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**STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF RECLAMATION**

IN RE: PLAINVILLE WATERFLOOD UNIT

PETITION OF CENTAUR PETROLEUM CORPORATION FOR THE INTEGRATION OF LEASEHOLD INTERESTS LOCATED IN SECTION 2, TOWNSHIP 4 NORTH, RANGE 7 WEST IN DAVIESS COUNTY, INDIANA

**FINDINGS OF FACT, LEGAL CONCLUSIONS, AND DECISION ON
INFORMAL HEARING UNDER 312 IAC 29-3-4**

As provided in Indiana Code (“IC”) 14-37-9-1(a) and 312 Indiana Administrative Code (“IAC”) 29-19-1, et seq., concerning integration of oil and gas interests, and 312 IAC 29-3-4 concerning informal hearings, an informal hearing was held in this matter on Thursday, June 2, 2022, beginning at 11:00 AM, Eastern Time, before the Indiana Department of Natural Resources, Division of Reclamation (the “Division”), at the Jasonville Office of the Division of Reclamation located at 14619 IN-48, Jasonville, Indiana 47438. The purpose of the informal hearing was to consider the Petition for Integration of Oil and Gas Interests (“Petition”) for the parcels specifically identified in the petition dated November 5, 2021, prepared by Bonard D. Drake, Centaur Petroleum Corporation, hereinafter referred to as "Applicant."

Having reviewed the entire record in this matter, and being duly advised, the Director of the Division makes the following Findings of Fact, Conclusions of Law and Order of Integration in this matter:

FINDINGS OF FACT

1. Applicant is a Texas Corporation, whose office address at the time of the filing of the Petition was 3724 W. 7th Street, Fort Worth, TX 76107, with mailing address at PO Box 270, Ft. Worth, TX 76101, and a local facility at 102 Johns Street, Hwy 57 W., Plainville, IN 47568.

2. Applicant is the operator and a working interest owner of certain oil and gas leases comprising Tracts 1 through 11 located in Daviess County, Indiana, more particularly described on “EXHIBIT A” attached to the Petition, and has historically been referred to as the Plainville Pool, or portions thereof. Said leases comprising Tracts 1 through 11 are hereinafter described collectively as the “Tracts.” Oil and gas leases described on “EXHIBIT A” control the entire fee oil and gas interests in the Tracts of the proposed Plainville Waterflood Unit.

Tract 1: Wm. Nowling (CM 51384)

Tract Description: (3687-3) Oil and Gas Lease dated September 6, 1949, recorded in Book 32, Page 474, from William M. Nowling, Lessor, to Forrest H. Lindsay, Lessee, said lease having been ratified by instrument dated February 27,

1950, executed by Edgar Nowling, et ux, and Charles Nowling, et ux, recorded in Book 36, Page 136, which said lease and

Southwest Quarter of the Northwest Quarter (SW/4 NW/4) and the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) and the West Half of the Northeast Quarter of the Southwest Quarter (W/2 NE/4 SW/4) of Section 2, Township 4 North, Range 7 West, Containing 100 acres, more or less.

Tract 2: Ralph A. Killion Comm. (CM 51385) Pooled 3687-A

Tract Description: Oil & Gas Lease Nos. 3687-2, -7, -19, -26, are subject to the Declaration of Pooling dated February 7, 1950, recorded in Vol. 35, Page 45, Records of Daviess County, Indiana.

(3687-19) Oil and Gas lease dated September 12, 1949, recorded in Book 32, Page 533, from Charles England, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

1.31 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-26) Oil and Gas Lease dated December 1, 1949, recorded in Book 34, Page 216, from Frank Morgan, et ux, Lessors, to Dome, Minnick Oil Co., Lessee, covering the following described lands:

A part of Section 2, Township 4 North, Range 7 West, containing .588 acre, more or less, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-2) Oil and Gas Lease dated September 1, 1949, recorded in Book 32, Page 422, from Ralph A. Killion, et ux, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease dated February 3, 1950, executed by said Lessors, recorded in Book 34, Page 201, which said lease as amended covers the following described lands:

South Half of the Southwest Quarter (S/2 SW/4) and part of the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section 2, Township 4 North, Range 7 East, containing 93.5 acres, more or less, as more particularly described in said lease as amended, to which reference is here made and by this reference such description is incorporated herein.

(3687-7) Non-drilling Oil and Gas Lease dated December 1, 1949, recorded in Book 34, Page 41, from the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the railroad right-of-way over and across the following described lands:

Southeast Quarter (SE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 2, Township 4 North, Range 7 West.

Tract 3: Ralph Killion (CM 51386)

Tract Description: (3687-2) Oil and Gas Lease dated September 1, 1949, recorded in Book 32, Page 422, from Ralph A. Killion, et ux, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease dated February 3, 1950, executed by said Lessors, recorded in Book 34, Page 201, which said lease as amended covers the following described lands:

South Half of the Southwest Quarter (S/2 SW/4) and part of the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section 2, Township 4 North, Range 7 East, containing 93.5 acres, more or less, as more particularly described in said lease as amended, to which reference is here made and by this reference such description is incorporated herein.

Tract 4: Meurer-Proctor Comm. (CM 51387) Pooled 3687-B

Tract Description: Oil & Gas Lease Nos. 3687-5, -6, -7 are subject to the Declaration of Pooling dated December 16, 1949, recorded in Vol. 33, Page 525, records of Daviess County, Indiana.

(3687-5) Oil and Gas Lease dated April 27, 1949, recorded in Book 31, Page 562, from Lockie Meurer, Lessor, to Dome, Minnick Oil Co., Lessee,

Correction: Oil and Gas Lease dated November 1, 1949, recorded in Book 33, Page 262, from Lockie Meurer, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said leases cover the following described lands:

34.27 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in correction lease to which reference is here made and by this reference such description is incorporated herein.

(3687-7) Non-drilling Oil and Gas Lease dated December 1, 1949, recorded in Book 34, Page 41, from the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the railroad right-of-way over and across the following described lands:

Southeast Quarter (SE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 2, Township 4 North, Range 7 West.

(3687-6) Oil and Gas Lease dated August 13, 1949, recorded in Book 32, Page 261, from Mrs. Julia Proctor, et al, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease dated January 28, 1950, executed by said Lessors, recorded in Book 34, Page 199, insofar as said lease as amended covers the following described lands:

Southwest Quarter of the Northwest Quarter (SW/4 NW/4) of Section 1, Township 4 North, Range 7 West, containing 37.73 acres, more or less,

Also, 52.99 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended, to which reference is made and by this reference such description is incorporated herein.

Tract 5: McBride-Foust Comm. (CM 51388) Pooled 3687-G

Tract Description: Oil & Gas Lease Nos. 3687-8, -9 are subject to the Declaration of Pooling dated December 8, 1949, recorded in Vol. 33, Page 329, Records of Daviess County, Indiana.

(3687-8) Oil and Gas Lease dated August 18, 1949, recorded in Book 32, Page 298, from Bertha K. McBride, et vir, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

Southeast Quarter of the Northwest Quarter (SE/4 NW/4) of Section 2, Township 4 North, Range 7 West, except 15 acres off North side thereof, containing 25 acres, more or less.

(3687-9) Oil and Gas Lease dated November 26, 1949, recorded in Book 33, Page 374, from J. Donald Foust, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

The North 15 acres of the Southeast Quarter of the Northwest Quarter (SE/4 NW/4) of Section 2, Township 4 North, Range 7 West, described as follows:

Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter (NE/c of SE/4 NW/4) of Section 2, and running South 30 rods, thence West 80 rods, thence North 30 rods, thence East 80 rods to place of beginning.

Tract 6: Lockie Meurer (CM 51389)

Tract Description: (3687-5) Oil and Gas Lease dated April 27, 1949, recorded in Book 31, Page 562, from Lockie Meurer, Lessor, to Dome, Minnick Oil Co., Lessee,

Correction: Oil and Gas Lease dated November 1, 1949, recorded in Book 33, Page 262, from Lockie Meurer, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said leases cover the following described lands:

34.27 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in correction lease to which reference is here made and by this reference such description is incorporated herein.

Tract 7:

A H Killion-Proctor Comm. (CM 51390) Pooled 3687-F

Tract Description:

Oil & Gas Lease Nos. 3687-6, -7, -12, -20, -25, -27, -28 are subject to the Declaration of Pooling dated February 10, 1950.

(3687-25) Oil and Gas Lease dated November 25, 1949, recorded in Book 33, Page 304, from B. E. Myers, et ux, Lessors, to Dome, Minnick Oil Co., Lessee, insofar as said lease covers the following described lands:

Insofar as said lease covers:

.691 acre, more or less, being a part of the N/2 NE/4 SE/4 and SE/2 NE/4 SE/4 of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-27) Oil and Gas Lease dated November 25, 1949, recorded in Book 33, Page 294, from Harry L. Barnes, et ux, Lessors, to Dome, Minnick Oil Co., Lessee, insofar as said lease covers:

A tract of land containing approximately .75 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-28) Oil and Gas Lease dated February 24, 1950, recorded in Book 39, Page 295, from William G. Littrell, et al, Lessors, to Jack E. Hayes, Lessee, insofar as said lease covers:

A tract of land containing approximately .511 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-6) Oil and Gas Lease dated August 13, 1949, recorded in Book 32, Page 261, from Mrs. Julia Proctor, et al, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease dated January 28, 1950, executed by said Lessors, recorded in Book 34, Page 199, insofar as said lease as amended covers the following described lands:

Southwest Quarter of the Northwest Quarter (SW/4 NW/4) of Section 1, Township 4 North, Range 7 West, containing 37.73 acres, more or less,

Also, 52.99 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended, to which reference is made and by this reference such description is incorporated herein.

(3687-12) Oil and Gas Lease dated September 3, 1949, recorded in Book 32, Page 429, from Alvin H. Killion, et ux, Lessor, to Forrest H. Lindsay, Lessee, and covering the following described lands:

20.65 acres, more or less, in Section 2, Township 4 North, Range 7 West, more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-7) Non-drilling Oil and Gas Lease dated December 1, 1949, recorded in Book 34, Page 41, from the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the railroad right-of-way over and across the following described lands:

Southeast Quarter (SE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 2, Township 4 North, Range 7 West.

(3687-20) Oil and Gas Lease dated September 12, 1949, recorded in Book 32, Page 526, From Kermit Olsen, et ux, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the following described lands:

4.07 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

Tract 8: E. Killion-Shull Comm. (CM 51391) Pooled 3687-H

Tract Description: Oil & Gas Lease Nos. 3687-17, -29 are subject to the Declaration of Pooling dated March 21, 1950, recorded in Vol. 36, Page 167, Records of Daviess County, Indiana.

(3687-29) Oil and Gas Lease dated October 8, 1949, recorded in Book 32, Page 585, from Othey Shull, et al, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease, dated February 26, 1950, recorded in Book 36, Page 135, insofar as said lease covers the following described lands:

.30 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended, to which reference is made and by this reference such description is incorporated herein.

(3687-17) Oil and Gas Lease dated September 21, 1949, recorded in Book 33, Page 316, from Ernest E. Killion, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

29.45 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

Tract 9: Earl Meurer (CM 51392)

Tract Description: (3687-1) Oil and Gas Lease dated August 12, 1949, recorded in Book 132, Page 257, From Earl Meurer, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described land:

West Half of the Southwest Quarter of the Northeast Quarter (W/2 SW/4 NE/4) of Section 2, Township 4 North, Range 7 West, containing 20 acres, more or less.

Tract 10: E. E. Killion Comm. (CM 51393) 3687-C

Tract Description: Oil & Gas Lease Nos. 3687-5, -10, -11, -12, -13, -14, -15, -16, -17, -18 are subject to the Declaration of Pooling dated January 10, 1950, recorded in Vol. 33, Page 564, amended February 10, 1950, recorded in Vol. 35, Page 288, Records of Daviess County, Indiana.

(3687-10) Oil and Gas Lease dated August 18, 1949, recorded in Book 32, Page 292, from Maude E. Reynolds, et vir, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

Part of the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section 2, Township 4 North, Range 7 West, containing 1 acre, more or less, as more particularly described in lease to which reference is here made and by this reference such description is incorporated herein.

(3687-11) Oil and Gas Lease dated September 3, 1949, recorded in Book 32, Page 324, from Florence King, Lessor, to Forrest H. Lindsay, Lessee, insofar as said lease covers the following described lands:

1.16 acres, more or less, being a part of the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is here made and by this reference such description is incorporated herein.

(3687-12) Oil and Gas Lease dated September 3, 1949, recorded in Book 32, Page 429, from Alvin H. Killion, et ux, Lessor, to Forrest H. Lindsay, Lessee, and covering the following described lands:

20.65 acres, more or less, in Section 2, Township 4 North, Range 7 West, more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-13) Oil and Gas Lease dated September 6, 1949, recorded in Book 32, Page 470 from George D. Singleton, et ux, Lessors, to, Forrest H. Lindsay, Lessee, covering the following described lands:

1.49 acres, more or less, in the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is here made and by this reference such description is incorporated herein.

(3687-14) Oil and Gas Lease dated September 7, 1949, recorded in Book 32, Page 477, from William M. Ireland, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

1.08 acres, more or less, being a part of the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-15) Oil and Gas Lease dated September 13, 1949, recorded in Book 32, Page 596, from Ned Feaster, et ux, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease, dated March 13, 1950, recorded in Book 37, Page 41, covering the following described lands:

One (1) acre, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended to which reference is made and by this reference such description is incorporated herein.

(3687-16) Oil and Gas Lease dated October 17, 1949, recorded in Book 33, Page 28, from Ralph W. Risley, Sr., et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

Two (2) acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-17) Oil and Gas Lease dated September 21, 1949, recorded in Book 33, Page 316, from Ernest E. Killion, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

29.45 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-18) Oil and Gas Lease dated December 12, 1949, recorded in Book 33, Page 538, from Anna Underwood, et al, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease, dated March 8, 1950, recorded in Book 37, Page 41, covering the following described lands:

.51 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended to which reference is made and by this reference such description is incorporated herein.

(3687-5) Oil and Gas Lease dated April 27, 1949, recorded in Book 31, Page 562, from Lockie Meurer, Lessor, to Dome, Minnick Oil Co., Lessee,

Correction: Oil and Gas Lease dated November 1, 1949, recorded in Book 33, Page 262, from Lockie Meurer, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said leases cover the following described lands:

34.27 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in correction lease to which reference is here made and by this reference such description is incorporated herein.

Track 11:

A. H. Killion Comm. (CM 51394) Pooled 3687-D

Tract Description: Oil & Gas Lease Nos. 3687-5, -7, -12, -18, -19, -20, -21, -22, -23, -24 are subject to The Declaration of Pooling dated January 10, 1950, recorded in Vol. 33, Page 564, amended February 10, 1950, recorded in Vol. 35, Page 289, Records of Daviess County, Indiana.

(3687-5) Oil and Gas Lease dated April 27, 1949, recorded in Book 31, Page 562, from Lockie Meurer, Lessor, to Dome, Minnick Oil Co., Lessee,

Correction: Oil and Gas Lease dated November 1, 1949, recorded in Book 33, Page 262, from Lockie Meurer, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said leases cover the following described lands:

34.27 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in correction lease to which reference is here made and by this reference such description is incorporated herein.

(3687-7) Non-drilling Oil and Gas Lease dated December 1, 1949, recorded in Book 34, Page 41, from the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, et al, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the railroad right-of-way over and across the following described lands:

Southeast Quarter (SE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 2, Township 4 North, Range 7 West.

(3687-12) Oil and Gas Lease dated September 3, 1949, recorded in Book 32, Page 429, from Alvin H. Killion, et ux, Lessor, to Forrest H. Lindsay, Lessee, and covering the following described lands:

20.65 acres, more or less, in Section 2, Township 4 North, Range 7 West, more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-18) Oil and Gas Lease dated December 12, 1949, recorded in Book 33, Page 538, from Anna Underwood, et al, Lessors, to Forrest H. Lindsay, Lessee, as amended by Correction of Description in Lease, dated March 8, 1950, recorded in Book 37, Page 41, covering the following described lands:

.51 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease as amended to which reference is made and by this reference such description is incorporated herein.

(3687-19) Oil and Gas lease dated September 12, 1949, recorded in Book 32, Page 533, from Charles England, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

1.31 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-20) Oil and Gas Lease dated September 12, 1949, recorded in Book 32, Page 526, from Kermit Olsen, et ux, Lessors, to Forrest H. Lindsay, Lessee, insofar as said lease covers the following described lands:

4.07 acres, more or less, in Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-21) Oil and Gas Lease dated November 30, 1949, recorded in Book 33, Page 411, from Dora Diekman, et al, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

.48 acre, more or less, being a part of the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-22) Oil and Gas Lease dated November 28, 1949, recorded in Book 33, Page 401, from Roy L. Strange, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

.35 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-23) Oil and Gas Lease dated November 29, 1949, recorded in Book 33, Page 404, from Edwin H. Fisher, et ux, Lessors, to Forrest H. Lindsay, Lessee, covering the following described lands:

.47 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

(3687-24) Oil and Gas Lease dated February 8, 1950, recorded in Book 35, Page 482, from Public Service Company of Indiana, Inc., Lessor, to Forest H. Lindsay, Lessee, covering the following described lands:

A tract of land containing approximately .037 acre, more or less, being a part of Section 2, Township 4 North, Range 7 West, as more particularly described in lease to which reference is made and by this reference such description is incorporated herein.

3. Applicant seeks to unitize said Tracts to form an integrated production unit designated as the Plainville Waterflood Unit for the purposes of continued secondary and/or other enhanced recovery methods of the oil and gas reserves underlying therein and consolidation of operations for the purposes as follows.

- a.) To enhance the efficiency of the existing secondary recovery of the oil and gas reserves.
- b.) To minimize the surface area environmental footprint by consolidation of above ground storage and gathering facilities and appurtenances thereto.
- c.) To increase the productive economic longevity of the recoverable oil and gas reserves for the continued benefit of the royalty and working interest owners.
- d.) To increase the efficiency of waterflood operating maintenance and reduce the environmental impact and carbon footprint (GHG).

4. The subject Tracts have been continually producing since 1949, and Applicant has operated the Tracts for the past 37 years, and all Tracts are in pay status.

5. Attached to the Petition is "EXHIBIT B" which is a plat and an aerial view map showing the boundaries of the proposed Plainville Waterflood Unit and Tracts 1 through 11 thereof.

6. Attached to the Petition is "EXHIBIT C," a proposed percentage allocation of production from the proposed Plainville Waterflood Unit hereinafter the "Unit". The methodology used to calculate the allocation of the produced oil and gas reserves to each Tract is the percentage ratio of each Tract's historic contribution to the cumulative total of all Tracts combined over the previous four-year period which is considered representative of each tract's long established production decline history and is indicative of a now marginal and depleted oil and gas reservoir. The Tracts have produced continuously for 72 years, and each has maintained a proportionate oil to water ratio of 1.5%. This methodology used to determine Tract percentage contribution is in the best interest of all royalty, overriding royalty and working interest owners and treats each equitably and fairly.

7. Attached to the Petition is “EXHIBIT D,” a chart showing the division of royalty and working interest for each of the Tracts as identified by their respective pay sheets generated by Countrymark Refining and Logistics, LLC., as the purchaser and payor of all produced oil and gas reserves that will be subject to the proposed unit contribution percentage as outline on said “EXHIBIT C” and the tract participation as charted in the following table:

Tract #	Tract Name	Acreage	4 Year Cumulative Production	Participation Factor
Tract 1	WM NOWLING (CM 51384)	100 ACRES	4837 BARRELS	6.616%
Tract 2	RALPH A KILLION COMM (CM 51385)	20 ACRES	3904 BARRELS	5.340%
Tract 3	RALPH KILLION (CM 51386)	80 ACRES	1740 BARRELS	2.380%
Tract 4	MEURER-PROCTOR COMM (CM 51387)	40 ACRES	90 BARRELS	0.123%
Tract 5	MCBRIDE-FOUST COMM (CM 51388)	40 ACRES	3936 BARRELS	5.384%
Tract 6	LOCKIE MEURER (CM 51389)	20 ACRES	6434 BARRELS	8.801%
Tract 7	A H KILLION-PROCTOR COMM (CM 51390)	20 ACRES	7942 BARRELS	10.864%
Tract 8	E KILLION-SHULL COMM (CM 51391)	20 ACRES	6778 BARRELS	9.271%
Tract 9	EARL MEURER (CM 51392)	20 ACRES	8359 BARRELS	11.434%
Tract 10	E E KILLION COMM (CM 51393)	20 ACRES	8024 BARRELS	10.976%
Tract 11	A H KILLION COMM (CM 51394)	20 ACRES	21063 BARRELS	28.811%
	TOTALS	400 ACRES	73,107 BARRELS	100%

8. The Division finds that the lands subject to the Petition are suitable for secondary recovery. Potential producing zones and potential hydrocarbons Applicant believes or have produced within the Unit are as follows, in measured depths:

Aux Vases Zone	680’–730’
McClosky Zone	740’–800’
Salem Zone	1100’–1200’
Devonian Zone	1930’–2000’
Unknown Potentially Productive Zones	0’–2500’

9. There are no non-consenting working interest owners and accordingly a summary of estimated costs for such plans is not necessary as determination of the two working interest owners of 100% working interest in the Unit.

10. Following integration of the Unit, ownership of the working, overriding and royalty interests will be under uniform control.

11. Attached to the Petition as “EXHIBIT E” is the Plainville Waterflood Unit Pooling Agreement.

12. IC 14-37-9-1 requires that, where owners of separate tracts within a pool or part of a pool suitable for secondary recovery methods do not agree to integrate their interests, the IDNR shall require

the owners to integrate their interest in order to prevent waste or the drilling of unnecessary wells and to develop the land as a drilling unit.

13. IC 14-37-9-2 requires that an order for integration must be based upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool.

14. The Petition filed in this matter by the Applicant seeks, pursuant to IC 14-37-9, the issuance of an integration order whereby the interests of all owners of separate tracts within the proposed waterflood unit are integrated and the combined leases developed as a consolidated production unit.

15. The Applicant attached the following documents to its Petition:

- a. Exhibit A – Description of Oil and Gas Leases within proposed Unit.
- b. Exhibit B – Plat of proposed Unit.
- c. Exhibit C – Chart showing Tract Participation.
- d. Exhibit D – Chart showing the Division of Interest – Division Order Listing for each of the “Tracts” as identified by their respective pay sheets generated by Countrymark Refining and Logistics, LLC.
- e. Exhibit E – Unit Agreement “Plainville Waterflood Unit” Daviess County, Indiana.

16. A notice of the informal hearing on this matter was sent to via first class mail to the addresses of the owner’s indicated in EXHIBIT D.

17. The following persons were present at or participated in the informal hearing:

- a. Russell Retherford - Deputy Director of Division of Reclamation
- b. Ihor Boyko - Attorney of Division of Reclamation
- c. Bonard D. Drake - Vice President of Centaur Petroleum Corporation

18. As of the date of this Order, the Division of Reclamation has received three written comments via email from interest owners. The following persons presented comments via email.

- a. George Feaster (commented on the behalf of George Feaster, Ned Feaster Jr., and Marcy Allenbaugh.) – Provided comment in favor of the Plainville Waterflood Unit.
- b. Rick Chambon – Provided no objection to integration. However, wished to speak with petitioner to better understand the application request. Mr. Chambon’s request was met.
- c. John Fleeger (President, Many States Oil) – Provided no objection to integration. However, wished to comment that Applicant had not communicated with him prior to submitting the application.

CONCLUSIONS OF LAW AND ORDER OF INTEGRATION

1. IC 14-37-9 and any rules promulgated there under apply and are pertinent to the subject matter of the Petition filed herein.
2. There has been full compliance with all notice requirements provided by law, and all interested parties have been afforded an opportunity to be heard.
3. The IDNR and the Division have jurisdiction to hear this matter and authority, as delegated by the Natural Resources Commission, to order the integration of interests in accordance with IC 14-37-9-1(b).
4. The Petition, herein referenced, contains the elements required by law.
5. The integration of the Plainville Waterflood Unit is approved, such Unit consisting of the 11 Tracts of lands listed in Finding No. 2 which references "EXHIBIT A," and formations listed in Finding No. 8.
6. The royalty interests held by parties listed in "EXHIBIT D" chart of The Division of Interest as detailed in the Division Order Listing for Tracts 1 through 11 which are identified by their respective pay sheets detailed in "EXHIBIT D" generated by Countrymark Refining and Logistics, LLC., for the proposed Unit, are hereby ordered to be integrated into the Plainville Waterflood Unit as proposed by Applicant.
7. It is reasonable, fair, and equitable, as required by IC 14-37-9-2, that such division of interest in the Plainville Waterflood Unit be accomplished so ownership of the Working, Overriding and Royalty interests will be under uniform control.
8. As provided in IC 14-37-9-2, the portion of the production allocated to the owner of any tract within the Plainville Waterflood Unit shall be according to the allocation provided in Findings No. 2 and 7 which references EXHIBITS A and D, above.
9. This order is a final administrative action of the IDNR and, as such, is subject to administrative review under IC 4-21.5-3-7 and may be placed of record by the Applicant in the appropriate public record of Daviess County, Indiana.

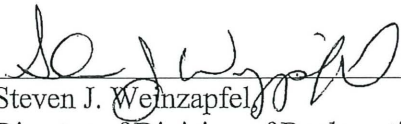
RIGHT TO ADMINISTRATIVE REVIEW

The above Findings of Fact, Legal Conclusions, and Decision on Informal Hearing under 312 IAC 29-3-4 are subject to administrative review pursuant to IC 4-21.5 and 312 IAC 3-1. In order to qualify for administrative review, a person must file a request for review in writing stating facts that demonstrate the petitioner is:

- (A) a person to whom the order is specifically directed.
- (B) aggrieved or adversely affected by the order; or
- (C) entitled to review under any law.

In order to be timely, any petition for administrative review must be filed with the Division of Hearings, Natural Resources Commission, Indiana Government Center North, 100 N. Senate Avenue, N103, Indianapolis, IN 46204 within fifteen (15) days after notice is served or within eighteen (18) days if service is by U.S. mail.

Dated: 10-4-2023



Steven J. Weinzapfel
Director of Division of Reclamation