

## Unconventional Gas Well Fee Revenue Estimate

2011						
Well Life Years	# of Wells		Fee per Well		Total Fee Revenue	
	Horizontal	Vertical	Horizontal	Vertical	Horizontal	Vertical
1	3550	300	\$ 50,000	\$ 10,000	\$ 177,500,000	\$ 3,000,000
2	0	0	\$ 40,000	\$ 8,000	\$ -	\$ -
3	0	0	\$ 30,000	\$ 6,000	\$ -	\$ -
4	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
5	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
6	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
7	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
8	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
9	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
10	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
	3550	300	\$ 260,000	\$ 52,000	\$ 177,500,000	\$ 3,000,000
	<b>3,850</b>				<b>\$ 180,500,000</b>	

2012						
Well Life Years	# of Wells		Fee per Well		Total Fee Revenue	
	Horizontal	Vertical	Horizontal	Vertical	Horizontal	Vertical
1	1825	300	\$ 45,000	\$ 9,000	\$ 82,125,000	\$ 2,700,000
2	3550	300	\$ 35,000	\$ 7,000	\$ 124,250,000	\$ 2,100,000
3	0	0	\$ 30,000	\$ 6,000	\$ -	\$ -
4	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
5	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
6	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
7	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
8	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
9	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
10	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
	5375	600	\$ 215,000	\$ 43,000	\$ 206,375,000	\$ 4,800,000
	<b>5,975</b>				<b>\$ 211,175,000</b>	

2013						
Well Life Years	# of Wells		Fee per Well		Total Fee Revenue	
	Horizontal	Vertical	Horizontal	Vertical	Horizontal	Vertical
1	2000	75	\$ 45,000	\$ 9,000	\$ 90,000,000	\$ 675,000
2	1825	300	\$ 35,000	\$ 7,000	\$ 63,875,000	\$ 2,100,000
3	3550	300	\$ 30,000	\$ 6,000	\$ 106,500,000	\$ 1,800,000
4	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
5	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
6	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
7	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
8	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
9	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
10	0	0	\$ 15,000	\$ 3,000	\$ -	\$ -
	7375	675	\$ 215,000	\$ 43,000	\$ 260,375,000	\$ 4,575,000
	<b>8,050</b>				<b>\$ 264,950,000</b>	

2014						
Well Life Years	# of Wells		Fee per Well		Total Fee Revenue	
	Horizontal	Vertical	Horizontal	Vertical	Horizontal	Vertical
1	2100	75	\$ 50,000	\$ 10,000	\$ 105,000,000	\$ 750,000
2	2000	75	\$ 40,000	\$ 8,000	\$ 80,000,000	\$ 600,000
3	1825	300	\$ 30,000	\$ 6,000	\$ 54,750,000	\$ 1,800,000
4	3373	285	\$ 20,000	\$ 4,000	\$ 67,460,000	\$ 1,140,000
5	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
6	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
7	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
8	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
9	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
10	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
	9298	735	\$ 260,000	\$ 52,000	\$ 307,210,000	\$ 4,290,000
	<b>10,033</b>				<b>\$ 311,500,000</b>	

2015						
Well Life Years	# of Wells		Fee per Well		Total Fee Revenue	
	Horizontal	Vertical	Horizontal	Vertical	Horizontal	Vertical
1	2100	75	\$ 50,000	\$ 10,000	\$ 105,000,000	\$ 750,000
2	2100	75	\$ 40,000	\$ 8,000	\$ 84,000,000	\$ 600,000
3	2000	50	\$ 30,000	\$ 6,000	\$ 60,000,000	\$ 300,000
4	1734	285	\$ 20,000	\$ 4,000	\$ 34,680,000	\$ 1,140,000
5	3373	285	\$ 20,000	\$ 4,000	\$ 67,460,000	\$ 1,140,000
6	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
7	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
8	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
9	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
10	0	0	\$ 20,000	\$ 4,000	\$ -	\$ -
	11307	770	\$ 260,000	\$ 52,000	\$ 351,140,000	\$ 3,930,000
	<b>12,077</b>				<b>\$ 355,070,000</b>	

**Notes:**

Revenue estimates based on spud wells.

Estimates assume all counties impose a fee.

The fee for spud wells not producing will be suspended after three years.

The annual fee is subject to adjustment by any upward change in the CPI for 2013 and thereafter.

The CPI adjustment will occur if the number of new wells exceeds the number of wells spud in the prior year.

The fee for vertical unconventional gas wells is 20% of the applicable horizontal well fee.