



NORTHCENTRAL PENNSYLVANIA CONSERVANCY

"Conserving Working Farms and Forests"

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Guidelines for Development of Natural Gas or Oil Resources

The Northcentral Pennsylvania Conservancy is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of conserving the forests, waterways, wildlife habitat and agricultural lands of northcentral Pennsylvania. NPC is obligated by Section 170(h)(4) of the Internal Revenue Code to protect the conservation values of properties on which it holds conservation easements. Violation of a conservation easement may have serious tax repercussions for the owners of the property.

Indemnification – If lessee has not already done so, NPC will require the lessee to sign an agreement to indemnify and hold NPC harmless from any and all liability, judgments and claims of any kind relating to operations under the terms of the lease

Construction and Reclamation Plans – The operator shall submit a construction plan and a separate reclamation plan to NPC for review and approval before any soil disturbance begins. Revisions to the plans may be required; any revisions to the plans must be made before work begins.

Some Areas of the Property May Be Excluded – NPC may designate areas where wells, roads and pipelines cannot be located.

Wellsite, Drilling Pad Location(s) – The location of any wellsite shall be staked out for NPC's review and approval before any clearing or earthmoving activities begin.

Limit on the Number of Wellsites – The total number of wellsites that can be constructed on the property may be restricted.

Road and Pipeline Locations – The operator shall stake out the location and entire route of any and all access roads on the property for review and approval before construction begins. Existing roads will be used wherever possible. The operator shall stake out the location and entire route of any and all pipelines on the property for review and approval before construction begins. Pipelines will parallel access roads wherever possible.

Special Areas – Wellsites, roads and pipelines shall not be located within 250 feet of waterways and wetlands and any areas of special concern.

Notification – Following NPC’s approval of the location of wellsites, roads and pipelines, the operator shall provide NPC with a minimum of 168 hours (one week) notice before commencing any of the following: road construction, construction of the wellsite, drilling, pipeline trenching, plugging of the well, restoration of the well site and/or road.

Road Construction – Road construction must create as little disturbance as possible. NPC may require a gate at a point that a vehicle cannot get around. The operator will be required to keep the gate locked to reduce vehicular trespass. Installation of road drainage structures (culverts or broad-based dips) conforming to the standards of Penn State’s Center for Dirt and Gravel Roads will be required as will maintenance of the structures.

“New Technologies” – Development of new technologies may impose more burdens on the surface than do current technologies. The technology will be permitted only “if it imposes no greater burden or diminution in value on the surface or other interests in the property than current technologies.”

Pit Liner – The drilling pit shall be lined with an impervious liner, not merely clay. When drilling has been completed the pit liner and its contents shall be disposed of off-site.

Water Use – Any and all water needed for the drilling and fracing processes shall be acquired off the property.

Disposal of Water – The operator shall remove all water used in the drilling or fracing processes from the property, including water developed from the well.

Storage of Topsoil – All topsoil disturbed during construction of the wellsite and roads shall be stored on the uphill side of the disturbed area, saved and put back during reclamation.

Double Ditch Pipeline(s) – During pipeline construction the topsoil shall be stored to one side of the pipeline ditch, the subsoil to the other side. When the trench is backfilled subsoil shall be placed at the bottom of the trench, topsoil at the top of the trench.

Temporary Seeding – Temporary grass seeding shall be required if the final planting/reclamation cannot be done immediately due to season/weather or well completion issues.

Reclamation – All disturbed soil shall be limed, fertilized and seeded with appropriate materials and amounts in conformity with the then existing best management practices. Only native species shall be used in wooded areas. In wooded areas planting of trees may be required. If, at any time after completion, the operator decides to plug or abandon the well, the operator shall remove all structures and equipment; any remaining excavations shall be filled; and the operator shall return the land to its approximate original contour. Twenty-five years after well completion the wellsite and road shall be similarly reclaimed unless the lessee can demonstrate to NPC’s satisfaction that the well is then producing an average of 1Mcf of natural gas per day per year. At five year intervals thereafter the wellsite and road shall be reclaimed unless the lessee can

demonstrate to NPC's satisfaction that the well is then producing an average of 1Mcf of natural gas per day per year.

Wellhead Structures – Any permanent structures remaining after well completion shall be painted an earthtone color (brown, tan, dark green, gray or black).

Erosion and Sedimentation Control Plan – The operator shall submit a copy of the erosion and sedimentation control plan to NPC prior to beginning any earthmoving activities.

Permits – The operator shall provide NPC with copies of any and all applicable permits before operations begin.

Access to Drilling Operation – NPC shall have access to the drilling site at all times.