

Purple Land Management North, LLC  
4486 Dressler Road NW, Suite A  
Canton, OH 44718  
ph 330.541.5522 • fax 330.617.8768  
[purplelandmgmt.com](http://purplelandmgmt.com)



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June 5<sup>th</sup>, 2014

Dear Landowner,

My name is Pete Raptis, and I am a Landman for Purple Land Management. Please find enclosed the Lease Packet we spoke about on the phone. I have included one copy for you to keep and one copy for you to sign and send back with the self-addressed stamped envelope enclosed. I have also included sign here stickers to indicate where you should be signing the documents. If you have any questions or concerns, please do not hesitate to contact me at the number listed below.

Thank you, and have a great day.

Respectfully,

**Pete Raptis,**  
**Landman**  
**Purple Land Management North, L.L.C.**  
**4486 Dressler Road NW, Suite A**  
**Canton, OH 44718**  
**330.787.3006 (mobile)**  
**330.617.8768 (fax)**  
**[www.purplelandmgmt.com](http://www.purplelandmgmt.com)**

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Canton, OH 44718

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Mailed From 4  
06/05/2014  
0314000273

Please fill in the name of the person signing and their title in the company.

**MEMORANDUM OF OIL & GAS LEASE**

This Memorandum of Oil and Gas Lease dated the \_\_\_\_ day of June, 2014 by and between **Ohio American Energy, Inc., an Ohio corporation,** by \_\_\_\_\_, acting as \_\_\_\_\_, of 153 Highway 7 S, Powhatan Point, OH 43942, hereinafter collectively called "Lessor," and **American Energy – Utica, LLC an Oklahoma Limited Liability Company,** whose address is **P.O. Box 18756, Oklahoma City, OK 73154,** hereinafter called "Lessee."

**WHEREAS:**

For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, Lessor did make and execute in favor of Lessee an Oil and Gas Lease dated June \_\_\_\_, 2014, and made effective June \_\_\_\_, 2014, which provides for a Five (5) year primary term and an option to renew for an additional Five (5) year primary term.

Said lease covers all that certain tract of land being described as follows:

Township: 8; Range: 5; Section 5; NW ¼: Tax Parcel No.: 39-01240.003, Containing 4.989 acres

and is bounded formerly or currently as follows:

- On the North by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland
- On the East by lands of: Lafferty Coal Mining Co.
- On the South by lands of: Lafferty Coal Mining Co.
- On the West by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland

Containing 4.989 acres and located in the Township of Union, Belmont County, State of Ohio, for the purpose of drilling, operating for, producing and removing oil and gas and all the constituents thereof. Said lands were conveyed to Lessor by virtue of deed dated June 19, 2007, and recorded in said County and State in Book 111, Page 628. This Lease may be extended beyond the primary term by certain activities including, without limitation, conducting operations, producing oil or gas, or making prescribed payments. This Lease also grants to Lessee a Right of First Refusal to match any offer to top lease the leased premises, which right may be exercised by Lessee within Fifteen (15) days after receipt of proper notice from Lessor.

This Memorandum of Oil and Gas Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil and Gas Lease shall have no effect upon, and is not intended as an amendment of the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the properties described herein, whether or not the tracts recited herein are properly described, and further it is understood this lease includes all rights owned by the Lessor in the properties described herein.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

WITNESS:

LESSOR:

**Ohio American Energy, Inc., an Ohio corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_





**PAID-UP  
OIL & GAS LEASE**

Lease No. \_\_\_\_\_

This Lease made this \_\_\_\_\_ day of June, 2014, by and between: **Ohio American Energy, Inc., an Ohio corporation,** by \_\_\_\_\_, **acting as** \_\_\_\_\_, whose address is 153 Highway 7 S, Powhatan Point, OH 43942, hereinafter collectively called "Lessor," and **American Energy – Utica, LLC an Oklahoma Limited Liability Company,** whose address is **P.O. Box 18756, Oklahoma City, OK 73154,** hereinafter called "Lessee."

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

**LEASING CLAUSE.** Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, or from other lands, using methods and techniques which are not restricted to current technology, including, without limitation, the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads over and across the Leasehold for use in development of the Leasehold or other lands, electric power and telephone facilities, water impoundments, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from other lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface of the Leasehold for the drilling of a wellbore(s) for use in development of the Leasehold or other lands.

**DESCRIPTION.** The Leasehold is located in the Township of Union, in the County of Belmont, in the State of Ohio, and described as follows:

Township: 8; Range: 5; Section 5; NW ¼; Tax Parcel No.: 39-01240.003, Containing 4.989 acres

and is bounded formerly or currently as follows:

On the North by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland  
On the East by lands of: Lafferty Coal Mining Co.  
On the South by lands of: Lafferty Coal Mining Co.  
On the West by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland

and described for the purposes of this agreement as containing a total of 4.989 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. Said lands were conveyed to Lessor from Joann Copeland, married, by virtue of deed dated June 19, 2007, and recorded in said County and State in Book 111, Page 628. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

**LEASE TERM.** This Lease shall remain in force for a primary term of Five (5) years from 12:00 A.M. June \_\_\_\_, 2014 (effective date) to 11:59 P.M. June \_\_\_\_, 2019 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without

additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

**EXTENSION OF PRIMARY TERM.** Lessee has the option to extend the primary term of this Lease for one additional term of Five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

**NO AUTOMATIC TERMINATION OR FORFEITURE.**

(A) **CONSTRUCTION OF LEASE:** The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) **LIMITATION OF FORFEITURE:** This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

**PAYMENTS TO LESSOR.** In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

(A) **DELAY RENTAL:** To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.

(B) **ROYALTY:** For all oil and gas substances that are produced and sold from the lease premises, Lessor shall receive as its royalty eighteen (18%) percent of the sales proceeds actually received by Lessee from the sale of such production, less this same percentage share of all post production costs, as defined below, and less this same percentage share of all production, severance and ad valorem taxes. As used in this provision, post production costs shall mean (i) all losses of produced volumes (whether by use as fuel, lime loss, flaring, venting or otherwise) and (ii) all costs actually incurred by Lessee from and after the wellhead to the point of sale, including, without limitation, all gathering, dehydration, compression, treatment, processing, marketing and transportation costs incurred in connection with the sale of such production. For royalty calculation purposes, Lessee shall never be required to adjust the sales proceeds to account for the purchaser's costs or charges downstream from the point of sale. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

(C) **DELAY IN MARKETING:** In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (including, without limitation, hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.

(D) **SHUT-IN:** In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall, after the primary term, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved. Lessor represents and warrants that there is no existing oil and gas lease which is presently in effect covering the Leasehold.

(I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.

(J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.

(K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or re-enter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon

related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year, proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

**TITLE AND INTERESTS.** Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

**LEASE DEVELOPMENT.** There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

**COVENANTS.** This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

**RIGHT OF FIRST REFUSAL.** If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease which will take effect upon expiration of this Lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

**ARBITRATION.** In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

**ENTIRE CONTRACT.** The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

**TITLE CURATIVE.** Lessor agrees to execute consents, affidavits, ratifications, amendments, permits and other instruments as Lessee may request to carry out the purpose of this lease, including without limitation, applications necessary to obtain driveway entrance permits, and approvals of drilling or production units which Lessee may seek to form pursuant to governmental authorization.

**SURRENDER.** Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

**SUCCESSORS.** All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

**FORCE MAJEURE.** All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, other Acts of God, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure. If this Lease is the subject matter of any lawsuit, arbitration proceeding, or other action, then this Lease shall not expire during the





**EXHIBIT "A"**

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated June \_\_\_\_, 2014, by and between **Ohio American Energy, Inc., an Ohio corporation**, by \_\_\_\_\_, acting as \_\_\_\_\_, as Lessor(s), and **American Energy – Utica, LLC** an **Oklahoma Limited Liability Company**, as Lessee ("Lease"), to wit:

In the event of a conflict between the terms of this Exhibit "A" and the terms of the printed form to which it is attached, the terms of this Exhibit "A" shall control.

1. **Compliance** Lessee's operations on said land shall comply with all applicable federal and state regulations.
2. **Damage** Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee agrees to pay Lessor at a reasonable rate for all surface damages caused by Lessee's operations to growing crops, trees, and timber.
3. **Fence** Upon Lessor's written request, Lessee shall at its sole cost, expense, and design install fencing for the protection of livestock around any well site(s), tank battery (ies) or facility (ies) installed on the leased premises by Lessee provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.
4. **Gate** Upon the written request of Lessor, Lessee shall install at its sole cost and expense a gate at the entrance of any road constructed by Lessee on the leased premises provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.
5. **Reclamation** Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner, which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner, which restores said land as nearly to original contours as reasonably practical.
6. **Water Damage** In the event any activity carried on by Lessee pursuant to the terms of this Lease damages, disturbs, or injures Lessor's fresh water well or source located on these leased premises, Lessee shall at its sole cost and expense use its best efforts to correct any such damage, disturbance or injury.
7. **Clean Up** On completion of any operations, Lessee shall restore the leased premises to pre-drilling conditions, remove all debris, equipment and personal property which Lessee placed on the leased premises (except for equipment needed for the operation of producing wells), which shall be removed within six (6) months after a well permanently ceases to produce.
8. **Firearms on Premises** Lessee agrees that its employees, agents and independent contractors shall have no right to bring any firearms (excluding licensed concealed firearms) on the premises, and hunting and fishing on the leased premises is strictly prohibited. Any person found to have violated this provision may be denied further access to the leased premises for any purpose.
9. **Timber** Lessee and Lessor agree that prior to the removal of any and all marketable timber resulting from Lessee's operations under the terms of this Lease, a qualified third party forester shall conduct an appraisal, and Lessee shall pay Lessor the said appraisal value prior to harvesting.

AMERICAN ENERGY - UTICA, LLC

**ORDER OF PAYMENT**

Date: \_\_\_\_\_

American Energy Utica, LLC (AEU) will tender payment to the Lessor identified in the Paid Up Lease ("Lease") as indicated herein by check within **120** days of its receipt of the original of this Order of Payment and the executed Lease. Payment is conditioned upon title to the property interests leased being confirmed satisfactorily to AEU, in its sole discretion. A prior unsubordinated mortgage shall constitute a title defect and is a basis to render title unacceptable. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely. Lessor shall retain the copy of this Order of Payment. No default for non-payment may be claimed by Lessor during said **120-day** period.

If Lessor owns more or less than the net interest defined herein, AEU may, without immediate notice to Lessor, increase or reduce the consideration payable hereunder proportionate to the actual interest owned by Lessor.

AEU retains the right to surrender the Lease associated with the Order of Payment at any time and for any reason. If the Lease is surrendered before payment is due under this Order of Payment, the Lessor may retain any consideration paid at the time of signing the Lease but is not entitled to any additional amount. If the Lease has not been surrendered or payment made by the specified due date, then Lessor shall notify Lessee in writing and Lessee shall have 30 days from receipt of such written notice to make payment or surrender the lease without any liability.

Lessor acknowledges and agrees that the Lease is a valid and binding agreement, subject to the terms and conditions contained herein. Lessor represents he/she has a full understanding of the risks involved in leasing property for oil and gas development and that Lessor has read and understands the terms and provisions of the Lease and this Order of Payment. Lessor agrees this is an arm's length transaction entered into as a result of his/her own free act and will and AEU or anyone acting on its behalf has made no representations of value or exerted any duress or coercion. Lessor agrees that payment made hereunder is final and will not seek to amend or modify the payment, or seek additional consideration based upon any differing terms which AEU has or will negotiate with any other lessor/oil and gas owner. Non-acceptance by Lessor of timely payment shall not serve to void the Lease.

**PAY TO: Ohio American Energy, Inc., an Ohio corporation**

in the amount of Twenty-Eight Thousand Six Hundred Eighty-Six dollars and 75/100 (\$28,686.75)

Address: 153 Highway 7 S, Powhatan Point, OH 43942

Phone: 740-338-3100

STATE	COUNTY/PARISH	TOWNSHIP/DISTRICT/TOWN OF
OHIO	BELMONT	UNION
PROSPECT/PROJECT NAME		AFE NUMBER
R&F COAL N RCH BL		
LEASE NUMBER	<input type="checkbox"/> New <input type="checkbox"/> Renewal	PIPELINE NUMBER OR DESCRIPTION

This payment is for Bonus consideration from June \_\_\_\_, 2014 to June \_\_\_\_, 2019, for Oil & Gas Lease, dated June \_\_\_\_, 2014, which covers property described as follows:

Parcel **39-01240.003** Acres **4.989**

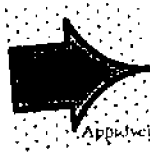
Completed by: **Pete Raptis**

1099 Form to be sent to: **Ohio American Energy, Inc., an Ohio corporation** SSN or Tax ID: \_\_\_\_\_

Lessor's signature: \_\_\_\_\_ Witness: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



Approved by: \_\_\_\_\_

Forward to: \_\_\_\_\_

FOR INTERNAL USE ONLY	DATE PAID	PAID BY
	AMOUNT	CHECK NUMBER
	NOTE	

**Form W-9**  
 (Rev. December 2011)  
 Department of the Treasury  
 Internal Revenue Service

**Request for Taxpayer  
 Identification Number and Certification**

**Give Form to the  
 requester. Do not  
 send to the IRS.**

Name (as shown on your income tax return)  
**Ohio American Energy, Inc., an Ohio corporation**

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:  
 Individual/sole proprietor     C Corporation     S Corporation     Partnership     Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

Other (see instructions) ▶

Address (number, street, and apt. or suite no.)  
**153 Highway 7 S**

City, state, and ZIP code  
**Powhatan Point, OH 43942**

Requester's name and address (optional)

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN); if you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

--	--	--	--

Employer identification number

--	--	--	--	--	--	--	--

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Signature of U.S. person ▶

Date ▶

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

Please keep this blind copy for your records.

**MEMORANDUM OF OIL & GAS LEASE**

This Memorandum of Oil and Gas Lease dated the \_\_\_\_\_ day of June, 2014 by and between **Ohio American Energy, Inc., an Ohio corporation,** by \_\_\_\_\_, acting as \_\_\_\_\_ of 153 Highway 7 S, Powhatan Point, OH 43942, hereinafter collectively called "Lessor," and **American Energy - Utica, LLC an Oklahoma Limited Liability Company,** whose address is **P.O. Box 18756, Oklahoma City, OK 73154,** hereinafter called "Lessee."

**WHEREAS:**

For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, Lessor did make and execute in favor of Lessee an Oil and Gas Lease dated June \_\_\_\_, 2014, and made effective June \_\_\_\_, 2014, which provides for a Five (5) year primary term and an option to renew for an additional Five (5) year primary term.

Said lease covers all that certain tract of land being described as follows:

Township: 8; Range: 5; Section 5; NW ¼: Tax Parcel No.: 39-01240.003, Containing 4.989 acres

and is bounded formerly or currently as follows:

- On the North by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland
- On the East by lands of: Lafferty Coal Mining Co.
- On the South by lands of: Lafferty Coal Mining Co.
- On the West by lands of: Leslie Robert Copeland, C/O Mary Lou Copeland

Containing 4.989 acres and located in the Township of Union, Belmont County, State of Ohio, for the purpose of drilling, operating for, producing and removing oil and gas and all the constituents thereof. Said lands were conveyed to Lessor by virtue of deed dated June 19, 2007, and recorded in said County and State in Book 111, Page 628. This Lease may be extended beyond the primary term by certain activities including, without limitation, conducting operations, producing oil or gas, or making prescribed payments. This Lease also grants to Lessee a Right of First Refusal to match any offer to top lease the leased premises, which right may be exercised by Lessee within fifteen (15) days after receipt of proper notice from Lessor.

This Memorandum of Oil and Gas Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil and Gas Lease shall have no effect upon, and is not intended as an amendment of the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the properties described herein, whether or not the tracts recited herein are properly described, and further it is understood this lease includes all rights owned by the Lessor in the properties described herein.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

WITNESS:

LESSOR:

**Ohio American Energy, Inc., an Ohio corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_

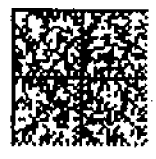
Private Land Management  
4186 Dressler Road NW, Suite A  
Canton, OH 44718

**CERTIFIED MAIL**



7014 0150 0000 8935 9163

Ohio American Energy, Inc.  
Attn: Dana Milhoan  
46226 National Road  
St. Clairsville, OH 43950



USPS  
FIRST CLASS PERMIT NO. 4371  
CANTON, OH 44702  
031A 000218324