

OHIO OIL AND GAS ENERGY EDUCATION PROGRAM

(as approved by the industry in a statewide referendum held in March 1998, and amended in 2007 and 2017)

ARTICLE I - NAME

Section 1.01. The name of this organization shall be OHIO OIL AND GAS ENERGY EDUCATION PROGRAM, hereinafter referred to as the "Program". The administrative offices of the Program will be located at: 1718 Columbus Road, SW, P.O. Box 187, Granville, Ohio 43023.

ARTICLE II - PURPOSE

Section 2.01. The purpose of the Program shall be to carry out the objectives identified in Section 1510.02 (A) of the Ohio Revised Code, including, but not limited to the following:

- A. To encourage and facilitate educational programs in Ohio, relating to the crude oil and natural gas industry, hereinafter referred to as the "Industry";
- B. To encourage schools of education to include Industry as part of their curriculum;
- C. To promote public awareness about Ohio's Industry;
- D. To educate and promote Industry safety to the general public;
- E. To establish an aggressive public relations campaign utilizing various marketing and media resources;
- F. To demonstrate to the general public the importance and economic significance of the Industry in Ohio;
- G. To encourage wise and efficient use of energy;
- H. To promote sound exploration and production methods and technologies in the Industry;
- I. To support research, training and educational activities concerning the Industry;
- J. To establish procedures necessary to implement and administer the Program.

ARTICLE III - OPERATING COMMITTEE BOARD

Section 3.01. The Technical Advisory Council, as defined in Section 1509.38 of the Ohio Revised Code, hereinafter referred to as "Council", shall appoint an Operating Committee Board, hereinafter referred to as "Board", consisting of thirteen (13) members. Six (6) of the members shall be independent producers and six (6) of the members shall be primarily horizontal well operators. The thirteenth member shall be a member of an organization that represents farmers.

Section 3.02. The Council shall select the twelve (12) producer members from lists of names submitted by qualified independent producer associations, as defined in Section 1510.01 (C) of the Ohio Revised Code. The thirteenth member shall be selected by Council from a list submitted by such a farmers organization.

Section 3.03. The Council shall appoint four (4) producers for terms of one (1) year, four (4) producers for terms of two (2) years, and four (4) producers for terms of three (3) years and one (1) member of an organization that represents farmers for a term of three (3) years. Thereafter, the Council shall appoint each Board member for a three (3) year term, unless the appointee is to fill a vacancy, in which case the appointee shall be appointed for the unexpired term. Each such subsequent appointment shall be made prior to the expiration date of the preceding or vacant term. The Council shall select those Board members from a list submitted by qualified independent producer associations and an organization that represents farmers.

(Note: Of the initial appointments made prior to the Ohio Revised Code 1510 changes effective in 2017, the council shall appoint two members for terms of one year, two members for terms of two years, and three members for terms of three years. Thereafter, the council shall appoint each member for a three-year term unless the appointee is to fill a vacancy, in which case the appointee shall be appointed for the unexpired term. Each such subsequent appointment shall be made prior to the expiration date of the preceding or vacant term. The council shall not appoint any member of an t he operating committee to serve more than three successive full three-year terms.

Of the members who are primarily horizontal well operators who are appointed pursuant to the Ohio Revised Code 1510 changes effective in 2017, the council shall appoint two members for terms of one year, two members for terms of two years, and two members for terms of three years. Thereafter, the council shall appoint each member for a three-year term unless the appointee is to fill a vacancy, in which case the appointee shall be appointed for the unexpired term. Each subsequent appointment shall be made prior to the expiration date of the preceding or vacant term. The council shall not appoint any member of the operating committee to serve more than three successive full three-year terms.)

Section 3.04. The Council shall not appoint any member of the Board to serve more than three (3) successive full three (3) year terms.

Section 3.05. Each member of the Board will be entitled to actual and necessary travel and incidental expenses while attending meetings of the Board, or while engaged in the performance of official responsibilities delegated to the Board.

Section 3.06. No member of the Board shall be held liable in a civil action for any actions taken in good faith as a member of the Board or as an employee of the Program.

Section 3.07. The Council shall monitor the actions of the Board to ensure all of the following:

- A. The Program is self-supporting;
- B. The Board maintains all records that are required for agencies of the State.
- C. All Program operations are in accord with both of the following:
 - i. The provisions of this Program;
 - ii. Ohio Revised Code Chapter 1510.01 and procedures established thereunder.

Section 3.08. The Board shall meet not less than once every other month, or at such other time as may be designated by the Board. Notice of all meetings of the Board shall be given, in writing, a minimum of ten (10) calendar days prior to any such meeting.

Section 3.09. All decisions by the Board shall be by a majority vote of those present and voting. Each Board member shall have one vote.

Section 3.10. All Board members must be at least twenty-five (25) years old, have production in Ohio and have at least five (5) years of active experience in the Industry.

Section 3.11. Any Board member may be removed from office for neglect or refusal to perform their duties by a majority vote of the Board in attendance at any lawful meeting.

Section 3.12. A vacancy caused by death, resignation, or by removal may be filled for the unexpired term of the Board member.

ARTICLE IV - OFFICERS - DUTIES AND RESPONSIBILITIES

Section 4.01. The Officers of the Program must be Board members and shall consist of a Chairman, Vice Chairman, and Treasurer. All Officers shall be elected annually by the Board for one (1) year terms or until their successors are duly qualified. There shall be no limit to the number of succession of terms an Officer can serve.

Section 4.02. The responsibilities and duties of the Officers of the Program are as follows:

- A. **Chairman.** The Chairman shall preside at all meetings of the Board. As the executive head of the Program, the Chairman shall oversee and direct the implementation of the Program. During the absence or disability of the Chairman, the Vice Chairman shall exercise all the rights and discharge all the duties of the Chairman.
- B. **Vice Chairman.** The Vice Chairman shall exercise the duties of the Chairman during the absence or disability of the Chairman, and carry out such other duties as set out herein and assigned by the Chairman.
- C. **Treasurer.** The Treasurer shall supervise and generally be responsible for the receipt and custody of all funds belonging to the Program, shall designate the depository for all such funds and shall stipulate and supervise how the staff of the Program shall handle the financial transactions of the Program. He shall, with the Program Administrator of the Program, co-sign all checks drawn against the funds for duly authorized and approved expenditures; and the Treasurer, upon ceasing to hold the office, shall surrender to his successor, when qualified, or to such other person as shall be designated by the Board, all monies, books, accounts, records or other property under his control. The Treasurer shall be bonded at the expense of the Program, in an amount satisfactory to the Board. The Treasurer, when he deems it necessary, shall designate in writing another member of the Board to co-sign checks.

ARTICLE V - ASSESSMENT

Section 5.01. An assessment will be made on the production of crude oil and natural gas, as defined in ORC 1510, in Ohio to fund the Program.

- A. The assessment on crude oil shall be equal to five cents (\$0.05) per each gross barrel of crude oil (including condensate).
- B. The assessment on natural gas shall be equal to one half a cent (\$0.005) per gross thousand cubic feet of natural gas.

C. There is no assessment on Natural Gas Liquids (NGL).

Section 5.02. The Board shall not levy an assessment that was not approved by producers or exceed the amount authorized under of Section 1510.04 (B) (1) of the Ohio Revised Code.

Section 5.03. The Board shall not levy an assessment against a producer who is not eligible to vote in a Referendum for the Program, that the Board administers, as determined in Section 1510.02 (C) of the Ohio Revised Code.

ARTICLE VI - PROGRAM FUND

Section 6.01. All moneys collected pursuant to Section 1510.08 of the Ohio Revised Code for the Program shall be paid into a Marketing Program Fund, hereinafter referred to as "Fund".

Section 6.02. The Board of the Program will deposit all moneys collected pursuant to Section 1510.08 of the Ohio Revised Code with a Bank or a Savings and Loan Association as defined in Sections 1101.01 and 1151.01 of the Ohio Revised Code..

Section 6.03. All moneys deposited in the Program shall be used only in defraying the costs of:

- A. Fulfilling financial obligations or contracts entered into with qualified organizations, agencies, or individuals, or any combination thereof, to carry out the Purpose of the Program as defined in Article II, Section 2.01, of the Program.
- B. Contributions made to any national or regional marketing program for oil and natural gas, if the program is exclusively for the same purposes as the Program.

Section 6.04. The Board shall not use funds collected from any assessments that it levies for any political or legislative purpose or for preferential treatment of one person to the detriment of another person who is affected by the Program that the Board administers.

Section 6.05. The fiscal year for the Program shall be January 1 to December 31, and the Program shall publish an activity and financial report within 60 days of the end of each fiscal year, and shall make the report available to each producer who pays the Assessment, or otherwise contributes to the Program that the Board administers, and to any other interested persons.

Section 6.06. Annually, a financial statement shall be prepared by a Certified Public Accountant holding valid certification from the Ohio Board of Accountancy issued pursuant to Section 4701 of the Ohio Revised Code. The Board shall file the financial statement with the Council not more than 150 days after the end of each fiscal year.

Section 6.07. The Board shall prepare a monthly, unaudited, financial statement not more than thirty (30) days after the end of each month.

ARTICLE VII - COLLECTION OF ASSESSMENT

Section 7.01. The first purchaser is required to withhold assessments, as outlined in Article V, Section 5.01 (A) and (B) of the Program, from any amounts that the first purchaser owes to producers.

Section 7.02. The first purchaser shall remit an assessment payment, withheld from amounts owed to producers, directly to the Program, no later than forty-five (45) days after each quarter, based on oil and gas production as of April 1, 1998. Payments shall be made to the Program's administrative offices located at 1718 Columbus Road, SW, P.O. Box 187, Granville, Ohio 43023.

Section 7.03. Upon receipt of a Program approved election form, a horizontal producer, as defined in ORC 1509, may elect to pay the assessment directly to the Program instead of participation in the first purchaser assessment deduct collection as defined in Article VII Section 7.01 and 7.02. Payments shall be made to the Program's administrative offices located at 1718 Columbus Road, SW, P.O. Box 187, Granville, Ohio 43023. Only those horizontal producers who are approved by the Program to make the "Producer Direct Pay" option will be exempt from the First Purchaser withholding the assessment.

Section 7.04. Those horizontal producers that elect to pay the assessment directly to the Program must complete an annual election form by December 31st of the year prior to the year for which they request the producer direct pay option. That election form must be submitted to the Program's administrative offices located at 1718 Columbus Road, SW, P.O. Box 187, Granville, Ohio 43023.

Section 7.05. The Program shall notify all First Purchasers in their annual January audit of any producers that have submitted a producer direct pay election form for the upcoming year.

Section 7.06. Those horizontal producers who make the direct pay election as described in Section 7.02, may limit their annual obligations to \$100,000 per calendar year.

ARTICLE VIII - REFUND OF ASSESSMENT

Section 8.01. The Program shall refund collected assessments after receiving an application for a refund, hereinafter referred to as the "Refund Application," from a producer who is the owner or operator of the well that was assessed. The producer shall submit the application for a refund on a form furnished by the Board.

Section 8.02. The Board shall ensure that the Refund Application forms are available at the administrative offices of the Program.

Section 8.03. A producer who desires a refund shall submit a Refund Application not later than the thirty-first (31) day of March of the year in which the request is submitted. With approval of the Board, the Program shall refund the assessment to the ~~independent~~ producer not later than the thirteenth (13th) day of June of the year in which the Refund Application is submitted.

Section 8.04. The Program may request additional information in order to process a potential refund and any information received shall remain confidential.

ARTICLE IX - TERMINATION OF THE PROGRAM

Section 9.01. Upon termination of the Program pursuant to Section 1510.11 of the Ohio Revised Code, the Board shall terminate all operations of the Program and shall return any remaining unobligated moneys to the producer who paid the assessments levied under Section 1510.08 of the Ohio Revised Code during the immediately preceding twelve (12) months and shall prorate the moneys accordingly.

ARTICLE X - GENERAL

Section 10.01. The operation of the Program will be conducted in compliance with the laws and regulations of the State of Ohio.

Section 10.02. The Program shall have a policy of nondiscrimination by virtue of race, color, creed, sex, religion or national origin. Any violations of this policy should be reported to the Program Administrator.