTED IN PA

CHRISTIAN E. TURAK ALSO ADMITTED IN OHIO AND NY

TEENAY. MILLER
ALSO ADMITTED IN OHIO

MICHELLE MARINACCI
ALSO ADMITTED IN CHIO

TAYLOR D. POTTS



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

> PHONE: (304) 845-9750 FAX: (304) 845-1286

OF COUNSEL LOUIS H. KHOUREY DAVID R. GOLD

January 10, 2019

# Via U.S.P.S. Certified Mail

Antero Resources Corporation 635 White Oaks Blvd. Bridgeport, WV 26330 Attn: Shane Sprouse

Re:

Letter, dated November 5, 2018, Regarding Best and 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

Dear Shane:

This letter is in response to Tierce Weaver's letter identified above. As you are aware, I represent Robert Lee Templeton and Mary Jean Poling in regard to this matter.

As you are also aware, in November of 2018, I spoke with Mr. Weaver regarding this letter. Mr. Weaver informed me that you had directed him not to communicate with me or anyone from my office. When I asked him why, he informed me that he was not sure why but that he believed the directive was coming from Antero directly. When I asked him to provide me with whatever documents that had been sent to my clients for my review, he told me that he was not permitted to do so and would not be doing so. When I asked him who I could speak with about this matter, he reluctantly provided your name and contact information. Unfortunately, after several back and forth phone calls, you and I were not able to speak. However, I recently placed another phone call to you last week that has not been returned. I also previously placed a phone call to Haley West that has not been returned. To date, I have not had the opportunity to substantively discuss the contents of Mr. Weaver's letter with any employee or agent of Antero Resources Corporation.

As I am sure you are also aware, a lessee is only allowed to avail itself of W.V. Code S. 37B-1-4 under certain, specific circumstances. In short, in order for the code to apply the tract in question must have "seven or more royalty owners" and "at least three fourths of the right to develop, operate, and produce oil, natural gas, or their constituents." I would appreciate it if Antero would provide me with documents substantiating its purported right to avail itself of W.V. Code S. 37B-1-4.

Shane Sprouse January 10, 2019 Page 2

Notwithstanding the above, W.V. Code S. 37B-1-4 requires that a lessee "makes or has made reasonable efforts to negotiate with all royalty owners in an oil or natural gas property." As detailed above, Antero has refused to enter into any kind of negotiations with myself as legal counsel for Mr. Templeton and Ms. Poling. Accordingly, at this juncture, Antero has not complied with the mandates of W.V. Code S. 37-1-4.

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.

E-Mail: cet@gkt.com

CET:cet

Haley West CCS.

Clients



Gold, Khourey & Turak Christian Turak 510 Tomlinson Avenue Moundsville, WV 26041 Antero Resources 1615 Wynkoop Street Denver, CO 80202 Office 303.357.7310 Fax 303.357.7315

January 31, 2019

Re: Letter dated January 10, 2019

Dear Mr. Turak,

In response to your letter dated January 10, 2019 to Shane Sprouse regarding the interest of Robert Lee Templeton and Mary Jean Poling, Antero has attempted multiple negotiations through several individuals. Your clients have not been responsive to many attempts to negotiate from our buyer Robin Roberts, and you have spoken to both Tierce Weaver and Shane Sprouse in attempts to negotiate a lease on this interest. We have been unable to agree to terms.

Under 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. Your clients will receive our best and final offers, as we have been unable to come to agreement on lease terms.

Sincerely, Haley West

Ccs: Shane Sprouse
Robert Lee Templeton
Mary Jean Poling

JONATHAN E. TURAK ALSO ADMITTED IN PA CHRISTOPHER M. TURAK ALSO ADMITTED IN PA

CHRISTIAN E, TURAK

TEENA Y. MILLER
ALSO ADMITTED IN ORIO

MICHELLE MARINACCI
ALSO ADMITTED IN OHIO

TAYLOR D. POTTS



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> PHONE: (304) 845-9750 FAX: (304) 845-1286

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