

Crystal Pauley

From: Brooks McCabe
Sent: Thursday, January 21, 2016 11:12 AM
To: Kevin Ellis
Cc: Crystal Pauley
Subject: Re: Oil & Gas

— no response
as of
3-2-16
-CDP

Kevin... We will accept \$30,000 for the execution of the agreement. Let us know if that is OK. ...Brooks

Sent from my iPad

On Jan 20, 2016, at 7:07 PM, Kevin Ellis <kellis@anteroresources.com> wrote:

Crystal and Brooks,

I have spoken with our land/geology planners regarding these tracts and surrounding tracts. We are really in very preliminary stages of designing units to include the properties and do not feel a map we would send to you now would have a great deal of value as it will change depending on some other trade and lease acquisition activities we have pending in the vicinity. With respect to the monetary consideration, when we did the last transaction, we did not view it on a per/acre basis but rather on a transactional basis. Thus, for us to now think in those terms would not be consistent with how we have handled these matters in our broader land efforts. Although the acreage is different in the current proposal, we would extend an offer of \$20,000 total for your execution of the agreement I left with you. As you know, we have limited the depths and the time period by which we have to exercise the pooling rights. Please advise if this offer is acceptable.

Thank you,

Kevin

From: Crystal Pauley [<mailto:CPauley@wv-commercial.com>]
Sent: Tuesday, January 19, 2016 10:27 AM
To: Kevin Ellis
Cc: Brooks McCabe
Subject: RE: Oil & Gas

Hi Kevin,

Antero provided McCabe Land Company the attached unit plans for the McCabe leases in Ritchie County. Would you send us the same type of plans for the Doddridge County parcels please?

Thanks,
Crystal

From: Brooks McCabe
Sent: Monday, January 18, 2016 2:36 PM
To: J. Kevin Ellis <kellis@anteroresources.com>
Cc: Crystal Pauley <CPauley@wv-commercial.com>; Juliana Kuyk <JKuyk@wv-commercial.com>
Subject: Fwd: Oil & Gas

Kevin... The analysis we did in the office this morning is outlined below. Can Antero match the up-front fee we received last time? That is our target. Let me know what you think. Thanks. ...Brooks

Sent from my iPad

Begin forwarded message:

From: Crystal Pauley <CPauley@wv-commercial.com>
Date: January 18, 2016 at 2:18:26 PM EST
To: Brooks McCabe <BMcCabe@wv-commercial.com>
Cc: Juliana Kuyk <JKuyk@wv-commercial.com>
Subject: Oil & Gas

Brooks,

In the Ritchie County lease negotiated a couple years ago you originally asked for \$500 per acre, but then settled at \$327 per acre x 63 acres. That is the basis for the \$20K bonus we received. With that being said, below is a comparison for Doddridge County leases using the \$327 per acre. The total is \$75,046.50.

Juli researched the gas formations online. She found that Onondaga is just below Marcellus Shale. "Through the top of the Onondaga limestone formation" is essentially saying the same thing as "through the base of the Marcellus Shale." Juli also spent time this morning cleaning up and compiling information to send Antero on our other leases. She has been a huge help.

	Acreage	MLC % Interest	MLC Acreage	Per acre	Total
Parcel 1	75	100%	75.00	\$327	\$ 24,525.00
Parcel 2	368	25%	92.00	\$327	\$ 30,084.00
Parcel 3	125	50%	62.50	\$327	\$ 20,437.50
					\$ 75,046.50

Crystal Pauley
West Virginia Commercial, LLC
305 Washington St. W.
Charleston, WV 25302
304-347-7536
304-544-3206 cell
304-342-2252 fax
cpauley@wv-commercial.com

Crystal Pauley

From: Brooks McCabe
Sent: Friday, January 15, 2016 8:00 AM
To: kellis@anteroresources.com
Cc: Crystal Pauley
Subject: McCabe Land Co leases

Kevin... We are reviewing the three parcels and the lease. By comparing the previous transaction, we appear to be off on the signing bonus. We will need to revisit this issue after we discuss it further here in the office at the first of the week. Crystal or I will be back in touch, hopefully on Tuesday. ...Brooks

STATE OF WEST VIRGINIA)
)
COUNTY OF DODDRIDGE)
)
)
)
)
)
)

(Above This Line Reserved For Official Use Only)

LESSOR: McCabe Land Company Limited Partnership, whose address is:
 P. O. Box 1692 Charleston, WV 25326

LESSEE: Antero Resources Corporation, whose address is:
 1615 Wynkoop St., Denver, CO 80202

MODIFICATION OF OIL AND GAS LEASE

THIS AGREEMENT IS MADE AND ENTERED INTO on this ____ day of **January, 2016**, by and between **McCabe Land Company Limited Partnership**, party of the first part, hereinafter referred to as “Lessor”, and **Antero Resources Corporation**, parties of the second part, hereinafter referred to as “Lessee”.

WHEREAS, heretofore, on the **25th** day of **July, 1988**, **R. E. McCabe, Jr., Trustee and Brookes McCabe, Jr., Agent**, as Lessors, executed and delivered to **Bojacque, Incorporated**, as Lessee, a certain Oil and Gas Lease, covering the following described land situate in **West Union District, Doddridge County, State of West Virginia**, to-wit:

75 acres, more or less in the West Union District, County of Doddridge, State of West Virginia, bounded substantially by lands now or formerly owned as follows:

*On the North by lands of J. S. Keys Heirs
On the East by lands of Anna Weekley and J. C. Smith
On the South by lands of M. I. Creek and F. Maxwell Heirs
On the West by lands of F. Kinney and F. Maxwell Heirs and J. S. Keys Heirs*

said oil and gas lease being of record in **Lease Book 154, Page 376** of the land records of **Doddridge County, West Virginia**.

WHEREAS, heretofore, on the **24th** day of **April, 1916**, **W. F. Smith and Laura Smith, his wife, Mary E. McCormick and James McCormick, her husband, Thomas B. Smith and Anna J. Smith, his wife, Daniel S. Smith and Laura V. Smith, his wife, Agnes Crumerine, Anna E. Haught and John C. Haught, her husband, Silas P. Smith and Edith D. Smith, his wife, Grace Smith and David H. Smith, her husband**, as Lessor, executed and delivered to **J. E. Trainer**, as Lessee, a certain Oil and Gas Lease, covering the following described land situate in **West Union District, Doddridge County, State of West Virginia**, to-wit:

368 acres, more or less in the West Union District, County of Doddridge, State of West Virginia, bounded substantially by lands now or formerly owned as follows:

*On the North by lands of W. F. Smith and others;
On the East by lands of Thos. J. Smith and others;
On the South by lands of Joseph Freeman;
On the West by lands of Jacob C. Smith;*

said oil and gas lease being of record in **Lease Book 34, Page 108** of the land records of **Doddridge County, West Virginia**.

WHEREAS, heretofore, on the 3rd day of July, 1979, Brooks McCabe and Ruth L. McCabe, as Lessors, executed and delivered to Key Oil Company, as Lessee, a certain Oil and Gas Lease, covering the following described land situate in West Union District, Doddridge County, State of West Virginia, to-wit:

125 acres, more or less in the West Union District, County of Doddridge, State of West Virginia, bounded substantially by lands now or formerly owned as follows:

On the North by lands of Jacob C. Smith

On the East by lands of T. A. Smith

On the South by lands of Wm. Smith

On the West by lands of Benjamin Smith

said oil and gas lease being of record in Lease Book 109, Page 320 of the land records of Doddridge County, West Virginia.

WHEREAS, the Oil and Gas Leases recorded in Lease Book 154, Page 376, in Lease Book 34, Page 108 and in Lease Book 109, Page 320 are hereinafter referred to, collectively, as the "Leases".

WHEREAS, Lessor has acquired or otherwise owns an interest in all of or a portion of the above lands covered by said Leases and Lessor and Lessee desire to modify the Leases to include certain additional terms and provisions as hereinafter set out.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00), the mutual desire of the parties to amend said Leases, and other good and valuable consideration, the receipt of all of which is hereby acknowledged, it is hereby agreed and understood that the said Leases are hereby amended to include the following provisions:

POOLING Lessor grants unto Lessee, for a period of five (5) years from the date hereof, the right to pool into a separate drilling or production unit(s) (each a "Pooled Area"), limited to only those formations from the top of the Rhinestreet formation through the top of the Onondaga limestone formation, said land or any part thereof and the leasehold estates therein in the vicinity of said land, whether contiguous or noncontiguous, held by Lessee or other lessees, when in Lessee's judgment, it is necessary or advisable to develop and operate efficiently such lands. Any such Pooled Area shall not exceed 80 acres for oil and 640 acres for gas; provided, however, that larger Pooled Areas may be created to conform to any well spacing or unit pattern prescribed by any governmental authority. Lessee, alone or with other lessees, may form any Pooled Area before or after completion of a well thereon by recording in the county wherein the pooled land(s) are located, a declaration of such pooling. Neither the pooling nor the provisions hereof shall operate as a transfer of title to any interest in the leased premises. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the Pooled Area, shall be considered for all purposes (except as to royalties and the use of free gas) as if said well were located on, or such operations were conducted upon, the lands covered by this lease whether or not such well is located upon or such operations are conducted upon said lands. The royalties provided for in the lease shall be tendered or paid to Lessor in the proportion that Lessor's acreage in the Pooled Area(s) bears to the total Pooled Area. Lessee shall have the right but not the obligation, to reduce, enlarge, or modify such Pooled Area(s) at any time. The royalties and such other payments tendered or paid thereafter shall then be based upon the proportionate acreage and interests in the revised Pooled Area. At any time the Pooled Area is not being operated as aforesaid, the declaration of pooling may be surrendered and cancelled of record. Such cancellation or surrender shall not affect a surrender or cancellation of this lease.

ROYALTY It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil and gas, and all constituents of either, whether hydrocarbon or non-hydrocarbon, including but not limited to the casinghead gas, natural gas liquids and other by-products, or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for any pre or post-production costs or expenses, including, but not limited to the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder, or the cost to transform the product into marketable form. All reference herein made to One-

Eighth (12 ½%) royalty are hereby amended to read Thirteen and one-half (13.5%) percent royalty that pertains to royalty from production derived from the top of the Rhinestreet formation through the top of the Onondaga limestone formation only.

For the same consideration recited above, each of the undersigned does hereby adopt, ratify, and confirm the Leases as amended, and does hereby grant, lease, and let, unto the Lessee therein and its successors and assigns, any and all interest in and to the lands described therein currently owned or that may hereafter be acquired, either by conveyance, devise, inheritance, or operation of law, and whether, vested, expectant, contingent or future, and in accordance with each and all of the provisions contained in the Leases as amended hereby, and each does hereby declare that the Leases are valid and subsisting oil and gas leases and all of the provisions contained therein are binding upon the undersigned and shall extend to and be binding upon the heirs, executors, administrators, successors, and assigns of each of the undersigned. Upon the reasonable request to do so, each of the undersigned agrees to execute, acknowledge and to deliver any additional instruments, notices, division orders, transfer orders and other documents, to provide additional information and to do any other acts and things which may be necessary or desirable to allow payment of any royalties that may be due or that may become due or to more fully and effectively protect the interest of the Lessee, its successors and/or assigns in and to the property intended to be covered hereby.

IN WITNESS WHEREOF:

SIGNED:

McCabe Land Company Limited Partnership

Signature: _____

Printed Name: **Brooks F. McCabe, Jr.**

Title: **General Partner**

Corporate Acknowledgment

STATE OF WEST VIRGINIA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Brooks F. McCabe, Jr., in the capacity of General Partner of McCabe Land Company Limited Partnership.

My Commission Expires:

Notary Public

Prepared by:
Antero Resources Corporation
PO Box 410, Bridgeport, West Virginia, 26330

Prospect: West Union
TR MP: 8-3-10,
DTO: 3065
TR MP: 8-4-6, 7, and 13
DTO: 1878
TR MP: 8-2-p/o 5.2
DTO: 2520
LM: AKF

Please return to:
Antero Resources Corporation
PO Box 410, Bridgeport, West Virginia, 26330