

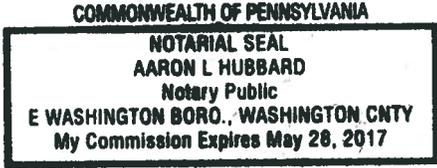
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

**COMMONWEALTH OF PENNSYLVANIA
COUNTY OF WASHINGTON**

On this, the 9th day of October, 2014, before me Aaron L. Hubbard, the undersigned officer, personally appeared **C. Barry Osborne**, who acknowledged himself to be the Vice President – Land, Southern Marcellus Shale of **RANGE RESOURCES – APPALACHIA, LLC** a Delaware limited liability company and that he as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself as Vice President – Land, Southern Marcellus Shale.

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

Aaron L. Hubbard
Notary Public



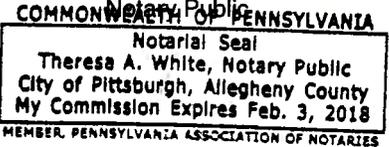
ACKNOWLEDGMENT

**COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY**

On this, the 9th day of October, 2014, before me Theresa A. White, the undersigned officer, personally appeared **William D. McKain**, who acknowledged himself to be the County Manager of **COUNTY OF ALLEGHENY**, a home rule county and political subdivision of the Commonwealth of Pennsylvania, and that he as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the County of Allegheny by himself as County Manager.

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

Theresa A. White



NON-SURFACE USE OIL AND GAS LEASE

THIS NON-SURFACE USE OIL AND GAS LEASE ("Lease") made and entered unto on this 9th day of October, 2014 (the "Effective Date"), by and between the COUNTY OF ALLEGHENY, a home rule county and political subdivision of the Commonwealth of Pennsylvania, hereinafter referred to as either the "County" or the "Lessor"

A

N

D

RANGE RESOURCES-APPALACHIA, LLC, a Delaware limited liability company, with a principal place of business at Ft. Worth, Texas, and having an address of 3000 Town Center Blvd., Canonsburg, Pennsylvania 15317, and authorized to do business within the Commonwealth of Pennsylvania (sometimes hereinafter referred to as "Lessee", "Operator", or "Producer").

WITNESSETH:

WHEREAS, the County of Allegheny is the owner of the property known as Deer Lakes Park; and

WHEREAS, the County has the right to lease any and all surface and sub-surface rights related to the Park, including, but not limited to Oil and Gas rights underlying the Park (as described in Exhibit "A"); and

WHEREAS, the County, acting with the full consent of County Council, has determined that the leasing of Oil and Gas rights underlying the Park will be in the best interests of the County and has authorized the leasing of the same; and

WHEREAS, it is the intention of the County to secure a lease of Oil and Gas rights for the Park in a manner that is sensitive to the environmental stewardship and ecological integrity of the Park; and

WHEREAS, after engaging in a public request for proposals ("RFP") process, the County has determined that Producer submitted the optimal proposal ("Proposal") for the leasing of the County's Oil and Gas rights underlying the Park based upon the stated criteria in the County's RFP.

NOW THEREFORE, in consideration of the foregoing and the mutual promises contained herein and intending to be legally bound, the parties agree as follows:

1. LEASED PREMISES and TERM OF LEASE

1.01 The property subject to the terms and conditions of this Lease, hereinafter referred to as the "Leased Premises," shall include all Oil and Gas (excluding such Oil and Gas expressly reserved by Lessor herein) currently owned by the County of Allegheny underlying the surface tracts described in the deeds set forth in the document entitled "County of Allegheny Deer Lakes Park Oil and Gas Leased Premises," (said surface tracts hereinafter collectively referred to herein as "Deer Lakes Park" or the "Park") which is incorporated by reference in its entirety herein and attached hereto as Exhibit "A".

1.02 This Lease is a non-surface use oil and gas lease. No well shall be drilled on Deer Lakes Park nor shall Lessee enter upon Deer Lakes Park, including any vehicular traffic relating to Drilling Operations by Lessee or any contractor, subcontractor or agent of Lessee, without Lessor's prior written consent except as hereinafter provided. Lessee shall not install any structure or apparatus of any type on Deer Lakes Park, including, but not limited to pipelines, well pads and roads.

- 1.03 Lessor reserves all rights not specifically granted to Lessee in this Lease.
- 1.04 This Lease does not include, and thus are hereby reserved unto the Lessor: all of the sulfur, coal, lignite, uranium and other fissionable materials, geothermal energy, coal bed methane, base and precious metals, rock, stone, and gravel owned by the Lessor, whether in or under or upon Deer Lakes Park together with all rights of ingress and egress, easements and right of ways and use of Deer Lakes Park by Lessor.
- 1.05 Subject to the terms of this Lease, the County grants and leases exclusively unto Lessee all of County's right, title and interest in all Oil and Gas (and any constituents therefrom) from all formations deeper than six hundred and fifty feet (650') above the top of the Tully Formation underlying Deer Lakes Park , subject to the express limitations set forth in this Lease and for no other purposes without the express written consent of the Lessor.
- 1.06 Pugh Clause. As to any acreage of the Leased Premises which is not included within any drilling unit within three (3) years after the expiration of the Primary Term, including any extension of the Primary Term either in accordance with this Lease or any subsequent amendment to this Lease executed by both the Lessee and the Lessor, this Lease shall terminate and be of no further force or effect as to any portion of the Leased Premises not included within such designated units.
- 1.07 This Lease shall remain in force for a term of Five (5) years from the Effective Date (the "Primary Term"), and subject to the terms and conditions of this Lease, so long thereafter as well(s) producing Oil or Gas in paying quantities or well(s) capable of producing Oil & Gas in paying quantities from the Leased Premises or land unitized or pooled therewith in accordance with the terms of this Lease shall be operated by Lessee or as otherwise maintained in full force and effect pursuant to the other provisions in this Lease.
- 1.08 Pre-Drilling requisite criteria. Prior to commencement of any Drilling Operations on any unit of which the Leased Premises is a part, the Lessee shall fully and completely satisfy any and all DEP requirements and restrictions related to the particular Drilling Operations to then be commenced, such DEP requirements and restrictions as set forth, in part, below, or as hereinafter may be amended.
- (a) Lessee shall not drill or alter a well without having first obtained a well permit or operate an abandoned or orphan well unless in compliance with DEP regulations. A copy of the permit shall be kept at the well site during preparation and construction of the well site or access road during drilling or alteration of the well. Lessee shall not be required to obtain a permit to re-drill a nonproducing well if the re-drilling:
- (1) Has been evaluated and approved as part of an order from the DEP authorizing cleaning out and plugging or re-plugging a nonproducing well.
- (2) Is incidental to a plugging or re-plugging operation and the well is plugged within 15 days of re-drilling.
- (b) The permit application shall be accompanied by a plat prepared by a competent engineer or a competent surveyor on forms furnished by the DEP showing:
- (1) The political subdivision and county in which the tract of land upon which the well to be drilled, operated or altered is located;
- (2) A list of municipalities adjacent to the well site; the name of the surface landowner of record and lessor; the name of all surface landowners and water purveyors whose water supplies are within 1,000 feet of the proposed well location or, in the case of

an unconventional well, within 3,000 feet from the vertical well bore;

- (3) The name of the owner of record or operator of all known underlying workable coal seams; the acreage in the tract to be drilled; the proposed location of the well determined by survey, courses and distances of the location from two or more permanent identifiable points or landmarks on the tract boundary corners; the proposed angle and direction of the well if the well is to be deviated substantially from a vertical course;
 - (4) The number or other identification to be given the well;
 - (5) The workable coal seams underlying the tract of land upon which the well is to be drilled or altered and which shall be cased off pursuant to Applicable Law relating to protection of fresh groundwater and casing requirements; and any other information required by the DEP.
 - (6) Lessee shall forward by certified mail a copy of the plat to the surface landowner; the municipality in which the tract of land upon which the well to be drilled is located; each municipality within 3,000 feet of the proposed unconventional vertical well bore; the municipalities adjacent to the well; all surface landowners and water purveyors, whose water supplies are within 1,000 feet of the proposed well location or in the case of an unconventional well, within 3,000 feet of the proposed unconventional vertical wellbore; storage operators within 3,000 feet of the proposed unconventional vertical wellbore; the owner and lessee of any coal seams; and each coal operator required to be identified on the well permit application.
- (c) Lessee shall designate a registered agent who shall be a resident of this Commonwealth upon whom notices, orders or other communications issued under this chapter may be served and upon whom process may be served. Within five days after termination of the designation, Lessee shall notify the department of the termination and designate a new agent.

2. **LEASE RECORDING AND PUBLIC NOTICE**

- 2.01 Within ninety (90) days following the receipt by Lessee of a fully executed copy of this Lease, the parties shall execute and Lessee shall record a Memorandum of Lease with the Allegheny County Department of Real Estate, and provide a certified copy of the recorded Memorandum of Lease to the Lessor which clearly shows the recorded reference data.

3. **BONUS & OTHER PAYMENTS**

- 3.01 On the Effective Date, Lessee shall pay a bonus payment of Four Thousand Dollars (\$4,000.00) per net Oil and Gas acre for the Leased Premises for the Primary Term hereof (the "Lease Bonus").

- 3.02 **SHUT-IN PROVISION:** If, at the end of the Primary Term or at any time or times thereafter, there is a well or wells on or in a unit in which the Leased Premises, or any portion thereof, has been included, capable of producing Oil or Gas, and all such wells are shut-in because of (i) lack of market or market facilities (including pipelines) or available transportation on existing pipelines; (ii) the necessity to construct or repair facilities including pipeline, Gas processing or treating facilities or compressors situated on lands other than those described herein; (iii) the necessity to construct, maintain, repair or replace a pipeline(s) carrying Oil or Gas produced from units including the Leased Premises; (iv) Force Majeure; or (v) any other such similar circumstances, this Lease shall continue in force as though: (a) Drilling Operations were being conducted on or in the Leased Premises, or (b)

Oil or Gas were being produced therefrom for so long as said wells are shut-in, and thereafter this Lease shall continue in force as if no shut-in had occurred, provided the shut-in payment set forth in this section is paid or tendered by Lessee. If, at any time or times after the expiration of the Primary Term, all such wells are shut-in for a period of sixty (60) consecutive days or more, then before or within ten (10) days after the expiration of the sixty (60) day period of shut-in, Lessee shall pay or tender by check or wire, as a shut-in royalty payment the sum of \$50.00 per net acre per annum for each acre then covered hereby for so long as all such wells are shut-in. Lessee shall make like payments or tenders at or before the end of each annual anniversary of the shut-in of the wells if upon such anniversary this Lease is being continued in force solely by the provisions of this section. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this Lease if the wells were producing.

3.03 Adjustments

- 3.03.1 Lessee shall have up to seventy-five (75) calendar days after the Effective Date within which to complete a title review of the Leased Premises and, in the event a title search discloses a title defect which Lessee notifies Lessor of within such seventy-five (75) day Period, Lessor will pay into an escrow account the portion of the Lease Bonus attributable to the affected acreage, but only to the extent the Lease Bonus attributable to all acreage affected by any material title defect(s) exceeds One Hundred Fifty Thousand Dollars (\$150,000.00) in the aggregate. Upon the request and at the sole expense of Lessee, Lessor will, subject to approval by the County Solicitor, cooperate and assist Lessee in curing clouds on title. Lessee shall agree to release from said Escrow the Lease Bonus attributable to the affected acreage which has been cured prior to the Title Dispute Date (as defined herein). Lessee shall agree to release from Escrow the Lease Bonus attributable to affected acreage with title defects that could be characterized as a risk normally accepted by a Prudent Operator.
- 3.03.2 If Lessor and Lessee are unable to agree whether a title defect is an acceptable risk (a "Title Dispute") by the Title Dispute Date, then either party may, upon written notice to the other party, initiate binding arbitration to resolve such Title Dispute. All Title Disputes shall be exclusively resolved pursuant to this section and shall be final, conclusive and binding on the parties. There shall be three disinterested arbitrators who shall be title attorneys with at least ten (10) years of experience in Oil and Gas titles involving properties in Allegheny County, Pennsylvania or adjacent counties in Pennsylvania (the "Title Arbitrators"), one selected by Lessor, one by Lessee, and the remaining one to be appointed by the first two so selected. Lessor and Lessee shall each select their respective Title Arbitrator within fifteen (15) days after the election by a party to utilize the provisions of this section with respect to a Title Dispute. The Title Arbitrators shall be jointly instructed by Lessor and Lessee to choose between the position taken on an issue by Lessor and the position taken on that same issue by Lessee, as opposed to adopting either a compromise position or any position not taken by Lessor or Lessee. The Title Arbitrators shall report their conclusions in writing to the parties as promptly as possible after submission of the matter to arbitration, but in no event, later than forty-five (45) days after a submission of a Title Dispute. The majority decision of the Title Arbitrators shall be final, conclusive and binding upon the parties. Such arbitration shall occur in Pittsburgh, Pennsylvania. The Title Arbitrators may not award damages, interest or penalties to either party with respect to any Title Dispute. The parties shall each bear their own legal fees and other costs of presenting its case to the Title Arbitrators. Each party shall bear one-half of the costs and expenses of the Title Arbitrators. Judgment on any award rendered by the Title Arbitrators may be entered in any court of competent jurisdiction.
- 3.03.3 All escrowed funds attributable to affected acreage that has not been cured and is not subject to a Title Dispute shall be released to Lessee at the conclusion

of the Title Dispute Date, upon the receipt by Lessor of a recorded surrender, prepared and recorded by Lessee, for the attributable affected acreage being released.

3.03.4 In the event either the Lessee's title search or a subsequent title search conducted by Lessor indicates there is additional acreage in the vicinity of, adjacent to or contiguous to the "property line" of Deer Lakes Park as described in Exhibit "A" where Lessor owns or controls or hereinafter owns or controls the Oil and Gas rights underlying such additional or contiguous lands, Lessee shall make an additional bonus payment to Lessor in the amount calculated in accordance with this Lease and the parties shall amend this Lease, if necessary, to reflect the addition of such Oil and Gas rights. In the event that during the seventy-five (75) day period it is determined that Lessor does not have title to more than eighty percent (80%) of the Leased Premises, Lessee has the option to surrender this Lease and Lessor shall repay all Lease Bonus payments made pursuant to this Lease.

3.04 Impact Fees.

3.04.1 Lessee shall pay all unconventional Gas well fees applicable to the wells drilled within the Leased Premises and lands unitized therewith in accordance with Applicable Law. Lessee shall provide Lessor with a copy of the report filed with the Pennsylvania Public Utility Commission ("PUC") as required by Applicable Law insofar as such report relates to wells located on lands unitized with the Leased Premises that were spud during the preceding calendar year. Lessee shall further indicate the amount of unconventional Gas well fees applicable to each well identified on said report. Said information shall be provided to Lessor within one (1) calendar month of the annual filing deadline with the PUC.

3.05 Park Improvement Fund.

3.05.1 In addition to the payments provided for above, Lessee shall pay \$3,000,000 to Lessor in five (5) equal annual payments of \$600,000 beginning on the date that the Lease Bonus payment provided for in Section 3.01 is paid and continuing on each of the four (4) anniversaries thereafter until paid in full. The foregoing funds shall be used in Lessor's sole discretion as a park improvement fund for parks throughout Allegheny County (the "Park Fund").

4. **ROYALTY PAYMENTS**

4.01 For Oil, Lessee to pay Lessor Eighteen Percent (18%) of the net amount paid to Lessee for all Oil produced, saved and sold from the Leased Premises (the "Oil Royalty").

4.02 For Gas and Liquid Hydrocarbons produced with Gas, Lessee to pay Lessor, as royalty for the Gas, saved and sold from the Leased Premises, Eighteen Percent (18%) of the net amount realized by Lessee for the sale and delivery of such Gas (the "Gas Royalty").

Any Oil Royalty or Gas Royalty payments to be made by Lessee to Lessor on any Oil and Gas produced from the Leased Premises and when sold by Lessee shall be based on the net amount realized by Lessee, computed at the mouth of the well.

4.03 There shall be no deductions from the Oil Royalty and Gas Royalty payments in Sections 4.01 and 4.02 above for any costs of production, including exploring or surveying the Leased Premises for Oil and Gas, or installing, drilling, completing, equipping and producing a well. However, except as set forth in Section 4.04 below, such Oil Royalty and Gas Royalty payments shall be less Lessor's pro-rata share of post-production costs. Post-production costs include, without limitation, (i) all costs actually incurred by Lessee and all losses of produced volumes whether by use as fuel, line loss, flaring, venting

or otherwise from and after the wellhead to the point of sale by Lessee; (ii) all costs of gathering, marketing, compression, dehydration, transportation, processing and removal of Liquid Hydrocarbons, and other liquids or gaseous substances or impurities from the production; and (iii) any other treatment or processing required by the purchaser or to otherwise market and sell Gas, Oil or any other Liquid Hydrocarbons or substances produced with Oil or Gas. Lessee also may deduct from Oil Royalty and Gas Royalty payments Lessor's pro-rata share of any tax imposed by any government body that is levied upon the value of production or the severance of Oil and Gas from the Leased Premises, except to the extent that Lessor is exempt from such taxes.

- 4.04 Lessor's pro-rata share of post-production costs on Gas Royalty attributable to Gas production payable under this Lease shall be subject to a cap not to exceed Fourteen and Four Tenths Cents (\$.144) per MMBTU (which corresponds to a cap of Eighty Cents (\$.80) per MMBTU on the 8/8ths Gas production).
- 4.05 Lessor's Gas Royalty attributable to production of Liquid Hydrocarbons shall be calculated using the actual purchase price paid by the first arms-length purchaser of the Liquid Hydrocarbons so produced, net of the applicable pro-rata share of the processing cost charged or retained by the Liquid Hydrocarbons processor or such first purchaser.
- 4.06 Lessor's Oil Royalty attributable to production of Oil and/or condensate into common holding facilities located on or in close proximity to the producing well shall be calculated using the actual purchase price paid by the first arms-length purchase of such Oil and/or condensate without deduction of any kind.

5. **PAYMENTS**

- 5.01 Lessee shall be held responsible for the payment of the Oil Royalty, the Gas Royalty, shut-in royalties and Park Fund payments. Payments shall be mailed to:

John K. Weinstein
County Treasurer
Courthouse
436 Grant Street
Room 108
Pittsburgh, PA 15219-2497

All checks shall be made payable to the County of Allegheny, Pennsylvania. Subsequent to the initial payment of the Oil Royalty and the Gas Royalty, payments of the Oil Royalty and the Gas Royalty shall be made within sixty (60) calendar days after each monthly sales period. The initial payment of the Oil Royalty and the Gas Royalty shall be made within ninety (90) days of the date of first production.

- 5.02 Lessee shall submit royalty payment statements within ninety (90) days after each monthly sales period.
- 5.03 When Lessee has failed to make any payment then due and payable under this Lease for thirty (30) calendar days, Lessee shall pay an additional twelve percent (12%) annual interest on the overdue amount calculated from the time payment was due calculated on a per diem basis. Payment of such interest shall not waive Lessee's duty to make timely payments under this Lease or limit Lessor's remedies for Lessee's failure to pay on time as provided in herein.

6. **GAS MEASUREMENT**

- 6.01 The volume of Gas produced, saved, and marketed shall be measured according to the most current American Gas Association (AGA) standards, Boyle's Law for the measurement of Gas under varying pressures, and on the following:

- (a) The unit of volume for the purpose of measurement shall be one (1) cubic foot of Gas at a temperature of sixty degrees Fahrenheit (60° F) and an absolute pressure of 14.73 pounds per square inch.
- (b) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, regardless of actual elevation or location of point of delivery above sea level or variations in such atmospheric pressure from time to time.
- (c) The temperature of the Gas passing the meters shall be determined by the continuous use of a recording thermometer installed in a manner that properly records the temperature of the Gas flowing through the meters. The arithmetic average of the temperature recorded each 24-hour day shall be used in computing Gas volumes. If a recording thermometer is not installed, or if installed and not operating properly, an average flowing temperature of sixty degrees Fahrenheit (60° F) shall be used in computing Gas volume.
- (d) The specific gravity of the Gas shall be determined by tests made by the use of an Edwards or Ac-Me gravity balance or other industry approved method that is approved by the Lessor (which approval shall not be unreasonably withheld or delayed), annually, or at such intervals as are found necessary in practice. Specific gravity so determined shall be used in computing Gas volumes.
- (e) The deviation of the natural Gas from Boyle's Law shall be determined by tests annually or at such other shorter intervals as are found necessary in practice. The apparatus and the method to be used in testing shall be in accordance with recommendations of the National Bureau of Standards of the Department of Commerce, or Report No. 3 of the Gas Measurement Committee of the American Gas Association, or any amendments thereof, or any other mutually agreed upon method. The results of such tests shall be used in computing the volume of Gas delivered hereunder.
- (f) Gas compositional analyses by chromatograph or other approved methods shall be completed as necessary or upon written request and within a timeframe specified by the Lessor, for the determination of Gas composition, specific gravity and BTU content. A copy of the results of all such analyses, whether completed at the specific request of the Lessor or not, shall be provided by the Lessee to the Lessor for its records within ninety (90) calendar days of the date of the test.
- (g) The following factors used in the calculation of produced Gas volumes shall be clearly specified on the meter statements:

- Basic orifice factor (Fb)
- Reynolds number factor (Fr)
- Expansion factor (Y)
- Pressure base factor (Fpb)
- Temperature base factor (Ftb)
- Flowing Temperature factor (Ftf)
- Specific gravity factor (Fg)
- Supercompressibility factor (Fpv)

To the extent of a conflict between the most current AGA standards and the items set forth in Section 6.01(a)-(g), the most current AGA standards shall apply.

7. AUDITS

- 7.01 At Lessor's request, Lessee shall furnish to Lessor or make available to Lessor at Lessee's offices (as provided herein) electronic versions of the meter charts covering the production of each well in units in which the Leased

Premises are included. Lessee shall furnish to Lessor or make available to Lessor at Lessee's offices (as provided herein) any statements furnished to Lessee by any person or corporation to whom Lessee delivers for sale or transport any Oil or Gas, or Liquid Hydrocarbons produced from the Leased Premises.

- 7.02 If requested by Lessor and subject to applicable confidentiality agreements now existing or which may exist in the future, Lessee agrees to authorize or direct any person, association, company, partnership, corporation, or other entity to whom it sells or furnishes Oil or Gas or Liquid Hydrocarbons produced from any well covered by this Lease to disclose and exhibit accounts and other instruments to representatives of Lessor at Lessor's request having to do with the transactions involving payment to Lessee, its successors and assigns for Oil or Gas or Liquid Hydrocarbons from wells covered by this Lease, provided however, Lessor agrees that, during the time period set forth in herein such person, association, company, partnership, corporation, or other entity shall be directed to deliver the accounts and other information to Lessee's offices and Lessee make the accounts and other information available to Lessor at Lessee's offices (as provided herein). Any Information delivered to Lessor or available to Lessor pursuant to this Section shall be subject to the terms of the confidentiality provisions of this Lease.
- 7.03 Lessee further grants to Lessor or Lessor's designated representatives, including but not limited to the County's Controller or the duly authorized representative or delegate of the County Controller, the right, at any time, to examine, audit, or inspect books, records, and accounts of Lessee, at Lessee's office, pertinent to the purpose of verifying the accuracy of the reports and statements furnished to Lessor, and for checking the amount of payments due under the terms of this Lease. Lessee agrees to provide every aid or facility to enable such audit to be made by Lessor. If such audit should disclose any gross error (i.e., deficiency of equal to or greater than 3% of reported volume) or fraud by Lessee in payment of royalties, then Lessee shall pay the cost and expense of the audit together with the deficiency. However, in case of a Corporate fraud (as defined herein), such payments shall not preclude Lessor in its sole and absolute discretion from terminating this Lease upon delivery to Lessee of written notice of Lessor's intention. Any books, records, and Information made available to Lessor or its representative pursuant to this Section, shall be subject to the terms of the confidentiality provisions of this Lease and Lessor's representative shall agree to treat such Information as confidential as so required under this Lease.
- 7.04 Lessee shall maintain records related to wells on units including the Leased Premises in accordance with Applicable Law and pursuant to its established records retention policies.

8. **WATER**

8.01 Water Quality

- 8.01.1 Lessee's operations in the unit(s) of which the Leased Premises are a part or whole shall not materially and adversely affect the surface waters located in Deer Lakes Park, including any lakes or streams thereon. To ensure that the quality of surface waters on Deer Lakes Park is not materially and adversely affected by Lessee's operations, Lessee shall conduct tests of the nine (9) surface water locations in Deer Lakes Park as identified on Exhibit "F" attached hereto starting at least twelve (12) months prior to the spudding of a well or as soon as practicable in advance of Lessee's proposed spudding of a well if less than twelve (12) months, but in no event less than six (6) months prior to said spudding, and then every three (3) months leading up to the spudding of a well ("Control Testing"), every three (3) months during the drilling phase and then at six (6) month intervals for a period of two (2) years following the completion of the relevant well ("Subsequent Testing"). The results of these tests shall be provided to the Lessor or the Lessor's

designee. In the event it shall be affirmatively shown that Lessee has materially and adversely affected the surface waters in Deer Lakes Park, Lessee shall take such actions to restore the quality of the surface waters to their pre-operations Control Testing condition to the reasonable satisfaction of Lessor and fully compensate the Lessor for any and all damages suffered thereby.

8.01.2 In the event a determination is made that the quality of public or private water supplies of landowners and water purveyors in Deer Lakes Park, on lands within a unit in which the Leased Premises are a part or on other lands, was degraded, it shall be presumed that the Lessee is responsible for pollution of said water supply if the said water supply is within 3,500 feet of Lessee's vertical wellbore located on leases and/or lands with which the Leased Premises are unitized and such pollution occurred within twelve (12) months of the later of the completion, drilling, stimulation or alteration of the well. To rebut the presumption set forth in the preceding sentence, Lessee must affirmatively prove any of the following: (1) the pollution existed prior to the drilling, stimulation, or alteration activity as determined by a predrilling or prealteration survey, (2) the relevant landowner or water purveyor refused to allow Lessee access to conduct a predrilling or prealteration survey, (3) the water supply is not within 3,500 feet of the vertical wellbore, (4) the pollution occurred more than 12 months after completion of drilling or alteration activities, or (5) the pollution occurred as a result of a cause other than the drilling or alteration activity. In the event the affected water supply is subject to the rebuttable presumption set forth above, and Lessee should not have rebutted the presumption as set forth above, Lessee shall provide a temporary water supply if the water user is without a readily available alternative source of water. The temporary water supply shall be adequate in quantity and quality for the purposes served by the supply. Lessee shall further take commercially reasonable actions to restore the quantity and quality of the affected water supply to as near to the condition as determined by the predrilling or prealteration survey as practicable, and fully compensate the affected landowner for damages suffered thereby. By way of clarification, the public and private water supplies subject to the rebuttable presumption set forth in this section shall mean only such water supplies used for domestic consumption and shall not apply to surface waters unless such surface waters are used for domestic consumption.

8.01.3 Analysis of samples collected as part of the Control Testing and Subsequent Testing set forth in Section 8.01.1 shall be conducted by a Department certified laboratory on pre-drilling water test parameters or in accord with any other federal or state regulation applicable in the Commonwealth of Pennsylvania, whichever is most demanding, provided that the testing laboratory shall not be an affiliate of the Lessee. The cost of all testing shall be borne totally by the Lessee and all test results and studies shall be provided to the Lessor.

8.01.4 Upon Lessor's request, the Lessee shall provide the Lessor with an itemized list of chemicals and their constituents that are used or that may be used by the Lessee as evidenced by applicable material safety data sheets or their equivalent on its well pads.

8.02 No Disposal.

No disposal well or any other device or means of disposal of wastes or drilling liquids are permitted in Deer Lakes Park or within the Leased Premises.

8.02.1 Operator shall maintain a plan to recycle flow-back and produced water, for usage in drilling or fracturing a well, to the maximum extent possible.

8.02.2 Operator shall design each well pad to minimize the risk that drilling related fluids and wastes come in contact with surface waters and fresh groundwater.

8.02.3 In addition to the Control Testing and Subsequent Testing set forth in Section 8.01.1, Operator shall develop and implement a plan for conducting predrilling and prealteration surveys of existing public and private water sources, including aquifers and water wells within a radius of the wellhead that is 1,000 feet greater than the radius required by the PaDEP. For instance, if the PaDEP rules require sampling within a 2,500 foot radius, then Lessee shall sample all water sources within a 3,500 foot radius of the vertical wellbore.

8.02.4 Operators shall design and install casing and cement to completely isolate the well and all drilling produced fluids from surface waters and aquifers, to prevent vertical movement of fluids in the annulus.

8.03 Use of Surface and Subsurface Water Prohibited.

Lessee is strictly prohibited from using water from Lessor's wells, ponds, lakes, springs, creeks, water courses or reservoirs in Deer Lakes Park.

9. **LIMITATION ON WARRANTY**

9.01 Lessor represents and warrants that Lessor is not currently receiving, has not received in the five (5) year period immediately preceding the Effective Date and, to Lessor's knowledge, has not received at any time before the five (5) years prior to the Effective Date any rentals, the Oil Royalties, the Gas Royalties, shut-in royalties, or any other payments related to Oil or Gas within any portion of the Leased Premises. The Lessor believes that it is and considers itself to be the owner of, or to control, the Leased Premises, but makes no warranty as to the presence of Oil and Gas, nor as to its ownership thereof.

10. **LAWS, RULES AND REGULATIONS**

10.01 Nothing in this Lease shall in any way be so construed as to impair the powers, privileges or duties of the Lessor, or its representatives, contractors, insurers, agents or assigns in the execution of Applicable Law.

10.02 At all times the Lessee will comply with and conduct all operations hereunder in strict compliance with Applicable Law.

10.03 The Lessee is solely responsible for obtaining any and all local, State or Federal permits or other approvals necessary for and associated with any of the operations related to this Lease, and shall be held liable by the Lessor, any agency of the Commonwealth, or any other local or Federal agency for the violation of or non-compliance with any Applicable Law by Lessee.

10.04 Lessee shall adhere to the Environmental Provisions governing the withdrawal and use of surface and ground waters as administered by the Department of Environmental Protection, or any river basin commission, agency or County having designated jurisdiction of the waters of the Commonwealth.

10.05 This Lease does not constitute an estate or interest in submerged lands pursuant to Section 15 of the Dam Safety and Encroachment Act, act of November 26, 1978, P.L. 1375, No. 325, as amended, 32 P.S. § 693.15.

11. **INDEMNITY; HOLD HARMLESS AND LIABILITY**

11.01 LESSEE AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, PUBLIC OFFICIALS, AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, AND ANY OTHER PERSON ACTING UNDER LESSOR'S DIRECTION AND/OR CONTROL, AND LESSOR'S SUCCESSORS AND ASSIGNS (collectively, "LESSOR INDEMNITEES"), AGAINST ANY AND ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE FOR INJURY TO OR DEATH OF PERSONS AND LOSS OR

DAMAGE TO PROPERTY, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY FEES, REASONABLE EXPERT FEES AND COURT COSTS, CAUSED BY LESSEE'S OPERATIONS ON THE LEASED PREMISES OR LANDS UNITIZED OR POOLED THEREWITH OR LESSEE'S MARKETING OF PRODUCTION FROM THE LEASED PREMISES OR ANY VIOLATION OF ANY ENVIRONMENTAL PROVISIONS BY LESSEE. AS USED IN THIS SECTION, THE TERM "LESSEE" INCLUDES LESSEE, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, INSURERS, AND ANY OTHER PERSON ACTING UNDER THE DIRECTION AND CONTROL OF LESSEE AND LESSEE'S INDEPENDENT CONTRACTORS. THIS INDEMNITY SHALL BE AS GREAT AS THE LAW ALLOWS, AND LESSEE SHALL INDEMNIFY AND HOLD THE LESSOR INDEMNITEES HARMLESS FOR ALL LOSS, COST, DAMAGE OR EXPENSE OF EVERY KIND AND NATURE, WHETHER THE RESULT OF LESSEE'S SOLE NEGLIGENCE, CONCURRENT OR COMPARATIVE NEGLIGENCE, OR STRICT LIABILITY, EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR INDEMNITEES. LESSEE AND LESSOR SHALL EACH BE RESPONSIBLE FOR THE RESULTS OF ITS OWN ACTIONS AND FOR THE ACTIONS OF THOSE PERSONS AND ENTITIES OVER WHICH IT EXERCISES CONTROL. LESSEE'S INDEMNITY OBLIGATIONS SHALL SURVIVE THE TERMINATION OF THIS LEASE.

11.02 In no case shall Lessor waive its right to assert a defense of sovereign immunity to any claim for damages, pursuant to any legal authority established in the Commonwealth which permits use by the Lessor of a sovereign or governmental immunity defense. Notwithstanding the preceding sentence, Lessor acknowledges that it is acting in a proprietary capacity in connection with this Lease.

11.03 Lessee shall be liable and responsible for damage to any portion of Deer Lakes Park, the Leased Premises or lands with which the Leased Premises has been unitized which occur as a result or consequence of Lessee's occupation and use of the Leased Premises or lands with which the Leased Premises has been unitized. Nothing herein shall create a third-party beneficiary or otherwise abrogate or modify Lessee's right to seek contribution or indemnification from third parties.

12. **ASSIGNMENTS**

12.01 Except as set forth in Section 12.02, Lessee shall not use the Leased Premises or Deer Lakes Park or allow the Leased Premises or Deer Lakes Park to be used, for any purpose other than those uses specifically authorized by this Lease and shall not assign, sublet or "Farm Out" its contractual rights to the Leased Premises in whole or in part at any time or from time to time without the prior written consent of Lessor, which consent shall not be unreasonably withheld or delayed. It shall not be deemed an unreasonable withholding of Lessor's consent of an assignment by Lessee, if Lessee cannot demonstrate that the proposed assignee has: (i) an oil and gas operational safety and compliance record, (ii) financial resources and stability, and (iii) operational experience, that are all at least comparable to that of Lessee. In the event that consent is provided by the Lessor, the Assignee shall agree in writing to be bound by all of the terms and provisions of this Lease. Upon Lessor's consent to the assignment and assignee's assumption of all liability under this Lease arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, Lessee shall be released from all such liability, and assignee shall be deemed to have assumed and be responsible for the covenants, conditions, and obligations of this Lease as to the part or parts assigned. In the event that a portion only of the Leased Premises is assigned, the default of any of the covenants, conditions, or obligations of this Lease by one of the holders of a portion of the Leased Premises created by an assignment will not affect the interests of a party not in default.

12.02 Notwithstanding Section 12.01, Lessee shall have the right to make a partial assignment of a non-operator working interest to Huntley & Huntley Energy Exploration, LLC ("Huntley"). Any assignment of an operating interest to Huntley shall be subject to the provisions of Section 12.01.

12.03 Lessor may, at any time, assign or delegate any or all of its rights hereunder and such assignee shall assume all of the rights, remedies, covenants, and obligations of Lessor.

13. **RELATED AGREEMENTS**

13.01 Upon request by the Lessor, Lessee shall furnish or make available to Lessor a copy of all agreements, letters or other memoranda made by or provided to the Lessee which reasonably relate to the sale of products from this Lease ("Related Agreements"); provided however, if the terms of any such Related Agreement prohibits Lessee from disclosing such Related Agreement (or specific terms or provisions contained therein), Lessee shall request the third-party to the applicable Related Agreement to disclose the Related Agreement (or specific terms or provisions contained therein) which disclosure shall be subject to confidentiality terms acceptable to the third party, in its sole discretion. Lessor acknowledges and agrees that Lessee cannot control whether such third party will ultimately agree to disclose the Related Agreement (or specific terms or provisions contained therein).

14. **FINANCIAL SECURITY**

14.01 Lessor acknowledges that Lessee's delivery of a cashier's check with its initial Proposal satisfies Lessor's requirement of security in the amount of ten percent (10%) of the total Lease Bonus payment due under this Lease and shall be credited against the bonus payment due under this Lease on the Effective Date.

15. **COMPREHENSIVE, POLLUTION AND OTHER LIABILITY INSURANCE**

15.01 Within three (3) months after the Effective Date or prior to the date Lessee enters the Leased Premises, whichever is earlier, ("Insurance Date") and through the term of this Lease, Lessee shall acquire and maintain the types and kinds of insurance and coverage's (or self-insure, if Lessee satisfies the requirements for self-insurance) as set forth in the document entitled "Insurance Requirements", which is incorporated by reference in its entirety herein and attached hereto as Exhibit "B." Lessee promises and agrees to abide by the Lessor's Insurance Requirements.

15.02 Lessee and/or its insurer(s) shall be liable to Lessor for any damage done to Lessor's property as the result of Lessee's operations.

15.03 Prior to the Insurance Date, Lessee shall provide Lessor with a certificate of insurance evidencing the insurance and coverages set forth on Exhibit "B," subject to Lessee's right to self-insure if Lessee satisfies the requirements for self-insurance.

16. **DEEP WELL CONTROL AND SAFETY**

16.01 At a minimum, the Lessee shall ensure that the following requirements are complied with or provide alternate requirements which are acceptable to the Lessor:

(1) A minimum of a 5,000 psi double ram and a 3,000 psi annular blowout preventer and a fully operational remote closing device should be used for drilling the production section of the Marcellus formation after setting the intermediate casing string or completion operations and tested successfully at least every thirty (30) days.

(2) The first well on each pad shall not be drilled ahead unless the "leak off" pressure determined by the most recent casing shoe test or formation integrity test (as measured by mud weight equivalent in pounds per gallon) on the intermediate casing string (being the 9 and 5/8ths inch casing string) (the "Intermediate String"), exceeds the hydrostatic

pressure extended by the actual mud weight in use by at least 0.5 pounds per gallon. In the event the "leak off" pressure determined by such casing shoe test or formation integrity test exceeds the hydrostatic pressure extended by the actual mud weight in use by at least 0.5 pounds per gallon, Lessee shall not be required to conduct equivalent casing shoe tests or formation integrity tests on the Intermediate String on all subsequent wells drilled on such pad.

- (3) No wells shall be drilled with an open hole section of length greater than 16,000 feet.
- (4) The Lessee shall not allow casing pressure which exceeds seventy-five percent (75%) of the rated burst pressure for a continuous period of greater than three (3) months.
- (5) The Lessee shall conduct a reasonable review of the drilling and/or workover contractor's personnel and equipment, to ensure that:
 - (a) The contractor's equipment is of adequate size capacity and pressure rating to perform all anticipated operations;
 - (b) The contractor has crews with a reasonable level of experience and maintains at least one employee with well-control certification on location at all times during active Drilling Operations in which a drilling or completion rig is on location; and
 - (c) The contractor's tubulars, choke manifold and other pressure-rated equipment are tested satisfactorily prior to commencement of operations.

17. OPERATIONS, PROTECTION AND CONSERVATION

- 17.01 Lessee shall carry on all Drilling Operations under this Lease with all due diligence and in a good and workmanlike manner, in accordance with the best and most up-to-date Oil and Gas Field Practices.
- 17.02 While no activities will occur in Deer Lakes Park, the County requires the Lessee to conduct all Drilling Operations in compliance with the document entitled "CONSTRUCTION, OPERATION, AND MAINTENANCE OF GAS WELLS ON UNITS INCLUDING THE LEASED PREMISES," which is incorporated in its entirety herein and attached hereto as Exhibit "C."

18. FIRST WELL

- 18.01 Lessee shall spud a well ("First Well") on lands unitized with the Leased Premises within two (2) years from the Effective Date of this Lease and shall proceed with due diligence to complete the First Well. In the event that the First Well is not commenced within the two (2) year period, this Lease shall automatically terminate in its entirety, unless the Lessor, in its sole discretion, provides Lessee with written notice of an extension of the period to commence the First Well at least thirty (30) days prior to the second anniversary date of this Lease.

19. DEVELOPMENT AND WELL SPACING

- 19.01 The Operator will comply with all Applicable Law and regulations relating to setbacks from (i) buildings and water wells existing when the copy of the applicable plat is mailed to the DEP, (ii) reservoirs and other water supplies, (iii) existing water wells, surface water intakes, reservoirs or other water supply extraction points used by a water purveyor without the written consent of the water purveyor, (iv) solid blue lined streams, springs or bodies of water identified on the most current applicable 7 ½ minute topographic

quadrangle map of the United States Geological Survey ("USGS"), and (v) wetlands.

- 19.02 Best practices as determined by the DEP to ensure the protection of the waters of the Commonwealth must be utilized for the storage and handling of all water, chemicals, fuels, hazardous materials or solid waste on a well site located in a floodplain.
- 19.03 To aid in protection of fresh groundwater, Operator shall control and dispose of brines produced from the drilling, alterations or operation of an Oil or Gas well in a manner consistent with the Environmental Provisions.
- 19.04 Unconventional well sites shall be designed and constructed to prevent spills to the ground surface or spills off the well site. Containment practices shall meet all DEP and other regulatory agencies' requirements.

20. SUBSEQUENT WELLS

- 20.01 Should Lessee drill the First Well and thereafter choose to drill subsequent wells, Lessee agrees to drill such wells as a Prudent Operator would drill after discovery of Oil and Gas or Liquid Hydrocarbons on the Leased Premises, to develop and produce from the Leased Premises efficiently, economically, and without waste.

21. DRILLING RESTRICTIONS

- 21.01 (a) While Lessee is strictly prohibited from engaging in any surface activity in Deer Lakes Park, Lessee shall nonetheless construct and utilize all facilities used in any unit to which the Leased Premises is included in strict compliance with all Applicable Law. No signage, other than that required by the PaDEP and the Lessor, shall be allowed in Deer Lakes Park without prior written approval of the Lessor, which consent may be withheld in the Lessor's sole discretion; provided however, notwithstanding the foregoing, Lessor acknowledges and agrees that Lessee may need to place directional, safety and other standard operational signage in Deer Lakes Park and Lessor shall not unreasonably withhold its consent to such signage.

(b) Lessee agrees that, in the event that Drilling Operations relating to any well on any unit of which the Leased Premises is a part pursuant to this Lease materially interferes with access by the County or the general public to Deer Lakes Park, then Lessee shall cure or take affirmative steps to cure such condition within twenty (20) calendar days of receipt of written notice from the Lessor to cure the condition that has materially interfered with access by the County and the general public to Deer Lakes Park.

- 21.02 Upon written request by Lessee, Lessor may provide written waiver or modification of any portion of the above restrictions if, in Lessor's sole judgment, such a waiver or modification is justified and in its best interests.

22. DRILLING OPERATIONS

- 22.01 Lessee shall submit to Lessor, prior to the commencement of drilling, a plat showing the location of each well that is intended to be in a unit in which all or a portion of the Leased Premises is included, and no well shall be commenced until a permit has been issued by the Department.

23. WELL RECORDS, LOGS AND REPORTS

- 23.01 Lessee shall keep a daily drilling record which describes the formations penetrated, and the depth and volumes of water and Oil and Gas found while drilling each well in units including the Leased Premises. An accurate well location plat and any other data that are acquired during the drilling and completion operations for each well, including but not limited to those items

subject to confidentiality provisions of this Lease, shall be provided to the Lessor within thirty (30) days of written request by the Lessor. All above-described data shall be submitted in both hard-copy and digital forms. Digital well logs shall be submitted in LAS format.

- 23.02 Lessee shall not be obligated to create, maintain, perform or collect any of the logs, data, analyses, measurements, reports or other information provided for in any section of this Lease that Lessee does not ordinarily create, maintain, perform or collect in the ordinary course of business or that may be required by Applicable Law or regulation. In addition, Lessor agrees to accept an electronic equivalent of any logs, data, analyses, measurements, reports or other information.
- 23.03 Subject to Section 23.02 and upon Lessor's request, samples of all formations penetrated and parts of cores taken, accurately labeled with the API number of the well and depth interval of collection, shall be furnished to Lessor at Lessor's own expense for handling and transportation of such samples.
- 23.04 If the Lessee collects rock samples including but not limited to whole rock core, parts of core, and cuttings from any well borehole(s) on the Leased Premises and no longer plans to retain the samples at its own or contracted storage facility, Lessee must first offer the rock samples to the Lessor before their disposal or sale. The rock samples shall be accurately labeled with the API number of the well and depth interval of collection. The Lessor shall make arrangements for the collection, transportation and eventual disposal of the rock samples at its own expense.
- 23.05 Subject to Section 23.02 and upon written request by the Lessor, Lessee shall provide Lessor with production and pressure test data, Gas analysis data including BTU value determinations, water and waste disposal records (including manifests), well stimulation and treatment records, maintenance records and reports.
- 23.06 Subject to Sections 7.04 and 23.02 and notwithstanding anything to the contrary contained in any provision of this Lease with respect to any information or records that the Lessee is obligated to deliver, furnish or provide to Lessor upon request, including but not limited to production and pressure data and information, meter charts, account information, pricing, drilling records, agreement(s) (including but not limited to Related Agreements), data, logs, analyses, measurements, core samples, seismic information, all of the items listed in this Lease or other information, records or documentation that Lessee is obligated to deliver, furnish or provide to Lessor pursuant to this Lease ("Information"), at Lessor's request or otherwise, such Information shall be available at Lessee's office for Lessor or the Lessor's authorized representatives or delegates, including but not limited to the County's Controller or the authorized representative or delegate of the Controller, to review and audit. Lessor acknowledges and agrees that making the Information available at Lessee's offices, as described in the foregoing shall satisfy any obligation of Lessee to "furnish", "deliver" or "provide" the Information to Lessor.

24. **CONFIDENTIALITY**

- 24.01 Records that Lessee provides to the Lessor pursuant to this Lease may be subject to public disclosure under the Pennsylvania Right-To-Know Law, Act of February 14, 2008, P.L. 6, No. 3, 65 P.S. § 67.101 et seq., as well as future laws and regulations. Lessee shall advise Lessor in writing of any Information (as defined in Section 23.06) submitted (whether furnished to Lessor or available to Lessor at Lessee's office) pursuant to this Lease that contain trade secrets or confidential proprietary information. Lessor shall maintain such Information solely for use by the Lessor as provided below and shall not disclose such Information to any third party unless Lessee consents in writing, Lessor's counsel determines that release pursuant to a request under the Right-

to-Know Law is mandated or Lessor is directed to do so pursuant to a court order; provided, that the foregoing includes any documents, charts or other materials created by Lessor using such Information. The Lessor shall notify Lessee of any request received for such Information (including any documents, charts or other materials created by Lessor using such Information).

- 24.02 Lessor shall maintain the Information (including any documents, charts or other materials created by Lessor using such Information) solely for use by the Lessor and shall not disclose such Information to any third party for a period of seven (7) years after the date the Information is generated (or in the case of pricing, during the first seven (7) years after such Information is used to calculate a royalty payment to be paid to Lessor) unless (1) Lessee does not advise Lessor that such Information contains trade secrets or confidential, proprietary information, (2) Lessee does so advise Lessor, but nevertheless consents to disclosure of the Information, (3) Lessor's counsel determines that release pursuant to a request under the Right-to-Know Law is mandated; (4) the Information becomes part of the public domain by action other than that of the Lessor; or (5) Lessor is directed to disclose all or some of the Information by court order.

25. **UNITIZATION**

- 25.01 Lessor grants to Lessee the right at any time and/or from time to time as deemed necessary or advisable by Lessee, to pool or consolidate the Leased Premises or any part thereof or strata under the Leased Premises with other lands, whether owned by or leased to Lessee or owned by or leased to others, to form one or more Oil and Gas pooled units for the purpose of drilling a well or wells thereon. Units pooled for Oil shall not exceed a total of eighty (80) acres each in area and units pooled for Gas shall not exceed a total of one thousand two hundred eighty (1,280) acres each in area, unless any governmental entity having jurisdiction prescribes or permits the creation of units larger than those specified, for the drilling or operation of a well to be drilled, drilling or already drilled in which case the unit may be as large as permitted. It is expressly agreed and understood that in the event Lessee elects to pool or unitize and does pool or unitize any of the Leased Premises, then in such case subject only to the existence of geologic hazards, such as faults which would prevent the economical development of all or a portion of the Leased Premises: (i) at least 70% of the Leased Premises shall be included in the first unit or units formed by Lessee around one or more wells as part of a series of continuous operations involving such wells at substantially the same time, (ii) 25% of the remaining acreage shall be included in the second unit or units formed by Lessee around one or more wells as part of a series of continuous operations involving such wells at substantially the same time, and (iii) a sufficient amount of acreage shall be included in the third unit or units formed by Lessee around one or more wells as part of a series of continuous operations involving such wells at substantially the same time such that, in the aggregate, at least 95% of the Leased Premises shall have been included in the first three groups of units.

For purposes of clarification, the foregoing does not constitute a drilling commitment by Lessee, but instead sets forth the requirements for when, and if, Lessee elects to drill and desires to include all or a portion of the Leased Premises in the units for such wells. The failure to comply with Subsection 25.01(i)-(iii) above shall constitute a breach under this Lease, however, the sole remedies for such breach shall be the payment of an additional bonus in the amount of \$4,000 per net Oil and Gas acre for each net acre not included in unit(s) but required to be included by Subsection 25.01(i) - (iii) ("Short Acreage"). Said additional bonus payment(s) concerning Short Acreage shall be made within three (3) months of Lessee's failure under Subsections 25.01(i), (ii) or (iii), as may be applicable. For all such Short Acreage, the Primary Term of this Lease shall be continued for an additional five (5) years from the end of the initial Primary Term set forth in Section 1.07.

As provided for in Section 1.06, this Lease shall terminate as to all other acreage that is not otherwise unitized or extended pursuant to the above paragraph, and Lessor and Lessee, may, but are not required to, agree to terms on the re-leasing of acreage for which this Lease has terminated.

In addition to the foregoing, Lessee agrees to form units in a manner that will minimize the amount of stranded acreage of the Leased Premises.

- 25.02 Lessee may pool or consolidate acreage covered by this Lease or any portion thereof in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the Lease is pooled or consolidated as to any other stratum or strata, and Oil units need not to conform as to area with Gas units.
- 25.03 The pooling or consolidation in one or more instances shall not exhaust the rights of Lessee to pool this Lease or portions thereof into other units. Subject to Section 25.01, Lessee shall have the right to amend, alter, correct, enlarge or diminish the size of any such pooled unit at any time in the same manner as provided in this Lease.
- 25.04 Lessee shall affect such pooling or consolidation by executing a designation of unit either before or after the drilling of a unit well, with the same formality as this Lease setting forth the leases or portions thereof consolidated, and recording the same in the Recorder's Office at the courthouse in the county in which the Leased Premises are located.
- 25.05 Lessee may, at its election, exercise its pooling rights before or after commencing Drilling Operations, and the pooled unit may include, but is not required to include, land or leases upon which a well capable of producing Oil and Gas in paying quantities has been completed or upon which Drilling Operations for Oil and Gas has been commenced.
- 25.06 In the event of Drilling Operations on any part of a pooled unit which includes all or a portion of the Leased Premises regardless of whether such Drilling Operations were commenced before or after the execution of this instrument or the instrument designating the pooled unit, such Drilling Operations shall be considered as operations under this Lease despite the fact the well or wells are not located on surface tracts overlaying the Leased Premises and, in such event, operations shall be deemed to have been commenced within the meaning of this Lease; and the entire acreage constituting such unit or units, as to Oil or Gas, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this Lease. Any well drilled in said pooled unit whether or not located on surface tracts overlaying the Leased Premises, shall nevertheless be deemed to be located within the Leased Premises within the meaning and for the provisions and covenants of this Lease (except such provisions concerning the need for Lessee to obtain Lessor's consent prior to the conducting of activities or operations on the surface location unless actually conducted on surface tracts overlaying the Leased Premises) to the same effect as if all the lands comprising said unit were described in and subject to this Lease, and Lessor agrees to accept, in lieu of the royalty provided in Section 4 (Royalty Payments) of this Lease, that proportion of such royalty which the acreage covered by this Lease and included in such unit bears to the total number of acres comprising said pooled unit. The production from an Oil well will be considered as production from the Lease or Oil pooled unit which it is producing and not as production from a Gas pooled unit; and production from a Gas well will be considered as production from the Lease or Gas pooled unit from which it is producing and not from an Oil pooled unit.
- 25.07 If the well in said pooled unit shall be shut in, the shut-in royalty provided for in Section 3 (Bonus & Other Payments) shall be payable to Lessor in the proportion that the acreage of the Leased Premises included in the unit bears to the entire acreage so pooled or consolidated.

25.08 Vertical Wells alone shall not serve as the basis for the formation of units by Lessee.

26. GAS STORAGE RIGHTS

26.01 No Gas storage rights are granted to the Lessee by this Lease.

26.02 If the Lessee wishes to develop the Leased Premises for gas storage, Lessee must first obtain a Gas storage lease from the Lessor.

27. TEST OF WELL ECONOMY

27.01 For purposes of this Lease, if all of the wells on a well pad in the aggregate do not produce more than an average in the aggregate of five (5) Mcf/day of Gas times the number of wells on the well pad in a calendar year (calculated by dividing the aggregate annual production in Mcf by 365 days), it shall be considered uneconomic (i.e., not in paying quantities) to maintain and operate; and if during the following calendar year Gas production from all of the wells on the well pad in the aggregate also fails to exceed the aggregate of a five (5) Mcf/day average times the number of wells, Lessee shall plug and abandon all of the wells on the well pad as per Section 28 (Plugging), and restore the well site and access road to the satisfaction of Lessor, all no later than six (6) months after the end of the following calendar year. This provision shall apply to all wells drilled or operated by Lessee in units in which all or a portion of the Leased Premises is included therewith, whether the wells are shut-in or producing, unless the Lessor has informed the Lessee that a well or wells falls under the provisions of Section 26 (Gas Storage Rights). Lessor may, at its sole option and in writing, waive all or part of the requirements of this provision to Lessee, if in Lessor's judgment such a waiver is warranted by economic conditions or other circumstances, and is deemed to be in the best interest of the Lessor.

28. PLUGGING

28.01 Lessee shall properly and effectively plug all wells drilled by Lessee within the Leased Premises or on lands pooled therewith before abandoning, in accordance with the regulations of the PaDEP and all other Applicable Law.

28.02 A copy of the Certificate of Well Plugging showing the plugging procedure used and submitted to the Department shall be supplied to the Lessor for each well plugged and abandoned.

29. LESSOR'S TERMINATION

29.01 Subject to Section 38.09, if Lessee fails or refuses to pay the Lease Bonus, Park Fund Payments, Oil Royalty, or Gas Royalty due under the terms of this Lease, after the notice and cure periods set forth in this Lease, Lessor shall have rights and remedies set forth in Section 32 (Event of Default/Remedies).

30. LESSEE'S TERMINATION

30.01 Lessee may, at any time, or from time to time, surrender this Lease or any portion thereof if Lessee is not then in default of any obligations under this Lease; provided, however, that such surrender must be evidenced by written notice delivered to Lessor thirty (30) days prior to the effective date thereof, and that Lessee has performed all commitments with which Lessee is charged to the effective date of surrender. Any amount paid as an advance bonus, previous to the effective date of the surrender, shall be deemed liquidated damages due Lessor and shall be in no way prorated or subject to claim by Lessee for return to Lessee.

- 30.02 In the event that producing wells are to be retained, Lessee shall be entitled to retain all of the Leased Premises included in the pooled unit in which the retained producing wells are located.

Lessee shall deliver to Lessor a release or releases in duly recordable form approved by Lessor.

Lessee shall be relieved of all obligations thereafter accruing as to acreage surrendered; provided, however, that Lessee shall not be relieved of any obligation, including but not limited to the plugging and abandonment of wells, which accrues prior to such surrender even if the result caused by Lessee's performance or failure of performance of an obligation or covenant does not manifest itself until after the date of surrender.

31. **FORCE MAJEURE**

In the event that Lessee is prevented from complying in a timely manner with any obligation imposed in this Lease because of (1) a strike, fire, flood, act of God, or other circumstances beyond Lessee's control and which Lessee, by the exercise of all reasonable diligence, is unable to prevent, (2) a government law, rule, regulation, approval, pending administrative or legal proceeding, including, but not limited to, challenges under the National Environmental Policy Act (42 U.S.C. § 4321 et seq.), or challenges to the RFP process, Lessee's Proposal submitted in response to the RFP or this Lease, or (3) a Material Title Defect or the period of time needed for Lessor to cure a title defect (collectively, a "Force Majeure"), then in the case of any such Force Majeure, Lessee's noncompliance with such obligation shall be excused until such time as said event terminates, provided Lessee is actively proceeding to resolve such delay, including but not limited to providing any information required by any governmental body preventing performance. An increase in the cost of performing the obligations set forth in this Lease shall not constitute circumstances beyond Lessee's control. Lessee's financial inability to comply with any of the obligations of this Lease shall not be grounds for any extension of time. Except as expressly provided in the preceding sentence, this Section shall apply to any and all obligations of Lessee contained in this Lease and any specific reference to a provision of this Lease being "subject to Force Majeure" does not and shall not limit the applicability of Force Majeure to all obligations of Lessee contained in this Lease.

To the extent that Lessee becomes aware of any single Force Majeure event that will delay Lessee's performance of a material obligation under this Lease by at least three (3) months or more than one Force Majeure event which events, in the aggregate, will delay Lessee's performance of a material obligation under this Lease by more than three (3) months, Lessee shall only be entitled to the benefits of the preceding section if it notifies Lessor within thirty (30) working days in writing of the date it determines that the event or events will delay performance of the material obligation by more than three (3) months. The written notice shall include a statement as to the efforts which have been made and are being made by Lessee to mitigate the effects of the event and to minimize the length of the delay. Except as provided herein, Lessee shall not be obligated to notify Lessor of a Force Majeure event in order to be entitled to the benefits under this Section.

32. **EVENT OF DEFAULT/REMEDIES**

- 32.01 Each of the following events shall be an "Event of Default" hereunder:

- (a) If Lessee shall fail to make any payments required to be paid by Lessee for a period of ten (10) business days of receipt of written notice that the same is due from Lessor;
- (b) If Lessee shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements of this Lease and such failure

shall continue for a period of thirty (30) days after receipt of written notice from the Lessor specifying such failure, unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such thirty (30) day period. If such work to be performed, acts to be done, or conditions to be removed cannot be completed within thirty (30) days after written notice, no Event of Default shall be deemed to exist as long as Lessee shall have commenced doing the same within such thirty (30) day period and shall diligently and continuously prosecute the same to completion within a commercially reasonable period of time;

- (c) If Lessee assigns, subleases, transfers, mortgages, consigns or encumbers the Leased Premises or any wells therein without the County's approval or without compliance with the provisions of this Lease applicable thereto; or
- (d) If a levy under execution or attachment shall be made against Lessee related to Lessee's Drilling Operations on pooled units containing all or a portion of the Leased Premises, the Leased Premises or any property of Lessee thereon and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of thirty (30) days.

32.02 If Lessee receives written notice from the Lessor of an Event of Default under this Lease, and Lessee, within the required period, fails to cure or to show that it has either cured the same or taken reasonable steps to do so, at the election of the Lessor, Lessor may pursue any rights or remedies available at law or equity except as expressly provided herein. Lessor acknowledges and agrees that (i) in the event that Lessee notifies Lessor that there is a discrepancy or dispute regarding an obligation of Lessee or an Event of Default by Lessee under this Lease, Lessor shall not be entitled to exercise any rights or remedies available under this Lease, at law or in equity until the dispute has been fully and finally resolved in accordance with Section 35 (Dispute Resolution) and if the resolution is adverse to Lessee then Lessee shall have a reasonable time after the determination is made to cure the default, and (ii) Lessor shall only have the right to terminate this Lease in the event that Lessor provides Lessee with an additional thirty (30) days' notice and opportunity to cure the Event of Default and the Event of Default is a Material Event of Default that has not been cured within all applicable cure periods provided in this Section.

32.03 In the event that the Lessor has notified Lessee in writing that Lessor has determined that certain activity of Lessee on the Leased Premises interferes with access by the County or the general public to Deer Lakes Park and after receipt of written notice from Lessor and the cure period set forth in section 21.01(b) Lessee has failed or refused to discontinue the activity that causes interference with access by the County or the general public to Deer Lakes Park, Lessor shall have the right to obtain equitable relief in the form of an order for ejection from the portion of Deer Lakes Park and/or the Leased Premises where the activity is occurring or such other equitable relief as may be determined by the Court of Common Pleas of Allegheny County upon motion filed by Lessor, provided that in the case of an emergency or if Deer Lakes Park cannot be operated as a public park, the Lessee shall immediately discontinue such activity after being notified to do so by Lessor.

33. RIGHTS RESERVED BY LESSOR

33.01 Lessor reserves the right to use Deer Lakes Park in any and all respects not specifically limited by the terms of this Lease;

33.02 Lessor reserves all Oil and Gas underlying Deer Lakes Park other than Oil and Gas within the Leased Premises from all formations deeper than the six hundred

and fifty feet (650') above the top of the Tully Formation and shall have the right to lease those Oil and Gas rights to third parties insofar as Lessor is otherwise legally entitled to lease the same, subject to rights granted to Lessee under this Lease and provided that any such third party shall acknowledge and agree: (i) that it will cooperate with Lessee and coordinate its operations with Lessee's operations; and (ii) that to the extent parallel operations cannot be reasonably accommodated, Lessee shall have priority in use and enjoyment of the Leased Premises for any and all of Lessee's operations.

33.03 The surface rights of Lessor in Deer Lakes Park shall be considered dominant and the Oil and Gas leasehold rights of Lessee in the Leased Premises shall be servient. Any dispute between the parties hereto concerning surface use shall be resolved in favor of the interests of the Lessor.

34. **DIVERSE SMALL BUSINESS PARTICIPATION & JOB FAIRS**

34.01 Lessee shall provide maximum practicable contracting opportunities for diverse small businesses which include minority-owned businesses, women-owned business enterprises and veteran-owned business enterprises (collectively, "Diverse Small Businesses").

34.02 Lessee shall maintain a policy prohibiting discrimination in employment and contracting based on gender, race, creed or color.

34.03 Lessee shall use the database available on the Pennsylvania Department of General Services to identify certified Diverse Small Businesses as potential contractors, subcontractors and suppliers for opportunities related to the extraction of Oil and Gas within Allegheny County, Pennsylvania.

34.04 Lessee shall participate in two (2) or more job fairs related to employment in the field of oil and natural gas during the Primary Term of this Lease. Such job fairs shall be held at locations within Allegheny County, Pennsylvania that are agreeable to Lessor.

35. **DISPUTE RESOLUTION**

35.01 In the event that Lessee wishes to dispute a decision made by Lessor (except for Title Disputes), the following procedure shall be used:

(a) Lessee shall notify the Lessor in writing of the decision in dispute and provide Lessor with Lessee's position on the issue, along with all appropriate supporting documentation.

(b) Within ten (10) business days from the date of the Lessor's receipt of the Lessee's written notice of the dispute, Lessor shall fix a time and place for a conference with Lessee to discuss the disputed decision.

(c) The conference shall be held within thirty (30) days of the Lessor's receipt of the Lessee's written notice of the dispute, unless Lessor and Lessee agree to an extension of time for the conference.

(d) At such conference, the County, through its duly authorized representative shall represent Lessor.

(e) Lessor may continue the conference if supplemental data, maps or other information are required to evaluate the basis for Lessee's objections, if further review is needed to ascertain whether a mutually agreed upon settlement is consistent with the terms of the Lease agreement, or if all parties to the conference agree that a continuance is beneficial to the resolution of the objection.

(f) Any agreement(s) reached at the conclusion of the conference or follow-up discussions shall be consistent with the provisions of this Lease. A

record of such agreement(s) shall be documented in writing by the Lessor, copies of which shall be provided to the Lessee and all other parties involved.

35.02 In the event that a party is dissatisfied with the decision(s) made as a result of the dispute resolution conference, it may submit the dispute as provided in Section 38.04. Any judicial review or court action shall be de novo.

36. PRODUCER INTEGRITY PROVISIONS

36.01 As to all Drilling operations within units in which the Leased Premises is pooled therewith, Lessee agrees to comply with the provisions set forth in the document entitled "PRODUCER INTEGRITY PROVISIONS FOR COUNTY CONTRACTS," which is incorporated by reference in its entirety herein and attached hereto as Exhibit "D."

37. NONDISCRIMINATION CLAUSE

37.01 As to all Drilling Operations within units in which the Leased Premises is pooled therewith, Lessee agrees to comply with the provisions set forth in the document entitled "NONDISCRIMINATION CLAUSE", which is incorporated by reference in its entirety herein and attached hereto as Exhibit "E."

38. MISCELLANEOUS

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

38.02 This Lease shall be binding upon and inure to the benefits of the parties hereto, and their respective successors and permitted assigns.

38.03 The Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, irrespective of its conflicts of law provisions.

38.04 Jurisdiction with respect to any dispute arising hereunder shall be with the Court of Common Pleas of Allegheny County or in the United States District Court for the Western District of Pennsylvania sitting in Pittsburgh.

38.05 No modification or amendment of this Lease shall be effective unless in writing and signed by both parties. The failure to insist upon strict enforcement of any provision in any particular instance will not serve to act as a waiver in any other instance.

38.06 Should any provision of this Lease be deemed to be void, voidable, invalid or unenforceable by reason of any existing or subsequently enacted federal or state laws and those rules or regulations promulgated thereunder, or by a decree or order of any court of competent jurisdiction, the remaining Lease parts or provisions shall remain in full force and effect.

38.07 RESERVED.

38.08 Lessor and Lessee acknowledge and agree as follows:

(a) To the extent any approval or consent from Lessor is required pursuant to the terms of any exhibit attached hereto or referenced herein, such approval or consent shall not be unreasonably withheld or delayed.

(b) Any documents, information, data or other Information Lessee is obligated to furnish or deliver to Lessor pursuant to the terms of any exhibit attached hereto or referenced herein, shall be available at Lessee's office for the time period and shall be subject to the confidentiality provisions contained in this Lease.

- (c) To the extent of any conflict between the terms of the Lease and any exhibit to the Lease, the terms of the Lease shall govern.
- (d) Notwithstanding anything to the contrary contained in the Lease, Lessee shall be permitted (and no consent of Lessor shall be required) to use an affiliate of Lessee to provide services, labor or materials in connection with its operations under the Lease (except as provided in Section 8 WATER) so long as the services or labor performed and/or materials supplied by such affiliate are performed or supplied at arm's length, at competitive rates and in accordance with customs and standards prevailing in the industry.
- (e) Any reference to "the Lease", including, without limitation, phrases such as "notwithstanding anything to the contrary contained in the Lease," shall include the entire Lease and any exhibits attached to or referenced in the Lease.

38.09 Tolling During Dispute. Lessor and Lessee agree that it is in their mutual interest not to require Lessee to engage in Drilling Operations within the Leased Premises or any lands pooled therewith during any period of time in which the validity of the Lease is challenged, contested, or disputed.

- (a) If any civil action or administrative proceeding is commenced by a third party in which the validity of the Lease is disputed ("Third Party Proceeding"), or if Lessor takes any action which would prevent Lessee from enjoying the benefits of or complying with the terms of the Lease ("Lessor Dispute"), then the Primary Term (if still in effect) and/or Lessee's obligation to conduct Drilling Operations within the Leased Premises or any lands pooled therewith in order for the Lease to continue beyond the Primary Term (if the Primary Term has lapsed), as well as Lessee's obligation to make any payments which may be required herein shall be tolled and extended during the pendency of the Lessor Dispute or Third Party Proceeding - from commencement through resolution with respect to a Lessor Dispute, or from commencement through entry of a final, non-appealable judgment in the case of a Third Party Proceeding plus an additional thirty (30) days; provided, however, that Lessee's tolling rights hereunder shall not apply to and Lessee shall continue to be required to make: (i) any payments due and owing at the time of the commencement of the Third Party Proceeding or Lessor Dispute; (ii) any Oil Royalty or Gas Royalty then due and owing or accruing thereafter, or (iii) any Park Fund payments excluded from tolling under subsection (b)(ii) herein.

(b) Furthermore, in the event of a Third Party Proceeding,

- (i) No Drilled or Completed Well: If at the time of the initiation of the Third Party Proceeding no well has been drilled and completed in any unit in which the Leased Premises are included, Lessor agrees to return to Lessee an amount equal to the Lease Bonus paid to Lessor plus any portion of the Park Fund already paid to Lessor, which funds shall be held by Lessee for so long as such Third Party Proceeding is pending. While the Third Party Proceeding remains pending, Lessee shall not be required to make any further payments of the Park Fund. In the event of a final, non-appealable order or decision in any Third Party Proceeding that permanently prohibits Lessee from developing the Oil and Gas underlying the Leased Premises, the funds returned to Lessee under this subparagraph (b)(i) shall be retained by Lessee, and either party shall have the right to terminate this Lease.

- (ii) At Lease One Well Drilled and Completed: If at the time of the initiation of the Third Party Proceeding at least one well has been drilled and completed in a unit in which the Leased Premises

are included (the "Developed Unit" and if more than one, the "Developed Units" (for the sake of clarity, the terms "Developed Unit" and "Developed Units" shall only be applicable to this Section 38.09)), Lessor agrees to return to Lessee an amount equal to the Lease Bonus paid to Lessor, less an amount equal to the proportionate Lease Bonus attributable to any acreage that is, at the time of the initiation of any Third Party Proceeding, included within any Developed Units (the "Returned Portion"). In the event of a final, non-appealable order or decision in any Third Party Proceeding that permanently prohibits Lessee from further developing the Oil and Gas underlying the Leased Premises, the Returned Portion shall be retained by Lessee (and Lessor shall retain the remainder of the Lease Bonus) and: (x) if such order or decision permanently prohibits all production of Oil and Gas from the Developed Units, then either party shall have the right to terminate this Lease or (y) if such order or decision does not prohibit the production of Oil and Gas from the Developed Units, then this Lease shall continue as to the acreage within the Developed Units and shall terminate as to all acreage not included within the Developed Units. Regardless of the outcome of the Third Party Proceeding, or any subsequent partial or complete termination of this Lease under this Section 38.09(b)(ii), Lessor shall be entitled to retain all prior payments of the Park Fund, and Lessee shall be required to continue to make all remaining payments of the Park Fund.

- (iii) In the event that the Third Party Proceeding concludes in a manner that does not permanently prohibit Lessee from developing and producing the Oil and Gas underlying the Leased Premises, then within thirty (30) days after the conclusion of the Third Party Proceeding, all Lease Bonus payments returned to Lessee under Sections 38.09(b)(i) and (b)(ii), all Park Fund payments returned to Lessee under Section 38.09(b)(i), and all Park Fund payments that have accrued and are otherwise owed by Lessee pursuant to the terms of this Lease but that had ceased to be paid under subsection (b)(i) herein shall be paid to Lessor. In addition to the return of such funds, Lessee shall also make all subsequent Park Fund payments as such payments become due pursuant to this Lease.
- (c) If Lessee's tolling rights under this Section 38.09 are in effect, Lessee is permitted at its discretion to continue to produce or to begin production of Oil and Gas from wells located within Developed Units; provided that Lessee shall be required to make all Oil Royalty and Gas Royalty payments due and accruing under this Lease. However, Lessee shall not be permitted to continue to avail itself of the benefits of this Section 38.09 if Lessee chooses to conduct further Drilling Operations in any Developed Unit or in any other unit(s) in which the Leased Premises are made a part (including any unit for which Lessee has invoked Section 38.09(b)(i)), subsequent to the commencement of a Lessor Dispute or Third Party Proceeding. In such case, Lessee shall be deemed to have waived its rights under this Section 38.09, and the entire Lease Bonus and any portion of the Parks Fund held or retained by Lessee shall immediately and irrevocably be paid to Lessor, and Lessee shall be required to make all subsequent Park Fund payments that become due.
- (d) If Lessee's tolling rights under this Section 38.09 are in effect, then Lessee is deemed to have waived its rights under Section 30 of this Lease to terminate the Lease or any portion thereof during the pendency of the applicable Lessor Dispute or Third Party Proceeding. At the conclusion of any such Lessor Dispute or Third Party Proceeding, Lessee's rights under Section 30 shall be reinstated, provided that to the extent the resolution of any Third Party Proceeding requires Lessee to make payments

to Lessor under this Section 38, above, Lessee shall still be obligated to make such payments notwithstanding its termination of all or any portion of the Lease under Section 30. For example:

- (i) In the event that the Third Party Proceeding concludes in a manner that does not permanently prohibit Lessee from developing and producing the Oil and Gas underlying the Leased Premises, if after the conclusion of such Third Party Proceeding, Lessee invokes its reinstated right to terminate all or a portion of the Lease under Section 30, then as provided for in Section 38.09(b)(iii), Lessee shall be required to pay to Lessor all Lease Bonus payments returned to Lessee under Sections 38.09(b)(i) and (b)(ii), all Park Fund payments returned to Lessee under Section 38.09(b)(i), and all Park Fund payments that have accrued and owing but that had ceased to be paid under subsection (b)(i) herein. In addition to the return of such funds, Lessee shall also make all subsequent Park Fund payments as such payments become due pursuant to this Lease; or
- (ii) In the event that the Third Party Proceeding concludes in a manner that prohibits Lessee from further developing the Oil and Gas underlying the Leased Premises and such order or decision does not prohibit the production of Oil and Gas from the Developed Units, if after the conclusion of such Third Party Proceeding, Lessee invokes its reinstated right to terminate all or a portion of the Lease under Section 30, then as provided for in Section 38.09(b)(ii)(y), Lessee shall be entitled to retain the Returned Portion (and Lessor shall retain the remainder of the Lease Bonus and all prior payments of the Park Fund) and Lessee shall be required to continue to make all remaining payments of the Park Fund.

39. GENERAL COUNTY CONDITIONS

39.01 It is understood and agreed that nothing herein contained is intended or shall be construed to in any respect create or establish the relationship of co-partners between the parties, or as constituting the Lessor as an employee, agent, servant or representative of the Lessee for any purpose whatsoever. At all times, the Lessee shall provide, perform, and carry out the terms and conditions set forth herein as an independent contractor.

39.02 All notices, reports, or documents required to be given or made pursuant to this Non-Surface Use Oil and Gas Lease shall be in writing and shall be sent by either: (i) United States Mail first class delivery, postage pre-paid; or (ii) Electronic mail (e-mail), confirmed by letter sent by United States Mail first class delivery, postage pre-paid; or (iii) Facsimile (fax) transmission confirmed by letter sent by United States Mail first class delivery, postage pre-paid. All notices, reports or documents required to be given under this Non-Surface Use Oil and Gas Lease shall be sent to the respective parties as follows:

As to the Lessor:

William D. McKain, CPA
Allegheny County Manager
Court House
436 Grant Street
Pittsburgh, PA. 15219

or to such other address or individual as the Lessor may from time-to-time designate.

As to the Lessee:

Range Resources - Appalachia, LLC
Attn.: Vice President-Land, Southern Marcellus Shale
3000 Town Center Blvd.
Canonsburg, PA 15317

or to such other address or individual as the Lessee may from time-to-time designate.

- 39.03 No elected official, officer, appointee or employee of the Lessor shall be charged personally or held contractually liable by or to the Lessee under any term or provision of this Non-Surface Use Oil and Gas Lease or because of any breach hereof or because of his, her or their execution, approval or attempted execution of this Non-Surface Use Oil and Gas Lease.
- 39.04 This Non-Surface Use Oil and Gas Lease constitutes the entire agreement of the parties on the subject matter hereof and it may not be changed, modified, discharged or extended except by written amendment duly executed by the parties. The Lessee agrees that no representations or warranties shall be binding upon the Lessor unless expressed in writing hereof or in a duly executed amendment hereof.
- 39.05 A failure by either party to take any action with respect to any default or violations by the other of any of the terms, conditions, or covenants of this Non-Surface Use Oil and Gas Lease shall not in any way limit, prejudice, diminish or constitute a waiver of any right of the parties to act with respect to any prior, contemporaneous or subsequent violation or with respect to any continuation or repetition of the original violation or default under this Non-Surface Use Oil and Gas Lease.
- 39.06 All rights and remedies under this Non-Surface Use Oil and Gas Lease shall be cumulative and shall be in addition to those rights which the parties may have under applicable law, statute, regulation or otherwise.
- 39.07 The Non-Surface Use Oil and Gas Lease has been duly authorized and approved by each of their respective officers having the legal authority to exercise the power to contract.
- 39.08 The respective individuals signing the Non-Surface Use Oil and Gas Lease have been duly authorized to sign the same on behalf of the respective parties.
- 39.09 Lessor acknowledges that Lessee shall not be in breach of Section 7 of this Lease provided that Lessee undertakes commercially reasonable efforts to comply with any audit-related requests.
40. **RELEASE**
- 40.01 Subject to Lessee's rights pursuant to Section 30, Lessee shall not be granted a final release from the terms of this Lease until all records and reports and other data described above have been provided to the Lessor, all wells required by the Lessor to be plugged have been plugged and plugging certificates provided, all other terms of this Lease have been met, and the Lessor or its authorized representative or delegate has met with Lessee's field engineer or other authorized representative on the ground, inspected the Leased Premises, and both parties have signed a Statement of Release indicating that any necessary site restoration has been completed. Said release shall not be unreasonably withheld by the Lessor.

41. **DEFINED TERMS**

The following terms shall have the meanings set forth below:

- 41.01 "Applicable Law" shall mean any treaty, federal, state or local, statute, law, ordinance, rule, regulation, judgment, order or the like applicable to the Lessor, Lessee, the Leased Premises or the Park and any operations on the Leased Premises or any lands pooled therewith during the primary and secondary term of this Lease and at any time thereafter during which the rights and responsibilities of the Lessor and Lessee shall extend under this Lease.
- 41.02 "Commonwealth" shall mean the Commonwealth of Pennsylvania.
- 41.03 "Corporate fraud" shall mean a fraud by Lessee as determined by a court of competent jurisdiction which fraud is designed to give an advantage to Lessee at the corporate level (and not to a particular individual or employee).
- 41.04 "Department", "Department of Environmental Protection, "DEP" or "PaDEP" shall mean the Pennsylvania Department of Environmental Protection's Bureau of Oil and Gas Management.
- 41.05 "Drilling Operations" shall include, without limitation, the right to transport and market Oil and Gas, to conduct geological, geophysical, core drilling and other exploratory work within the Leased Premises or leases and/or lands unitized therewith, to lengthen, rework, stimulate, fracture, plug and abandon wells within the Leased Premises or leases and/or lands unitized therewith, to erect and operate drill sites, drilling rigs and related facilities, to construct, install, use and/or operate roads, utility lines, waterlines, compressors, above and below ground impoundments, pits and tanks, all of which Drilling Operations shall be conducted in accordance with the terms of this Lease.
- 41.06 "Environmental Provisions" shall have the meaning set forth in Section 2.1 of Exhibit C.
- 41.07 "Effective Date" shall be the date this Lease is executed by both Lessor and Lessee.
- 41.08 "Horizontal Well" shall mean a well consisting of one or more laterals which is drilled, completed or recompleted in a manner in which the lateral component exceeds the vertical component of the completion interval in the objective formation. In the case of a multi-lateral Horizontal Well, each lateral, along with the common vertical wellbore, should be treated as a separate Horizontal Well.
- 41.09 "Gas" shall mean any of the following: A fluid combustible or noncombustible, which is produced in a natural state from the earth and maintains a gaseous or rarified state from the earth and maintains a gaseous or rarified state at standard temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA and any manufactured gas, by-product gas or mixture of gases or Liquid Hydrocarbons.
- 41.10 "Material Event of Default" shall mean the failure to pay any non-disputed payments, the Oil Royalty, the Gas Royalty, or the Park Fund for more than four (4) consecutive months in any 12 month period, the failure to take such actions to restore the quality of the surface waters to their pre-operations Control Testing condition to the reasonable satisfaction of Lessor pursuant to Section 8.01.1, or the failure to take commercially reasonable actions to restore the quantity and quality of the affected water supply to as near to the condition as determined by the predrilling or prealteration survey as practicable pursuant to Section 8.01.2.
- 41.11 "Material Title Defect" shall mean a title defect that will (i) materially and adversely affect Lessee's ability to develop the acreage impacted by the title defect and/or (ii) a title defect that could result in a liability that would exceed the cost of developing the acreage impacted by the title defect.

- 41.12 "Liquid Hydrocarbons" shall mean all natural gas liquids of any kind or nature, including, but not limited to ethane, butane, propane and pentane.
- 41.13 "Oil" shall mean all oil and condensate.
- 41.14 "Processing Plant" shall mean the plant where Gas is processed including the extraction and enhancement of Liquid Hydrocarbons.
- 41.15 "Prudent Operator" shall mean what a reasonable and competent operator in the Oil and Gas industry would do based on the same or similar facts and circumstances, including but not limited to: (i) Operator's overall drill schedule, (ii) pipeline construction and capacity, (iii) economic, profitability and cost considerations, (including but not limited to drilling, operating, and transportation costs), (iv) safety issues, (v) drainage potential, and (vi) sales prices; provided that the definition of the term "Prudent Operator" shall be subject to and qualified at all times by the term "Field Practices" as defined in Section 1.4 of Exhibit "C".
- 41.16 "Title Dispute Date" shall mean the date that is fourteen (14) months after the Effective Date.
- 41.17 "Tully Formation" shall mean the Tully formation, or its stratigraphic equivalent, as found at a depth of 6,594', in Range Resources-Appalachia, LLC's Yute #4 Well in Allegheny County (API # is 37-003-21982).
- 41.18 "Vertical Well" is a well that is not a Horizontal Well.
42. **ABSENCE OF RIGHTS IN THIRD PARTIES**
- 42.01 No provision of this Lease shall be construed in any manner so as to create any rights in third parties who are not signatories to this Lease. It shall be interpreted solely to define specific duties and responsibilities between the Lessor and the Lessee, and shall not provide any basis for claims of any other individual, partnership, corporation, organization or municipal entity.
43. **HEADINGS**
- 43.01 The headings of the several paragraphs and sections of this Lease are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope or intent of any provision of this Lease, nor shall they be construed to affect in any manner the terms and provisions hereof or the interpretation or construction hereof.
44. **SURRENDER**
- 44.01 Lessee must within sixty (60) days of termination of all or any part of the Lease record in the local County a surrender document with the recording reference numbers to Lessor.
45. **SEVERABILITY**
- 45.01 The parties intend and agree that if any section, paragraph, subparagraph, phrase, clause or other provision of this Lease, or any portion hereof, shall be held to be void or otherwise unenforceable, all other portions of this Lease shall remain in full force and effect.
46. **HELD FOR PRODUCTION**
- 46.01 Lessor acknowledges that it is not currently receiving any royalties for Oil or Gas from the Leased Premises. If it is determined that any part of the Leased Premises is currently subject to an existing lease "held by production", then in that event Lessee agrees that all the terms of this Lease shall also apply

to any "held by production" leases for the Leased Premises which are assigned to or currently operated by Lessee.

47. **TITLE EXAMINATION**

47.01 Lessee agrees to obtain a title examination, abstract and/or certificate of title and to provide Lessor with a copy of the same prior to commencing Drilling Operations with a rig under the Leased Premises. Lessee shall have no obligation or liability to Lessor for the title information so supplied or Lessor's reliance thereon.

IN WITNESS WHEREOF, this Agreement is duly executed on the day and year first above written, by the parties hereto, intending themselves to be legally bound hereby.

WITNESS:

RANGE RESOURCES - APPALACHIA, LLC:



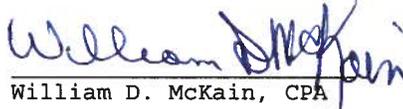
By:



C. Barry Osborne
Vice President-Land,
Southern Marcellus Shale

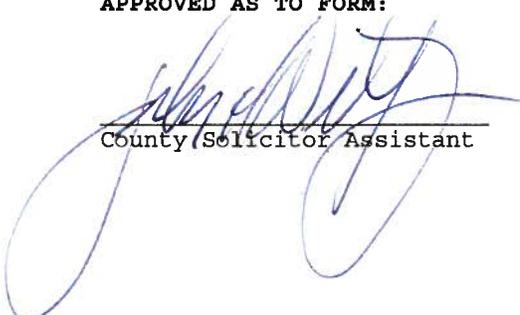
COUNTY OF ALLEGHENY

By:



William D. McKain, CPA
County Manager

APPROVED AS TO FORM:


County Solicitor Assistant
County Solicitor

LIST OF EXHIBITS

Exhibit "A"	County of Allegheny Deer Lakes Park Oil and Gas Leased Premises
Exhibit "B"	Insurance Requirements
Exhibit "C"	Construction, Operation, and Maintenance, of Gas Wells on Units Including the Leased Premises
Exhibit "D"	Producer Integrity Provisions for County Contracts
Exhibit "E"	Nondiscrimination Clause
Exhibit "F"	Map of Surface Waters to Be Tested
Exhibit "G"	Fire Prevention and Protection Plan Requirements

EXHIBIT A
COUNTY OF ALLEGHENY DEER LAKES PARK
OIL AND GAS LEASED PREMISES

The Leased Premises shall include all Oil and Gas described in the deeds currently owned by the County of Allegheny underlying Deer Lakes Park, which includes but is not limited to the following:

- Deed from Daryl J. Hogan and Dorothy H. Hogan, his wife, to Commonwealth Real Estate Co., dated April 24, 1958 at Deed Book Volume 3686, Page 490 of the Allegheny County records, conveys 39.65 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 32.
- Deed from George Matas and Mary Matas, his wife, to Commonwealth Real Estate Co., dated April 24, 1958 at Deed Book Volume 3690, Page 523, conveys 39.09 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 33.
- Deed from John Mojack and Mabel Mojack, his wife to Commonwealth Real Estate Co., dated April 24, 1958 at Deed Book Volume 3690, Page 524, conveys 60 acres 128 perches. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 36.
- Deed from Thomas G. Morgan and Irene K. Morgan, his wife, to Commonwealth Real Estate Co., dated May 2, 1958 at Deed Book Volume 3687, Page 648, conveys 33.61 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 38.
- Deed from August Vedro and Susie Vedro, his wife, to Commonwealth of Real Estate Co., dated May 2, 1958 at Deed Book Volume 3699, Page 344, conveys 129 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 39.
- Deed from Joseph Vedro and Anna P. Vedro to Commonwealth Real Estate Company, dated March 10, 1958 at Deed Book Volume 3471, Page 208, conveys 60 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 34.
- Deed from Matthew and Alice R. Sopcak, dated June 12, 1958 at Deed Book Volume 3694, Page 663, conveying 8.7 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 31.
- Louis J. and Mildred Baron, dated September 22, 1958 at Deed Book Volume 3717, Page 280, conveying 102.4 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 35.
- Deed from Arthur Gornall and Mildred Gornall, his wife, and A. Wesley Gornall, single, to Commonwealth Real Estate Company, dated July 31, 1958 at Deed Book Volume 3748, Page 441, conveys 80.5 acres more or less. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 37.
- Deed from John Sopcak and Mary Sopcak, his wife, to Commonwealth Real Estate Co., dated June 11, 1958 at Deed Book Volume 3696, Page 571, conveys 5.02 acres. Transferred on December 16, 1958 to County of Allegheny at Deed Book Volume 3725, Page 95 reference No. 30.
- Deed from Emil Zilka and Marie Zilka, his wife, to Commonwealth Real Estate Co., dated November 20, 1959 at Deed Book Volume 3808, Page 589, conveys 18.50 acres. Transferred to County of Allegheny at Deed Book Volume 4073, Page 639.

- Deed from Daryl J. Hogan and Dorothy H. Hogan, his wife, to County of Allegheny, dated June 12, 1964 at Deed Book Volume 4123, Page 434 of the Allegheny County records, conveys 5 acres.
- Deed from H. John Harper and Melva A. Harper, his wife, to County of Allegheny, dated December 9, 1964 at Deed Book Volume 4216, Page 113, conveys 10.6 acres.
- Deed from Marie Podgornik, Guardian of the Estate of Ruth Podgornik, Robert Podgornik and Mary Podgornik, his wife, Andrew Podgornik and Lois Podgornik, his wife, Anna Bargerstock and Frank Bargerstock, her husband, Mary Spehar and Matthew Spehar, her husband, Stella Lettrich and Michael Lettrich, her husband, Sophie McMillen (formerly Sophie Pencak), wife of George P. McMiller, and Marie Podgornik, widow of Lewis Podgornik, by George P. McMillen, their attorney in fact, and George P. McMillen, individually to County of Allegheny, dated November 17, 1964 at Deed Book Volume 4196, Page 449, conveys 11.1 acres.
- Deed from Mary Marcinko, widow, to County of Allegheny, dated November 25, 1964 at Deed Book Volume 4197, Page 169, conveys 31.4 acres.
- Deed from Mary Paprcka Vrbanac and George Vrbanac, her husband, to County of Allegheny, dated December 9, 1964 at Deed Book Volume 4216, Page 89, conveys 1 acre.
- Deed from Ralph Duncan and Elizabeth Duncan, his wife, to County of Allegheny, dated December 11, 1964 at Deed Book Volume 4216, Page 741, conveys 1 acre.
- Deed from Clara P. Santarlaschi and Richard Santarlaschi, her husband, to County of Allegheny, dated December 14, 1964 at Deed Book Volume 4217, Page 1, conveys 0.4 of an acre.
- Deed from Paul G. Kovach and Maxine A. Kovach, his wife, to County of Allegheny, dated December 14, 1964 at Deed Book Volume 4202, Page 129, conveys 0.4 of an acre.
- Deed from John Vozar, Jr., a/k/a John Vozor, Jr. and Anna Vozar, his wife, to County of Allegheny, dated January 21, 1965 at Deed Book Volume 4209, Page 329, conveys 2.1 acres.
- Deed from Joseph Lovic, widower, to County of Allegheny, dated February 11, 1965 at Deed Book Volume 4110, Page 707, conveys 11.5 acres.
- Deed from Raymond E. Rowles and Verna M. Rowles, his wife, to County of Allegheny, dated March 26, 1965 at Deed Book Volume 4140, Page 507, conveys 2.9 acres.

Excepting, upon conveyance by Allegheny County to Kenneth M. Gulick and Christine M. Gulick, all that certain parcel of land authorized by Ordinance No. 10-14-OR, situate in Frazer Township, Allegheny County, Pennsylvania, being more particularly bound and described as follows:

Beginning at a point common to lands now or formerly of Allegheny County, lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and lands now or formerly of Ronald Herstek and Mary R. Herstek; thence from said point of beginning by the line dividing lands now or formerly of Allegheny County and lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and through Fairfield Road, 33.00 feet, S 15° 00' 00" E a distance of 196.61 feet to a point on the centerline of said Fairfield Road; thence by the centerline of said Fairfield Road in a northwesterly direction by a curve bearing to the left having a radius of 500.00 feet through an arc distance of 169.89 feet, also having a chord bearing of N 34° 48' 51' W and a chord distance of 169.07 feet

to a point on the line dividing lands now or formerly of Allegheny County and lands now or formerly of Ronald Herstek and Mary R. Herstek; thence by the line lands now or formerly of Allegheny County and lands now or formerly of Ronald Herstek and Mary R. Herstek N 41° 46' 00" E a distance of 68.52 feet to a point common to lands now or formerly of Allegheny County, lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and lands now or formerly of Ronald Herstek and Mary R. Herstek, at the point of beginning.

Containing an area of 4,822 square feet or 0.11 acre.

- Deed from Walter M. Gillespie and Blanche E. Gillespie, his wife to County of Allegheny, dated April 2, 1965 at Deed Book Volume 4229, Page 701, conveys 27.57 acres.
- Deed from Edward Flynn and Hazel Flynn, his wife, to County of Allegheny, dated April 12, 1965 at Deed Book Volume 4232, Page 85, conveys 1 acre.
- Deed from Joseph Sopcak and Pauline K. Sopcak, his wife, to County of Allegheny, dated May 17, 1965 at Deed Book Volume 4234, Page 413, conveys 7.4 acres.
- Deed from George Matas and Mary Matas, his wife, to County of Allegheny, dated August 25, 1965 at Deed Book Volume 4183, page 168, conveys 4.6 acres.
- Deed from Pete Casper and Lottie Casper, his wife to County of Allegheny, dated March 4, 1966 at Deed Book Volume 4245, Page 162, conveys 6.85 acres.
- Deed from Republic Steel Corporation, a New Jersey Corporation, to County of Allegheny, dated August 19, 1966 at Deed Book Volume 4366, Page 1, conveys 102.152 acres (104.556 excepting and reserving 2.066 acres and a 20 foot right of way for a cemetery lot).
- Deed from Ernest Lewetag and Victoria Lewetag, his wife, to County of Allegheny, dated September 30, 1966 at Deed Book Volume 4183, Page 584, conveys 2.2 acres.
- Deed from Harvey A. Miller, Jr. Trustee, Laura Christy Webster, widow, to County of Allegheny, dated February 8, 1968 at Deed Book Volume 4479, Page 668, conveys 92 acres.
- Deed from Helen J. Christy, widow, to County of Allegheny, dated February 16, 1968 at Deed Book Volume 4468, Page 153, conveys 59.61 acres.
- Deed from Walter M. Gillespie and Blanche D. Gillespie, his wife, to County of Allegheny, dated March 4, 1968 at Deed Book Volume 4526, Page 565, conveys 81.43 acres (109 acres, excepting and reserving 27.57 acres to County of Allegheny, dated April 2, 1965).
- Deed from Anthony Baron and Helen Baron, his wife, to County of Allegheny, dated June 12, 1968 at Deed Book Volume 4566, Page 713, conveys 32.20 acres.
- Deed from James E. Wolfe and Ruth Louise Wolfe, his wife, to County of Allegheny, dated June 23, 1969 at Deed Book Volume 4746, Page 121, conveys 0.3 acres.
- Deed from Stanley H. Baron, a/k/a Stanley Baron and Casimiera Baron, his wife, to County of Allegheny, dated January 15, 1975 at Deed Book Volume 5476, Page 281, conveys 7.81 acres.
- Deed from Sophia Anoker to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 7.963 acres.

- Deed from Louis J. Baron and Mildred M. Baron, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 1.639 acres.
- Deed from Patrick J. Garrity to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 0.50 acres.
- Deed from George Hatalsky and Charles E. Hatalsky to County of Allegheny, dated June 30, 1966 at Deed Book 4345, Page 524, conveys 5.914 acres.
- Deed from Steve Kapustik to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 9.95 acres.
- Deed from John Sopcak and Christine Sopcak, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 16.12 acres.
- Deed from Matthew Sopcak and Alice R. Sopcak, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 6.13 acres.
- Deed from John W. Vozar, Sr., to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 5.0 acres.
- Deed from Ernest Lewetag and Victoria Lewetag, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 2.24 acres.
- Deed from John Sopcak to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 11.01 acres.
- Deed from John Vozar, Jr. and Anna Vozar, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 2.059 acres.
- Deed from Matthew Sopcak and Alice R. Sopcak, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 0.305 acres.
- Deed from Matthew Sopcak and Alice R. Sopcak, his wife, to County of Allegheny, dated June 30, 1966 at Deed Book Volume 4345, Page 524, conveys 2.45 acres.
- Deed from Ernest Lewetag and Victoria Lewetag, his wife, to County of Allegheny, dated September 30, 1966 at Deed Book Volume 4183, Page 585, conveys approximately 1.5 acres.
- Including, upon conveyance by Kenneth M. Gulick and Christine M. Gulick to Allegheny County, all that certain parcel of land authorized by Ordinance No. 10-14-OR, situate in Frazer Township, Allegheny County, Pennsylvania, being more particularly bound and described as follows:

Beginning at a point common to lands now or formerly of Kenneth M. Gulick and Christine M. Gulick, lands now or formerly of Kenneth J. Wisniewski and lands now or formerly of Allegheny County; thence from said point of beginning by the line dividing lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and lands now or formerly of Kenneth J. Wisniewski N 82° 10' 00" E a distance of 75.00 feet to a point; thence by a line through lands now or formerly of Kenneth M. Gulick and Christine M. Gulick S 07° 50' 00" E a distance of 145.20 feet to a point on the line dividing lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and other lands now or formerly of Allegheny County; thence by the line dividing lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and other lands now or formerly of Allegheny County S 82° 10' 00" W a distance of 75.00 feet to a point on the line dividing lands now or formerly of Kenneth M. Gulick and Christine M. Gulick and lands now or formerly of Allegheny County; thence by the line dividing lands now or

formerly of Kenneth M. Gulick and Christine M. Gulick and lands now or formerly of Allegheny County N 07° 50' 00" W a distance of 145.20 feet to a point common to lands now or formerly of Kenneth M. Gulick and Christine M. Gulick, lands now or formerly of Kenneth J. Wisniewski and lands now or formerly of Allegheny County, at the point of beginning.

Containing and area of 10,890 square feet or 0.25 acre.

EXHIBIT B

INSURANCE REQUIREMENTS

Notwithstanding any statement in this Exhibit "B" to the contrary, the insurance requirements provided for herein shall apply to pertinent activities on the Leased Premises (if any) as well as pertinent activities in or on any units in which all or any portion of the Leased Premises is a part.

A. Definitions

- (1) "We", "us", and "our" means The County of Allegheny ("County").
- (2) "You" or "your" means the Lessee, vendor, contractor, tenant, consultant, engineer, architect, or other party to a contract with the County in response to the RFP.
- (3) "Contract" means the Lease, contract, addenda, purchase order, or similar memorandum.
- (4) "K" means \$1,000 and "M" means \$1,000,000.

B. General Requirements

- (1) You shall, at your own expense, maintain in effect not less than the following insurance coverage and limits of insurance, which you shall maintain with insurers, policy forms and deductibles as provided herein. Any deviation from the requirements outlined below or expressly permitted herein requires the prior written approval of the County of Allegheny, which approval shall not be unreasonably withheld.
- (2) All policies of insurance must be underwritten through a licensed company authorized by the Commonwealth of Pennsylvania Insurance Department to conduct business and to transact that class of insurance business in the Commonwealth of Pennsylvania with a minimum rating of "A-" by A.M. Best Company. If the rating of any insurer should fall below this standard, you shall cause the policy to be replaced promptly by an insurer that satisfies the foregoing requirements.
- (3) All policies shall designate the parties named in Paragraph 9 herein below as "Additional Insureds," either by a 'blanket additional insured' endorsement, or by specific endorsement. All policies of insurance shall waive the insurer's right of subrogation against the County, and other Additional Insured parties.
- (4) If any policy is in excess of a deductible or self-insured retention (SIR), the amount of such deductible or SIR must be clearly identified, and may not exceed one (1%) percent of your net worth.
- (5) All policies must be primary with respect to coverage provided for the County under this contract.
- (6) All Liability policies, except Pollution & Professional, must be written on an "Occurrence Form." However, both "Modified Occurrence" and "Claims-Made" Policies are acceptable, and you will not be in contractual default if your insurance is "Modified Occurrence" or "Claims Made." If the Liability policy is Modified Occurrence or Claims-Made, the Retroactive Date must be on or before the contract date or the date of your first work that may give rise to a liability claim related to our contract or upon policy inception if an "Occurrence Form" policy was previously in effect. In the event the "Modified Occurrence" or "Claims-Made" policy is canceled, then the County reserves the right to require Lessee to secure

an extended reporting period for each policy for three years at no cost to the County.

- (7) All policies must be non-contributory with other coverage or self-insurance available to the County.
- (8) The Lessee shall be responsible for and pay or cause to be paid, when due, all premiums, charges, costs and expenses relating to this insurance.
- (9) The County and its officers and directors shall be named as additional insured on the General Liability (including coverage for Products/Completed Operations), Automobile Liability, Umbrella Liability, Pollution Legal Liability and Control of Well insurance coverage.
- (10) Insurance policy exclusions specifically intended to preclude coverage for claims incurred on the Leased Premises are strictly prohibited.

C. Coverage Limits

Workers' Compensation	Statutory Mandated Minimum Coverage
Employer's Liability Insurance	\$1M/\$1M/\$1M
Commercial General Liability	
Limit per occurrence	\$1M
Personal & Advertising Injury Policy	\$2M
Aggregate	\$2M
Products & Completed Operations Aggregate	\$2M

- (1) Excess Umbrella Liability policies must provide for defense costs and expenses, including expert fees.
- (2) All Liability policies shall include Contractual Liability covering the indemnification provisions of our contract, subject to the terms and conditions of the policies.
- (3) All Liability policies, including umbrella policies, shall cover loss caused by your subcontractors, independent contractors, suppliers or other parties providing goods or services in connection with our contract.
- (4) All Liability policies must contain a "severability of interests" provision.
- (5) All Liability policies must cover cross-suits between insureds.
- (6) Any and all Liability policies may not contain exclusions for hazards of explosion, collapse or underground excavation.
- (7) Coverage for subsidence or earth movement will be self-insured to the extent not covered by Lessee's commercial insurance policies.
- (8) If your operations involve any construction, reconstruction, repair or similar work, no Liability policy may contain any exclusion for such work.

(9) Business Automobile Liability

Limit for each accident \$ 1 M

The insurance coverage must apply to Lessee's vehicles (owned, non-owned, or hired) operating in or near the Leased Premises.

Auto pollution liability coverage is required on any and all vehicles hauling hazardous cargo.

(10) Excess/Umbrella Liability

Per Occurrence/Aggregate \$ 100 M

Insurance Coverage must apply in excess of all required primary casualty commercial limits.

(11) Professional Liability Insurance \$ 1 M

Your policy must cover the type of professional service you will provide in fulfilling your contract with the County.

(12) Pollution Legal Liability Insurance \$ 20 M

You shall provide appropriate Pollution Liability or Environmental Impairment insurance. Your policy must also include coverage for claims or losses associated with the installation, development and operation of a well or wells, including groundwater contamination, surface water contamination, personal injury, including toxic tort, medical monitoring, property damage, repair or replacement of water supplies, drinking water contamination, civil fines or penalties for non-compliance with applicable laws, and environmental and natural resource damages. The County shall be named as an additional named insured under this policy.

(13) Control of Well \$ 20 M per occurrence

Your policy must cover the cost of controlling a well that is out of control, underground blowouts, clean-up and containment, deliberate well firing, re-drilling or restoration expenses, seepage and pollution damage as first party recovery for the Operator and related expenses, removal of wreck/debris, loss of equipment, experts and evacuation. Your Policy must also cover all expenses to make the well safe and must have endorsements contingent rig coverage (sound well site), work-over wells producing wells, turnkey (credit) and unintentional error, delay or omission in well reporting.

D. Additional Requirements

(1) All employees, leased or co-employees, independent contractors, and employees of subcontractors and vendors performing work in connection with the Lease, must be covered by Workers Compensation, even if not required by Applicable Law.

(2) If you are a crane/rigging operator or will hoist or move property of others in connection with the Lease, you must have 'care, custody & control' exclusion deleted from your Commercial General Liability policy, or provide Rigger's Liability coverage at least equal to the highest replacement cost of materials to be hoisted or moved.

(3) If your vehicles carry materials belonging to others in connection with the Lease, you must carry Cargo Liability coverage, at least equal to the highest values of property to be carried on a single vehicle with

terminal coverage at least equal to the highest value of property at one terminal, owned or controlled by you.

- (4) If you will store, warehouse, or otherwise have custody of property belonging to others in connection with the Lease, you must have Warehousemen's Liability, Bailee's Customers' Goods, Garage-Keeper's Legal Liability or equivalent coverage at least equal to the highest value of property in your custody.
- (5) If the Lease calls for you to construct a structure, you must purchase and maintain "all-Risk" Builders Risk insurance for the full completed value of the structure, including all changes and sufficient limit to fund full and immediate reconstruction under adverse conditions.
- (6) If you transport materials, equipment, machinery or furnishings to, or store such property on or in units in connection with the Lease, you must carry an "All-risk" Installation Floater with coverage at least equal to the greatest concentration of value, (including the costs of transit, installation labor and testing). This policy shall cover our interests as Loss Payee, so any loss will be adjusted with and made payable to us as trustee for all insureds as their interest may appear.
- (7) If you use rented equipment or tools in connection with the Lease, you must carry Rented Equipment coverage sufficient to repair or replace damaged equipment.

E. Certification of Insurance

- (1) All of your insurance policies shall contain a provision that written notice shall be given to the County, at least thirty (30) days prior to cancellation, except ten (10) days for non-payment of premium. In the event that you are notified that an insurer intends to non-renew a policy or reduce coverage below our requirements, you shall immediately notify us, arrange acceptable alternate coverage or self-insure to comply with our requirements.
- (2) Our approval, disapproval or failure to act regarding any insurance supplied by you shall not relieve you of full responsibility or liability for damages and accidents as set forth in the Lease. Neither shall the bankruptcy, insolvency or denial of liability by the insurance company exonerate you from liability.
- (3) Lessee shall require each of its contractors, subcontractors and agents who enter the Leased Premises to comply with insurance requirements determined by Lessee. To the extent any contractor, subcontractor or agent of Lessee does not maintain insurance coverage as provided in this Exhibit B, as between County and Lessee, Lessee shall be liable for any deficiency in such contractor's, subcontractor's or agent's insurance.
- (4) No special payment, except when separate lien item is provided, shall be made by us for any insurance that you may be required to carry.

F. Alternative Risk Funding

- (1) Provided you maintain a net worth greater than or equal to \$500,000,000, you may comply with your insurance obligations by a combination of self-insurance, captive insurance and/or excess insurance with designated limits described above. You must have an employee whose position includes management and handling of insurance and/or contracted claims administration staff. We reserve the right to increase the net worth requirements set forth herein on the fifth (5th) anniversary after the Effective Date of the Lease and every five (5) year period thereafter during the term of the Lease for the purpose of determining your self-

insurance rights, provided that, such increase shall not be more than 5% above the net worth requirement for the proceeding five (5) year period. If your net worth falls below the minimum described above or you cannot obtain the required coverage, we reserve the right to require you to provide a bond or Letter of Credit in the amount of the required coverage at no additional cost to the County.

EXHIBIT C
CONSTRUCTION, OPERATION, AND MAINTENANCE OF GAS
WELLS ON UNITS INCLUDING THE LEASED PREMISES

This section outlines the requirements the Lessee must follow prior to and during the construction and operation of wells that are located outside of Deer Lakes Park in units including the Leased Premises. It covers rules, regulations, permitting, maintenance of park operations, protection of utilities, and requirements governing the establishment and use of temporary facilities. Defined terms used herein shall have the meaning ascribed to them in the Lease unless otherwise defined herein. Nothing in this Exhibit C shall change the fact that the Lease is a non-surface lease and that no operations are to be conducted in Deer Lakes Park other than water and other environmental testing required or otherwise provided for under this Lease or Applicable Law.

1. OPERATIONS, PROTECTION, AND CONSERVATION

- 1.1 Protection of the Public, Employees, work, and property. The Lessee shall be required to maintain adequate protection for all work and property, both public and private, and prevent damage or loss thereto as a result of construction operations. Lessee shall participate in periodic meetings, at such times as may be mutually agreed to by Lessor and Lessee in which Lessee shall update Lessor on projects for units in which the Leased Premises is included.
- 1.2 Prevention of Accidents. The Lessee shall be required to designate members of its organization who are responsible for the prevention of accidents. The names, telephone numbers and positions of the persons so designated shall be reported to the Lessor.
- 1.3 Non-authorized Use of Leased Premises. The Lessee shall not use or allow Deer Lakes Park or the Leased Premises to be used for any purpose other than that authorized by this Lease. The Lessor will be advised when operations begin and end involving units as to which the Leased Premises are a part.
- 1.4 Use of Current Industry Best Practices. The Lessee shall carry on all Drilling Operations under this Lease with all due diligence and in a workmanlike manner, in accordance with the best and most up-to-date Oil and Gas field practices as utilized in on-shore operations in the Appalachian Basin ("Field Practices").
- 1.5 Protection of Rights of Others. The Lessee is responsible for conducting Drilling Operations in a manner that does not materially interfere with the rights of other grantees, licensees, or lessees of the Lessor, or other third parties who may have an interest in Deer Lakes Park, including areas of ingress and egress.
- 1.6 Preparation of Soil Erosion and Sedimentation Control Plan. Before earthmoving activities begin, the Lessee shall prepare a soil erosion and sedimentation control plan, as required by the Department of Environmental Protection or applicable County Conservation District office. The Lessee shall obtain and maintain all necessary permits for the earthmoving activities.
- 1.7 Notice of Activities. Lessee shall notify Lessor in writing generally of its proposed plans for the construction of structures, rigs, ways and roads, and wells, for the drilling of wells that are located outside the Leased Premises but in which the Leased Premises are included in the unit. Such plans shall be submitted to the Lessor at least fourteen (14) days prior to the planned commencement of construction or placement of equipment on the Leased Premises unless, upon due cause shown, the Lessor waives the fourteen (14) day requirement.
- 1.8 Notification of Changes. The Lessee shall notify the Lessor of any changes to the following information within ten (10) days after the change occurs:

1. The name, physical address, telephone number, and if applicable, fax number of the Lessee.
2. The name, address, and telephone number of the person designated to receive notices from the Lessor (which person must be a resident of Pennsylvania or a corporation, limited liability company, limited partnership or other entity registered to do business in the Commonwealth of Pennsylvania) who can be served in person or by registered or certified mail.
3. The Lessee's emergency action response plan (including "drive-to" maps from the rights-of-way to each wellsite) involving unit(s) as to which the Leased Premises are a part.

2. **ENVIRONMENTAL PROTECTION CONTROLS**

2.1 Compliance with Environmental Provisions and Applicable Law. The Lessee is responsible for the installation, development, operation, inspection, monitoring, and closure of natural gas wells situate in unit(s) of which the Leased Premises are a part, all of which shall be off of Deer Lakes Park, and must comply with all Applicable Law, which may include, but not be limited to, the following provisions (subject to the amendment, modification, supersession or repeal of the same) (collectively, the "Environmental Provisions"):

2.1.1 Federal Transportation Requirements

1. Title 49 CFR Transportation
2. Commonwealth of Pennsylvania enforcement of Federal Transportation requirements.

2.1.2 Commonwealth of Pennsylvania Requirements

1. "Oil and Gas Manual," Bureau of Oil and Gas Management, Pennsylvania Department of Environmental Protection.
2. Coal and Gas Resource Coordination Act (P.L. 1069, No. 214) (58 P.S. §501.1et seq.)
3. The Oil and Gas Act (P.L. 1140, No. 223) (58 P.S. §601.101 et seq.)
4. Oil and Gas Conservation Law (P.L. 825, No. 359) (58 P.S. § 401.1 et seq.)
5. The Clean Streams Law (P.L. 1987, No. 394) (35 P.S. § 691.1 et seq.)
7. Solid Waste Management Act (P.L. 380, No. 97) (35 P.S. § 6018.101 et seq.)
8. The Administrative Code (P.L. 177, No. 175) (71 P.S. § 510-1 et seq.)
9. Air Pollution Control Act, as amended (Act of January 8, 1960, P.L. 2119, 35 P.S. § 4001 et seq.)
10. Surface Mining Conservation and Reclamation Act, as amended (Act of May 31, § 1945, P.L. 1198, 52 P.S. § 1396.1 et seq.)
11. 25 Pa. Code:
 - Article I Land Resources
 - O Chapter 78. Oil and Gas Wells

- o Chapter 79. Oil and Gas Conservation
 - Article II Water Resources
 - O Chapter 91. - General Provisions
 - O Chapter 92. National Pollutant Discharge Elimination System Permitting, Monitoring and Compliance
 - O Chapter 93. Water Quality Standards
 - o Chapter 95. Wastewater Treatment Requirements
 - o Chapter 96. Water Quality Standards Implementation
 - o Chapter 102. Erosion and Sediment Control
 - o Chapter 105. Dam Safety and Waterway Management
 - o Chapter 106. Floodplain Management
 - Article VII Hazardous Waste Management
 - O Chapter 260a. Hazardous Waste Management System: General
 - O Chapter 261a. Identification and Listing of Hazardous Waste
 - O Chapter 262a. Standards Applicable to Generators of Hazardous Waste
 - Article IX. Residual Waste Management
 - O Chapter 287. Residual Waste Management-General Provision
 - O Chapter 288. Residual Waste Landfills
 - O Chapter 289. Residual Waste Disposal Impoundments
 - O Chapter 291. Land Application of Residual Waste
 - O Chapter 293. Transfer Facilities for Residual Waste
 - O Chapter 298. Management of Waste Oil
 - O Chapter 299. Storage and Transportation of Residual Waste
12. Compliance with Laws, Rules, and Regulations. Notwithstanding any provision in this Lease, the Lessor shall hold the Lessee liable for the violation of any Applicable Law.
 13. Confirmation of Understanding of Environmental Provisions. Prior to Drilling Operations, the Lessee shall confirm, in writing, to the Lessor that the Lessee has reviewed and thoroughly understands the applicable requirements of the Environmental Provisions.
 14. Regulatory Compliance During Drilling. During Drilling Operations, the Lessee shall comply with current Applicable Law.
 15. Minimization of Environmental Pollution. At all times, the Lessee shall perform its work in a manner consistent with Applicable Law and utilize Field Practices that will minimize the impact on the air, land, or waters of the Commonwealth with materials harmful to the environment.

16. Implementation of Emergency Pollution Control Program. If circumstances arise during Drilling Operations within the Leased Premises or units which include the Leased Premises involving discharges of hazardous substances that were unforeseen during design, the Lessee shall immediately implement emergency pollution control programs and immediately notify Lessor.
17. Burning and Other Atmospheric Emissions. The Air Pollution Control Act of the Commonwealth prohibits the burning of any refuse, rubbish, brush, etc., in the designated air basins of the state, except by approval of the PaDEP's respective regional air pollution control engineer. Notwithstanding the same, no burning of any material by the Lessee shall be permitted in Deer Lakes Park.
18. Adherence to Solid Waste Collection, Removal, Transport, and Disposal Regulations. The Lessee shall strictly adhere to all rules and regulations for the collection, removal, transport, and disposal of solid wastes involving any units of which the Leased Premises are a part. Absolutely no littering by Lessee on Deer Lakes Park will be permitted.
19. Waste Discharge to Commonwealth Streams. The discharge of wastes generated from any unit(s) of which the Leased Premises are a part, to streams within the Commonwealth will not be permitted, unless such discharges meet the standards of the PaDEP. Lessee will be responsible for obtaining and complying with the National Discharge Elimination System (NPDES) program.
20. Disposal of Waste.
 - All disposals of waste materials concerning operations associated with the Leased Premises must comply with the rules of PaDEP and any other appropriate local, state, or Federal agency having jurisdiction thereof.
 - Water stored in on-site tanks for operations hereunder and situate on units of which the Leased Premises are a part shall be removed within a reasonable period of time after their use is no longer necessary to Lessee.
 - All waste generated from operations hereunder as to units of which the Leased Premises are a part shall be disposed of in compliance with Applicable Law and this Exhibit "C".
21. Chemical, Hazardous Waste, and Effluent Discharge into Water Bodies, Drainage Systems, Streets, and Properties. Lessee shall not place, deposit, or discharge, or cause or permit to be placed, deposited or discharged, any substance (including Oil, naphtha, petroleum, asphalt, tar, and hydrocarbons) or any refuse (including wastewater or brine from an oil or gas operation or the contents of any container used in connection with an oil or gas operation) in, into, or upon any streets, lots, storm drains, ditches or sewers, sanitary drains, or body of water or property in Deer Lakes Park.
22. Preparedness, Prevention, and Contingency (PPC) Plan.
 - As a requirement of its PaDEP well permit(s), the Lessee must develop and implement a Preparedness, Prevention, and Contingency (PPC) Plan that incorporates its control and disposal plan developed in accordance with the requirements of 25 PA Code §§ 78.55 and 91.34.
23. The Lessee's PPC plan shall follow the Guidelines established by PaDEP and the United States Environmental Protection Agency ("EPA"). Guidelines

for preparing the plan are contained in the Oil and Gas Manual (PaDEP Document #550-0300-001) and Guidelines for the Development and Implementation of Environmental Emergency Response Plans (PaDEP document #400-2200-001).

24. The content of the PPC Plan shall include a description of the Drilling Operation; pollution prevention measures, chemicals, or additives used and waste generated; waste disposal methods; incident response plans and corrective action plans; and an implementation schedule. If a centralized storage pit or impoundment is used, the PPC Plan must also address the construction and operation (including structural integrity) of the pit or impoundment.
25. Prior to the commencement of production tasks for any Gas or other hydrocarbons, the Lessee shall submit a copy of the PPC Plan to the Lessor.
26. Updated PPC Plan(s) shall be submitted to the Lessor within two (2) business days of submission of the same to PaDEP. A copy of the PPC Plan shall be kept on site.

3. **GEOPHYSICAL & SEISMIC SURVEYS**

- 3.1 Lessee shall have no right to conduct geophysical or seismic tests in Deer Lakes Park.
- 3.2 Notwithstanding the preceding section, Lessor acknowledges that, pursuant to this Lease, Lessee shall have the right to access and utilize any seismic data relating to the Leased Premises previously gathered or obtained or hereinafter gathered or obtained by or for Lessee pursuant to seismic surveys conducted outside of Deer Lakes Park.

4. **GEOPHYSICAL & SEISMIC SURVEY DATA**

- 4.1 Availability of Seismic Survey Data. During the term of this Lease, a copy of all seismic data gathered or obtained by Lessee from any seismic survey previously conducted on the Leased Premises will be made available to the Lessor for review at any time after a period of one (1) year from the date of completion of each individual seismic survey, subject to any and all confidentiality provisions that may exist between Lessee and a third party seismic company. Subject to the preceding sentence, Lessor may examine the seismic survey information during regular business hours at the location where the Lessee normally maintains such information, and Lessor hereby agrees that none of the seismic information examined by the Lessor's staff will be copied or taken from the Lessee's premises without the express written permission of the Lessee.

5. **FIRE PROTECTION**

- 5.1 Regulations. Fire protection as to operations including the Leased Premises and units of which it is a part shall comply with all Applicable Law, including the specific requirements of the Frazer and West Deer Townships and Fire Departments (the "Fire Code").
- 5.2 Fire Plan. The Lessee shall be responsible for all firefighting related to the wells drilled in or on units including the Leased Premises. The Lessee shall coordinate as necessary with local fire departments concerning the proper methods of securing the perimeter of a well site in the event of a blowout or fire involving such wells. The Lessee will, during active drilling and completion operations, have at least one person on site at all times that is certified in well control. Lessee shall further follow the provisions set forth on Exhibit "G" attached hereto and incorporated herein by reference (as

may be amended from time to time by Lessee subject to Lessor's approval), concerning fire prevention and protection.

- 5.3 Fire Lanes. Fire lanes to well sites including the Leased Premises shall be kept open at all times.
- 5.4 Fire Prevention and Sources of Ignition. Firefighting apparatus and supplies required by Applicable Law or the Fire Code shall be provided by the Lessee, at the Lessee's cost, and shall be maintained on the wellsite at all times. The Lessee shall be responsible for the maintenance and upkeep of such equipment.
1. Automatic Shut-Off Valve at Wells. Each well in a unit including the Leased Premises shall be equipped with an automated valve that closes the well in the event of an abnormal drop in operating pressure. All wellheads shall contain an emergency shut-off valve to the well distribution line. The automatic valve shall be a fail-closed system with a minimum of two (2) emergency shut-down stations located on the well pad. The valve must be manually reset before it will reopen.
- 5.5 Open Fires. Lessee shall provide advance written notice, if commercially reasonable, to Lessor of any planned open fires on units which include the Leased Premises; such open fires shall only be as approved by the local authority having jurisdiction, if applicable.
- 5.6 Welding, Cutting, Brazing, and Other Hot Work. No welding, flame-cutting, or other operations involving the use of flame, arcs, or sparking devices shall be allowed on units which include the Leased Premises without adequate protection.
- 5.7 Restrictions for Gas Emission and Burning. Gas emission and open-flame burning must be permitted under Applicable Law including the Fire Code and approved by the local authority having jurisdiction, if applicable.
- 5.8 Use of Grounding Protection. Any nonmetallic vessels situate on units which include the Leased Premises shall be grounded through a method that dissipates static charges as prescribed by the Fire Code.
- 5.9 Forest Fire Prevention and Suppression. The Lessee's employees, its agents, and its contractors and subcontractors and their employees shall take all reasonable steps to prevent or suppress forest fires and shall not set fires on or adjacent to Deer Lakes Park, except pursuant to and in compliance with the conditions provided for herein.
- 5.10 Liability for Fire-Related Damage. Should a fire set by Lessee on or adjacent to Deer Lakes Park escalate out of control or damage the Leased Premises or other property, the Lessee shall be liable for all damages resulting from the fire's escape and for all costs incurred by the Lessor in fighting the fire. Furthermore, Lessee shall render aid in fighting the fire without cost to the Lessor.
- 5.11 Reporting of Fires. The Lessee and its employees shall report all fires promptly to the Lessor at 412-350-2460 and to 911.
6. **BLASTING**
- 6.1 Blasting. Lessee shall provide advance written notice to Lessor of planned blasting or the use of any explosives in a unit including the Leased Premises thirty (30) days prior to the start of such activity. For purposes of clarification, nothing in this Lease shall give Lessee the right to conduct any blasting on the Leased Premises.
7. **EXISTING UTILITIES**

- 7.1 Notifications via PA One-Call. Before proceeding with work as to any well site or ancillary facilities on a unit which includes the Leased Premises, the Lessee shall notify via PA One-Call (1-800-242-1777) the various utilities and agencies that maintain underground facilities in Deer Lakes Park or units including the Leased Premises and request that they stake out the alignment and depth of their facilities. The Lessee shall contact County Department of Public Works at 412-350-2491 for additional assistance in locating utilities that are not covered under PA One-Call.
- 7.2 Disturbance of Existing Utilities. Existing utility lines in Deer Lakes Park and in units including the Leased Premises shall not be disturbed until the utility owners have been notified. The Lessee shall conduct work so that utilities in Deer Lakes Park or in a unit including the Leased Premises may be removed, relocated, or supported during excavations and while backfill is being placed, and maintained in service until the well site and ancillary structures to be built under the Lease is completed. The Lessee shall cooperate with the owners of such utilities in the performance of work.
- 7.3 Notification upon Damaging Existing Utilities. Should utilities located in Deer Lakes Park be damaged as a result of Drilling Operations in units including the Leased Premises, the Lessee shall immediately notify the utility company and the Lessor, and Lessee shall be held responsible for repair or replacement of same. The Lessee shall take immediate steps to repair damaged utilities to minimize potential disruption to Deer Lakes Park caused by the damage. The repair and replacement shall be subject to the approval of the utility company.
8. **GENERAL PROVISIONS**
- 8.1 Clean-up After Spills, Leaks, and Malfunctions. After a reportable spill, leak, or malfunction, as defined by the Environmental Provisions, involving a unit which includes the Leased Premises, the Lessee shall notify the PaDEP and Lessor promptly.
- 8.2 Roadways. No permit shall be issued for a well to be drilled within any roadway, and Lessee shall endeavor to minimize the blocking, encumbrance, or closure of roadways on a temporary basis due to Drilling Operations involving unit(s) of which the Leased Premises are a part. Lessee shall coordinate with Deer Lakes School District and Highlands School District (and any other school district which Lessee determines may be impacted) to minimize the potential impact on school bus traffic on school days. Lessee shall further obtain all necessary permits, including, but not limited to, highway occupancy permits and overload-oversize permits, as may be required by the Commonwealth, the County, and applicable local municipalities and further to obtain all necessary road bonds as may be required by the Commonwealth, the County, and applicable local municipalities, concerning the use, maintenance and repair of portions of roads utilized by Lessee in furtherance of its operations on units including the Leased Premises. Lessee shall be responsible for all necessary repairs to portions of County roads utilized by Lessee occasioned by Lessee's utilization of the same in the furtherance of its Drilling Operations on units including the Leased Premises to Lessor's reasonable satisfaction.
- 8.3 Drilling, Re-Entry, and Operations at Any Well. Well drilling, re-entry, and operations involving any units of which the Leased Premises are a part shall be conducted using the best available technology. The type and quality of all casings, valves, Blowout Preventers, drilling fluids, tubing, and wellhead components shall reflect current technology. All well, casing setting and cementing and drill-stem testing shall be performed using current technology. All persons engaged in drilling or production operations shall observe and follow the applicable recommendations of the American Petroleum Institute ("API") and PaDEP, regulations except in those instances specifically addressed by this Exhibit "C".

8.4 Reduction of Dust, Vibration, Noise and Odors. All Drilling Operations and related equipment usage shall minimize, as far as practicable, dust, vibration, noise noxious odors, and other harmful or annoying substances so as to minimize any exposure on or to Deer Lakes Park. Drilling Operations on units including the Leased Premises shall comply with the accepted Field Practices. The well site and ancillary structures thereon shall not be permitted to become dilapidated, unsightly, or unsafe.

8.4.1 Lessee shall take the following steps to minimize, to the extent practicable, the noise resulting from Drilling Operations on units of which the Leased Premises are a part:

- Prior to commencement of Drilling Operations, Lessee shall establish a continuous seventy-two (72) hour ambient noise level one hundred feet (100') from the nearest occupied residential building, or in lieu of establishing such ambient noise level, assume a default ambient noise level of 55 ("dBA").
- Lessee shall provide documentation of any established, seventy-two (72) hour evaluation, relied upon to establish an ambient noise level greater than 65 dBA to the Lessor within three (3) business days of a request from Lessor.
- The noise generated during Drilling Operations and completion operations when measured at a point one hundred feet (100') from the nearest occupied residential building, shall not exceed the average ambient noise level or the default level, whichever is higher:
 - o During Drilling Operations by more than seven (7) dBA during the hours of 6:00 a.m. to 10:00 p.m.;
 - o During Drilling Operations by more than five (5) dBA during the hours of 10:00 p.m. and 6:00 a.m.;
 - o During completion operations By more than ten (10) dBA.

Lessee shall inform Lessor of which level (average ambient noise level or default level) is being used.

- Adjustments to the forgoing noise limits are permitted in accordance with the following:
 - o 5 dBA permitted increase for 15 minute duration;
 - o 10 dBA permitted increase for 5 minute duration;
 - o 15 - 20 dBA permitted increase for 1 minute duration

Such durations are cumulative during any one hour.

- Lessee shall coordinate with Lessor and residents in the immediate vicinity as necessary (including the use of sound barriers) to minimize the impact should dBA levels exceed the above guidelines.

8.5 Reduction of Lighting Pollution. During Drilling Operations on units which include the Leased Premises, to reduce night lighting pollution affecting Deer Lakes Park, Lessee shall use drilling rigs equipped with fully shielded lighting consistent with Occupational Safety and Health Administration ("OSHA") regulations. No person shall permit any lights located on a well site to shine directly on public streets or buildings located in Deer Lakes Park. To promote safety, well site lighting shall be directed downward and shielded to both prevent direct illumination of and minimize glare on streets and buildings within two hundred feet (200'). Lessee shall coordinate as necessary with

authorized representatives of the Amateur Astronomers Association of Pittsburgh (the "AAAP") to endeavor to minimize the impact of lighting on star parties conducted by the AAAP at the Nicholas E. Wagman Observatory located in Deer Lakes Park.

8.6 Requirements for Waste Storage Tanks. Unless otherwise directed by the Lessor, all tanks used for the storage of waste involving units in which the Leased Premises are included shall conform to the following:

1. Tanks must meet API standards.
2. All tanks must have a vent line, flame arrester, and pressure-relief valve.
3. All disposals must be in accordance with Applicable Law. Unless otherwise directed by PaDEP and approved by the Lessor, waste materials shall be removed from the well site and transported to an off-site disposal facility.

4. Water stored in on-site tanks shall be removed as necessary.

. All waste shall be removed from the site and disposed of in compliance with all Applicable Law.

8.7 Tank Specifications for a Gas Well. All tanks and permanent structures on any units which include the Leased Premises shall conform to API specifications unless other specifications are approved by the Lessor.

8.8 Valves. Each well drilled on a unit which includes the Leased Premises must have a manual shutoff valve to terminate the well's production.

9. **PLUGGED AND ABANDONED WELLS**

9.1 Abandonment of Wells. All wells in units including the Leased Premises shall be abandoned in accordance with the Environmental Provisions.

9.2 Notification Requirements for Abandoned Wells. The Lessee shall furnish a copy of the PaDEP approval documentation confirming compliance with all abandonment proceedings to the Lessor for all wells in units involving the Leased Premises.

10. **ANIMALS**

10.1 Prevention of Wildlife Access. The Lessee shall prevent wildlife access to pits or excavations dug for the Lessee's Drilling Operations on units including the Leased Premises by erecting and maintaining fences, netting, or by other reasonably appropriate means.

11. **SILTATION**

11.1 Development of Site-Specific Erosion and Sedimentation Plan. The Lessee agrees to have on site(s) involving a unit which includes the Leased Premises, an approved site-specific erosion and sedimentation control Plan in accordance with the Environmental Provisions. The Lessee realizes that as a result of its Drilling Operations, an area of land will be cleared to provide for compressor stations, pipeline rights-of-way, and well sites and these areas will be exposed to the forces of erosion for varying periods of time, which has the potential to create siltation in nearby streams. Therefore, the Lessee agrees to promptly regrade and reseed such areas. Any other type of remedial work necessary to prevent erosion on such areas shall be performed by the Lessee.

11.2 Inspection of Control Devices. The Lessee shall be responsible for the performance of inspections and maintenance of all erosion and sedimentation control facilities and devices for units including the Leased Premises.

12. **WATER RESOURCES**

- 12.1 Avoidance of Contamination. The Lessee will comply with the water standards applicable to the Leased Premises as stated in the Lease and as required by Applicable Law.
- 12.2 Implementation of Corrective Measures. If the construction, operation, or maintenance of any of the facilities on unit(s) including the Leased Premises are the direct and proximate cause of damage to the watershed or the pollution of the water resources of Deer Lakes Park, the Lessee agrees to repair such damage and to implement corrective measures to prevent further pollution or damage to the watershed as deemed necessary by an authorized representative of the Lessor. The Lessee also agrees to pay for any damage or destruction of property, fish, and wildlife associated with Deer Lakes Park resulting from Drilling Operations under the Lease.
- 12.3 Cost Estimations of Damage. The standards and procedures of the Lessor, the Pennsylvania Game Commission, the Pennsylvania Fish and Boat Commission, and PaDEP to establish the value of damage shall be considered in determining the cost of any destroyed property, wildlife, or fish in Deer Lakes Park attributable to the Lessee.

13. **REPLACEMENT AND REPAIR OF IMPROVEMENTS**

- 13.1 Replacement or Repair of Items. The Lessee shall replace or repair, as the Lessor may direct, all Park signs, markers, fences, other structures, and service utility lines owned or used by the Lessor that cross or otherwise lay within the Leased Premises and which are destroyed or damaged in any work incident to this Lease.

14. **RARE AND ENDANGERED SPECIES**

- 14.1 Use of Pennsylvania Natural Diversity Index ("PNDI"). The PNDI shall be searched prior to any Drilling Operations on any units of which the Leased Premises are a part, in order to evaluate the potential for the presence of rare and endangered flora and fauna species of concern within the well site.
- 14.2 If in the course of its operations involving units of which the Leased Premises are a part, the Lessee encounters any fauna or flora listed on Federal or state registers of threatened or endangered species, or habitat critical to their survival, the Lessee shall proceed in accordance with Applicable Law.

15. **HISTORICAL AND ARCHAEOLOGICAL SITES**

- 15.1 If in the course of its operations involving units of which the Leased Premises are a part, the Lessee encounters any historical or archaeological sites, the Lessee shall proceed in accordance with Applicable Law.
- 15.2 Historical or Archaeological Sites. No work shall be permitted on any historical or archaeological site involving units including the Leased Premises without mitigation and/or the written approval of the appropriate agency.

16. **DRILLING OPERATIONS**

- 16.1 Plat of Proposed Well Location. Before any drilling commences in units including the Leased Premises, the Lessee shall provide Lessor with a copy of the plat showing the planned location of each well. No well drilling shall commence until a permit has been issued by the PaDEP.
- 16.2 Signing. A legible sign listing well operator name and address, permit number, farm name, emergency contact telephone number, and well number shall be posted in a conspicuous place near the access road entryway to any wells drilled in units including the Leased Premises. In addition, a legible sign listing the

- operator name and the well number shall be placed prominently in proximity to the wellhead.
- 16.3 Angular Deviation and Directional Survey. A copy of a complete angular deviation and directional survey of any well in units including the Leased Premises shall be furnished to the Lessor after the completion of an intentionally deviated well.
- 16.4 Maintenance of Well Control Equipment. At all times, the Lessee shall maintain the well control equipment pertinent to the Leased Premises in working condition to effectively control any Oil, Gas, or water encountered during operations in a well being drilled, tested, completed, or reconditioned, and all drilling wells shall be equipped with appropriate blowout control equipment in the manner of a Prudent Operator.
- 16.5 Prevention of Blowouts and Flows to the Surface. Drilling mud or salt water of sufficient weight to prevent oil, gas, or water blowouts or flows to the surface shall be utilized in the manner of a Prudent Operator relative to all wells drilled in units of which the Leased Premises are a part.
- 16.6 Selection of Equipment. All casing, tubing, and equipment used in the drilling and completion of a well should be in good condition and of adequate strength for the depths to be drilled and the pressures that may be encountered. Concerning casing, Lessee shall utilize a minimum of ninety percent (90%) domestic steel in wells drilled in units of which the Leased Premises are a part.
- 16.7 Nature of Casing Program. The Lessee shall, relative to all wells drilled in units of which the Leased Premises are a part, use a casing program that complies with the Environmental Provisions and that prevents the escape of Oil, Gas, or water from one stratum into another, the pollution of fresh water supplies and blowouts.
- 16.8 Placement of Surface Casing. The surface casing relative to all wells drilled in units of which the Leased Premises are a part, shall extend from the surface to a depth below all fresh water zones known to exist in the field and adjacent areas to protect them from contamination.
- 16.9 Specifications for Production Casing. The production casing shall be in good condition and of adequate strength for the pressures that may reasonably be encountered.
- 16.10 Testing of Casing. After cementing and before perforating or drilling ahead, any casing string relative to all wells drilled in units of which the Leased Premises are a part, which may be exposed to hydrocarbon producing intervals, shall be properly tested in accordance with industry standards then prevailing.
- 16.11 Cementing of Surface and Production Casing. All surface casing and production casing relative to all wells drilled in units of which the Leased Premises are a part, shall be cemented in the ground with high-quality cement equal to or exceeding API specifications.
- 16.12 Cementing of Casing Strings. The cementing of all casing strings relative to all wells drilled in units of which the Leased Premises are a part, shall be accomplished in the manner of a reasonable and Prudent Operator.
- 16.13 Assessment of Royalty Fees. Except in the event of an emergency, the Lessee, its agents, and contractors and subcontractors and their employees shall, in the exercise of its reasonable business judgment, minimize the flaring or uncontrolled flow of gas after the drilling of a well in a unit including the Leased Premises.

- 16.14 Continuation of Open-Flow Testing. After an initial open-flow test of a well in a unit including the Leased Premises has been performed, all future determinations of open-flow potential by Lessee shall be made by Field Practices.
- 16.15 Open-Flow Testing and Submittal of Data. Subject to the following, when requested in writing by the Lessor, the Lessee will furnish a copy of the results of any open-flow potential or twenty-four-hour (24 hr.) reservoir pressure tests that it may conduct to the Lessor. Lessee shall be obligated to furnish such test results to Lessor within six (6) months after the pertinent test was conducted.
- 16.16 Safety Precautions for Drilling. At all times, the Lessee shall act in the manner of a Prudent Operator in performing Drilling Operations on units including the Leased Premises, including the setting and cementing of casing, to minimize waste during the production of Oil, Gas, and Liquid Hydrocarbons and shall take all reasonable precautions, including the use of the appropriate equipment and safe drilling practices, to protect persons and property against fires and hazards from blowouts.
- 16.17 Prevention of Uncontrolled Hydrogen Sulfide ("H2S") Releases. The Lessee shall, relative to operations in units including the Leased Premises, take all appropriate safety precautions necessary to prevent the uncontrolled escape of Gas and H2S from well site(s) and ancillary facilities.
- 16.18 Procedures for H2S Handling. If H2S is known by Lessee to be present in the formations that are to be drilled hereunder in units including the Leased Premises, the Lessee shall:
- (a) Install adequate emergency shutdown equipment, H2S gas detection and monitoring equipment, hazardous condition alarms, and personnel safety equipment - in particular, protective breathing apparatus - at all facilities where H2S gas in concentrations exceeding 100 ppm is used or is anticipated to be present.
 - (b) Make protective breathing apparatus and portable H2S gas detectors readily available for use at all sites, particularly well sites, where H2S gas is used or is anticipated to be present.
 - (c) After H2S has been initially detected by any device, frequently check all areas of poor ventilation in reasonable proximity to the source of the H2S gas with a portable H2S detector or other appropriate device.
 - (d) Use special steel pipe and casing resistant to H2S gas stress cracking in the wells and facilities that handle H2S gas in concentrations exceeding 100 ppm.
 - (e) If a dangerous quantity of H2S gas escapes from well site(s) or ancillary facilities, quickly notify, and if necessary, evacuate all persons in the vicinity of the release. Contact the Allegheny County Health Department at 412-687-ACHD and PaDEP to report such fugitive emissions.
 - (f) Post warning signs at all well site(s) or ancillary facilities that handle H2S gas in concentrations exceeding 100 ppm. The warning signs should be placed at a safe distance from the well site(s) or ancillary facilities and should be readily visible from all approaches. Signage should include warning markers on all pipelines that may be used to convey H2S.
 - (g) Install an approved fence with secure access limited to authorized personnel around any fixed surface facility handling H2S gas in concentrations exceeding 100 ppm.

EXHIBIT D
PRODUCER INTEGRITY PROVISIONS

1. Definitions:

- a. "Confidential Information" means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to enter into an agreement with the County.
 - b. "Consent" means written permission signed by a duly authorized officer or employee of the County, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or leasing terms, the County shall be deemed to have consented by virtue of execution of the Lease.
 - c. "Producer" means the Lessee that has entered into this Agreement with the County, including directors, officers, partners, managers, key employees, and owners of more than 5% interest.
 - d. "Financial interest" means:
 - (1) Ownership of more than a 5% interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
 - e. "Gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits or money, services, employment, or contracts of any kind.
2. The Producer shall maintain the highest standards of integrity in the performance of the Lease and shall take no action in violation of Applicable Law.
3. The Producer shall not disclose to others any Confidential Information gained by virtue of the Lease.
4. The Producer shall not, in connection with the Lease or any other agreement with the County, 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 an officer or employee of the County.
5. The Producer shall not, in connection with the Lease or any other agreement with the County, directly or indirectly, offer, give, or agree or promise to give to

anyone any Gratuity for the benefit of, or at the direction or request of, any officer or employee of the County.

6. Except with the consent of the County, neither the Producer nor anyone in privity with it shall accept or agree to accept from, or give or agree to give, any person, any Gratuity from any person in connection with the performance of work under the Lease except as provided therein.
7. Except with the consent of the County, the Producer shall not have a Financial Interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
8. The Producer, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the County in writing.
9. The Producer, by execution of the Lease and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that it has not violated any of these provisions.
10. The Producer upon the inquiry or request of the County or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the County to the Producer's integrity or responsibility, as those terms are defined by the County's ordinances, regulations, or management directives. Such information may include, but shall not be limited to, the Producer's business or financial records, documents or files of any type or form which refer to or concern the Lease. Such information shall be retained by the Producer for a period of three years beyond the termination of the Lease unless otherwise provided by law.
11. Subject to Section 32 of the Lease, for violation of any of the above provisions, the County may terminate the Lease and any other agreement with the Producer, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Producer to complete performance hereunder, and debar and suspend the Producer from doing business with the County. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the County may have under Applicable Law.
12. Producer certifies that it is not currently under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government.
13. If Producer enters into any subleases under the Lease with subcontractors who are currently suspended or debarred by the Commonwealth of Pennsylvania or federal government or who become suspended or debarred by the Commonwealth of Pennsylvania or federal government during the term of the Lease or any extensions or renewals

thereof, the County shall have the right to require the Producer to terminate such subleases.

14. The Producer agrees that it shall be responsible for reimbursing the County for all necessary and reasonable costs and expenses incurred by the County relating to an investigation of the Producer's compliance with the terms of the Lease or any other agreement between the Producer and the County.

EXHIBIT E
NONDISCRIMINATION CLAUSE

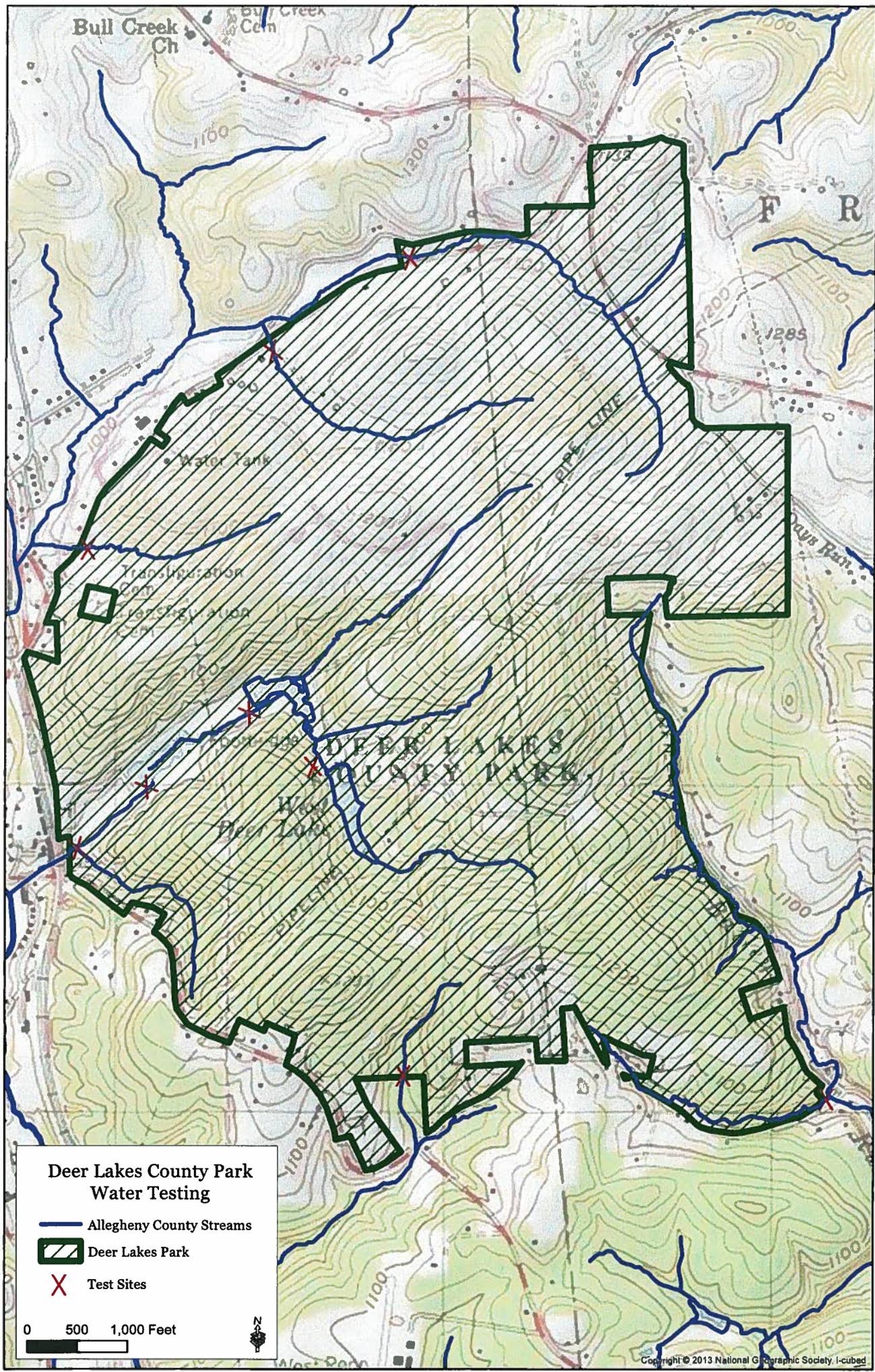
During the term of the Lease, Producer (as defined in Exhibit "D" above) agrees as follows:

1. Producer shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Producer shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include but is not limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. Producer shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the leasing agency setting forth the provisions of this nondiscrimination clause.
2. Producer shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
3. Producer shall send each labor union or worker's representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source or recruitment regularly utilized by Producer.
4. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that Producer had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Producer was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.
5. Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that Producer will be unable to meet its obligations under this nondiscrimination clause, Producer shall then employ and fill vacancies through other non-discriminatory employment procedures.
6. Producer shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. Subject to Section 32 of the Lease, in the event of Producer's noncompliance with the nondiscrimination clause of the Lease or

with any such laws, the Lease may be terminated or suspended, in whole or in part, and Producer may be declared temporarily ineligible for further County agreements, and other sanctions may be imposed and remedies invoked.

7. Producer shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the County and the Office of Administration, Bureau of Affirmative Action, for purposes of investigation to ascertain compliance with the provision of this clause. If Producer does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the leasing agency of the Bureau of Affirmative Action.
8. Producer shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
9. Producer shall include the provisions of this nondiscrimination clause in every sublease, so that such provisions will be binding upon each subcontractor.
10. Producer's obligations under this clause are limited to the Leased Premises and Producer's unit(s) in which portions of the Leased Premises are included.

EXHIBIT F
MAP OF SURFACE WATERS TO BE TESTED



**Deer Lakes County Park
Water Testing**

- Allegheny County Streams
- / Deer Lakes Park
- X Test Sites

0 500 1,000 Feet



EXHIBIT "G"

FIRE PREVENTION AND PROTECTION

The following policy is intended to provide guidance to Lessee's employees ("Employees") on the Leased Premises or unit(s) including the Leased Premises where there is the possibility of fire. The most important aspect of this program is the procedures that have been established to prevent fires from occurring in the first place.

1. Fire Prevention

Preventing a fire requires that all Employees pay attention to their surroundings and are alert to potential fire hazards and take measures to correct or remove the hazards. The following work practices will help minimize the possibility of a fire occurring:

- Flammable and combustible debris should not be allowed to accumulate in any worksite and should be removed daily to a closed receptacle.
- Smoking is prohibited in most areas of the worksite and offices. Follow all posted signage with regard to smoking. "Strike anywhere" matches are prohibited.
- Gasoline and other flammable liquids with a flash point lower than 100 degrees F. will be handled only in UL approved red safety cans. Particular attention will be paid to the proper storage of flammable and combustible liquids which is addressed in greater detail below.
- It is the duty of all Employees to report all fire hazards to a supervisor immediately.
- Clothes should be changed immediately if they get soaked with oil, kerosene, naphtha, or other flammable liquid.
- When utilizing heat-producing equipment, Employees should ensure that the area is clear of all fire hazards and the sources of potential fire are eliminated. Use of a Safe Work Permit may be required. Fire extinguishers should be available when utilizing heat-producing equipment in areas where a fire might occur.
- Use of a "salamander" or other open flame device in confined or enclosed structures is not permitted. Heaters should be vented to the atmosphere and be located an adequate distance from walls, ceiling and floors.

2. Fire Response

All Employees must be prepared to take action immediately, including attempts to extinguish a fire, if trained, and follow the proper evacuation procedures.

- Firefighting equipment shall be used for firefighting purposes only. Do not obstruct firefighting equipment. In offices and other structures, fire doors, aisles, fire escapes, and stairways must be kept free of obstructions at all times. At outdoor worksites, sufficient firefighting equipment should be in place at all times and should not be moved or obstructed.
- All fire extinguishers must be turned in after use for recharge. All fire extinguishers should be checked at least monthly for good condition, full charge, and inspection tag, showing monthly inspection documentation on the back.
- Employees should know where and how to turn in a fire alarm; where the fire extinguishers are kept in each area of the well site or ancillary facility; and the fire exit to use in an emergency.
- In the event of a fire, all Employees should proceed immediately to the designated head count area for further instructions. Reference should be made to evacuation maps located in each department or to instructions given on well sites. The first consideration must be the safety of all Employees.
- All fires, no matter how small and how quickly they were extinguished, must be reported.
- Identified personnel at each site shall be trained in the proper use of a fire extinguisher and their different classifications.
- Employees shall attempt to extinguish fires only to the limits of their training. First and foremost before attempting to extinguish a fire, Employees should assure that the alarm has been sounded and that employees in the area are aware of the fire and have begun to evacuate.
- Employees are not permitted to burn construction debris, waste or rubbish of any type at any work site. If wood or coal is burned to thaw the ground before digging, a burning permit may be required by local authorities. Burning is not permitted within 50 yards of any Class 1 Division 1 oil field equipment. If a burn permit is secured, signs must be posted if the burning is near a road and appropriate fire prevention equipment must be near and ready for immediate use. Fire watches must be stationed near the area.

3. Combustible and Flammable Liquids

The use of combustible and flammable liquids is a necessary part of many worksites; however their use must be done within certain essential guidelines that minimize the potential for fire and explosion. This section addresses the unique work practices related to flammable and combustible liquids. For purposes of this section, the following definitions will apply:

3.01 Flammable Liquid

A liquid having a flash point below 100°F (37.8°C) and having a vapor pressure not exceeding 40 psi at 100°F (37.8°C). Liquids meeting this definition are known as Class I liquids and are subdivided as follows:

- Class IA liquids have a flash point below 73°F (22.8°C) and a boiling point below 100°F (37.8°C); for example, gasoline.
- Class IB liquids have a flash point below 73°F (22.8°C) and a boiling point at or above 100°F (37.8°C); for example, methanol.
- Class IC liquids have a flash point at or above 73°F (22.8°C) and below 100°F (37.8°C); for example, chlorohexane.

3.02 Combustible Liquid

A liquid having a flash point at or above 100°F (37.8°C). Combustible liquids are subdivided as follows:

- Class II liquids have a flash points at or above 100°F (37.8°C) and below 140°F (60°C); for example, diesel fuel oil.
- Class IIIA liquids have flash points at or above 140°F (60°C) and below 200°F (93°C); for example, phenol.
- Class IIIB liquids have flash points at or above 200°F (93°C); for example, ethylene glycol.

3.03 Flash Point

"Flash Point" is defined as the lowest temperature at which a liquid will give off sufficient flammable vapor for ignition to occur.

3.04 Storage Requirements

- Flammable or combustible liquids shall be stored in tanks or closed containers. Containers must have the proper hazard communication labels affixed to them.
- Storage of flammable or combustible liquids must be in accordance with applicable Field Practices, codes and/or manufacturer recommendations.
- Flammable and combustible liquids are to be stored at designated approved storage locations.
- Flammable and combustible products shall not be stored in warehouses or containers that are not designated for that purpose.
- In operating areas, drum storage must be limited to the minimum amount required for normal operations. All drums in operating areas or enclosed structures must be equipped with UL or FM approved drum vents.

- Storage facilities for flammables or combustibles must not be located with 50 feet of warehouses, office buildings, shops or operating facilities.
- Oxidizing agents must be stored separately from a flammable or combustible liquid, by a minimum of 50 feet. They should never be stored within the same enclosed structure.
- Small quantities and incidental storage of flammables and combustibles must be in UL or FM approved containers.
- Combustible or flammable liquids shall be stored in metal containers unless the product being stored will cause a reaction with the metal tank.
- Not more than 60 gallons of liquid having a flash point below 140 ° F or more than 120 gallons of liquids having a flash point above 140°F may be stored in a storage cabinet.
- The bottom, top, door, and sides of a storage cabinet shall be at least No. 18 gauge sheet iron and double walled with 1 1/2 inch air space.
- Joints shall be riveted, welded, or made tight by some equally effective means.
- The door shall be provided with a three point lock (top, center, and bottom catches) and the door sill shall be raised at least two (2) inches above the bottom of the cabinet.
- The cabinet is not required to be vented; but if it is the following shall apply:
 - The cabinet shall be vented to a safe area outdoors in a manner that will not compromise the performance of the cabinet.
 - If the cabinet is not vented but has vent openings, they shall be sealed with a properly fitted metal bung.
- Cabinets shall be labeled in conspicuous lettering "FLAMMABLE - KEEP AWAY".

3.05 Handling Requirements

- Transferring flammable or combustible liquids by means of air pressure on the container or portable tanks is prohibited.
- Flammable liquids shall not be dispensed into containers unless the nozzle and the container are electrically interconnected. This can be satisfied by:
 - Having the metallic floor plate on which the containers stands while being filled electrically connected to the fill stem.
 - Bonding the container to fill stem by means of a bond wire.

- Flammable liquids shall be kept in closed containers when not actually in use.
- Flammable liquids may be used only where there are no open flames or other sources of ignition within the possible path of vapor travel.
- Flammable or combustible liquids must be drawn from or transferred into vessels, containers, or portable tanks within a building only through a closed piping system, from safety cans, by means of a top drawing device/pump, or from a container or portable tank by gravity through an approved self-closing valve.

4. Top Loading of Flammable Products

Where caustic, acids, or extremely volatile, corrosive or sour fluids are being transferred, appropriate procedures must be followed. These will address the unique hazards and safeguards required:

4.01 Procedures

- Before transferring, all trucks must be suitably grounded/bonded to the tank fluid that is being loaded or unloaded from. The grounding/bonding cable connection should be made at the tank truck to eliminate any possible spark at the ignitable source.
- All trucks must be parked at least 75 feet (25 meters) from any ignition source, and pointed off the lease for quick exit. All diesel engine vehicles working within the 75 feet (25 meters) must be equipped with a positive air shut-off.
- While loading or unloading, the truck must be located a minimum of 9 feet (3 meters) from the production tanks for sweet facilities and 25 feet (7.5 meters) for sour sites, and outside of any tank dikes. In areas where spacing relaxation has been approved by the necessary government agencies, the distance so approved shall be maintained.
- All tanks must be equipped to allow determination of levels within the tank of the truck without the driver being on top of a tank. During the transfer, the vehicle operator must remain with the vehicle and directly supervise the operation. All other workers associated with this task must remain outside the classified area, or within the truck cab. No truck maintenance shall take place during these operations. If the transferring unit is greater than 5 tons, then prior to transfer, the wheels must be chocked.
- The appropriate personal protection must be worn.
- Tank trucks must be equipped with at least one - 30# LTK fire extinguisher, which is in place and ready for use during loading and unloading operations.
- If top loading is the means of unloading, then use of a stinger of sufficient length to contact the fluid level in the receiving tank is recommended to reduce the turbulence generated from top loading. Any other means used to transfer fluids into the lower section of the tank or below the defined fluid level is recommended.

- Heavy oil installations which uses top loading, due to the viscosity of the product, being transferred are acceptable; however, on-site personnel must remain either with the truck or outside the classified area. At no time shall an Employee be on top of the tank being transferred into.

- Once the gauged volumes have been determined, fill in the corrected volume of fluid loaded/unloaded on the truck ticket.

5. Special Precautions for Handling Sour Fluids

- When handling fluids containing H₂S, where the potential exists for H₂S is to exceed occupational exposure limits, truck operators must wear breathing equipment while connecting or disconnecting load lines, gauging tanks, and checking truck compartments during loading or unloading operations. This equipment must be supplied and maintained by the contractor. A safety standby should also be considered.

- In systems with low H₂S content and/or the risk to personnel associated with an H₂S release is minimal, the safety standby requirements can be addressed by a site-specific procedure.

6. Non-intrinsically Safe Equipment

Non-intrinsically safe equipment (e.g., two-way radios, handheld GPS trackers, cellphones, cameras, defibrillators, pagers, flashlights and remote starters) must not be used in or near areas that could be exposed to hydrocarbon vapors.

If these devices have to be used in restricted areas or potentially explosive environments, a hazard assessment must be completed by an on-site supervisor and a Hot Work Permit issued.