



December 22, 2017

Dear [REDACTED]

On August 30, 2017, Cabot entered into a sublease agreement with Columbia Gas Transmission, LLC. The sublease gives Cabot the opportunity to explore, and hopefully develop, the potential resources below Columbia's natural gas storage fields. Columbia entered into this sublease with us to promote this potential development. We are contacting you to inform you of Cabot's intentions and to provide you direct information in the hopes of creating a dialogue regarding this project.

Why is Cabot seeking an amendment to your existing lease?

Your existing leases need to be amended to allow for pooling and unitization and support oil and gas development. At Cabot, we devote substantial time and resources to minimizing the impact of our operations on the land and communities where we operate. To develop the area encompassing the storage fields, according to the current language in the leases, it would require drilling potentially thousands of vertical wells. By using modern technology, we are able to drill for oil and natural gas more efficiently and effectively. Horizontal well pads are designed to accommodate multiple wells, which drastically minimizes the overall surface impact.

Also, Cabot is seeking a ratification of the leases as part of this amendment before it expends substantial sums of money on exploratory and development operations. A ratification of a lease is very common in the oil and gas industry, especially before undertaking operations on a lease that has been in existence for several years.

Why should I sign this amendment?

The amendment improves the current lease terms. Additionally, it will drastically reduce any surface impact by allowing for horizontal drilling and enable Cabot to explore and potentially develop your property in an optimal manner.

The amendment also contains numerous provisions that protect and compensate the landowner. The provisions of particular note include:

- 1) Subsequent Favorable Terms – states that should a landowner group agree to terms with Cabot that are more favorable before May 1, 2018, then all landowners who had signed the amendment previously would receive the same benefit;
- 2) Royalty Increase – provides for 12.5% royalty that is free of post-production expenses for oil and natural gas;
- 3) Consideration – provides payment of \$25 per net acre covered by the amendment;
- 4) Water Testing – requires the operator to test water sources out to 3,000 feet from the wellhead (ODNR Regulations only require testing out to 1,500 feet);
- 5) Surface Restoration – requires the operator to replace fences and drainage tiles, pay for timber and crop loss, and restore the leasehold when operations are completed; and
- 6) Well Pad Location Fee – provides for payment of anticipated damages for surface activities.

It is also worth noting that the amendment **prohibits** Cabot from the following: A) disposing of drill cuttings or residual wastes on the property, B) drilling an injection or disposal well on the property, and C) using surface water without prior written consent, including drilling water wells.

These are just a few of the landowner favorable terms contained in the amendment, which are not in your current lease. Cabot welcomes the opportunity to review these with you and to discuss what other concerns you may have.

Does this amendment change any benefits that I am currently receiving?

No. The amendment does not change or alter rights held by Columbia from the surface of the Earth to bottom of the storage field nor does it amend any existing contractual rights that you might have with Columbia regarding its storage field operations (e.g., existing free gas, storage payments).

Why does Columbia have to sign the amendment?

Columbia owns the oil and gas lease to your property. This amendment modifies this lease to allow Cabot to explore and develop the formations below the storage field.

Who is running this project?

Cabot is running this project. Columbia is not running this project. Columbia has granted Cabot the right to explore and develop below the storage fields. This arrangement is common to the oil and gas industry and is designed to encourage development of oil and gas resources. Cabot is spending the capital to explore this area and to drill and complete any wells.

Why isn't Cabot offering a new lease instead?

As noted above, Columbia owns the oil and gas lease to your property. Nevertheless, the sublease with Columbia will allow Cabot to explore and hopefully develop the oil and gas under your property.

What happens next?

As Cabot progresses with the project, a Western Land Services representative will contact you to discuss amending your lease. In the meantime, please feel free to call 1-800-371-8074 to set an appointment with a representative of Western Land Services, or you can also contact Cabot directly at 1-412-249-3862 or through our website at <http://www.cabotog.com/ask-cabot/>.

What can you tell me about Cabot?

Cabot has the technology, resources and experience to explore and potentially develop this opportunity. The possibility for success could be around the corner but we need to work together. For background, Cabot has been a leader in the oil and gas exploration and production industry for over 125 years. With 80 of the top 100 producing wells in Pennsylvania, Cabot's Marcellus shale position in Northeast Pennsylvania has been the primary driver of record production in Pennsylvania. Cabot is more than an operator of these assets; it is also a member of the community. Cabot has a legacy of placing a high value on conducting our business with respect and care for people and the environment.

We welcome and encourage the opportunity to discuss this project with every landowner. We want to provide clear, accurate information and short-circuit hearsay, and respond to incomplete or inaccurate information that might be spread or disseminated. We appreciate your concern for land; we want to demonstrate how we can protect and preserve it, while also working to develop it so it can further provide for your future.

We sincerely hope we can come to an agreement to move forward in this area. It has the potential to create jobs, opportunity, and wealth in Ohio; however, we cannot do it without your help. Let's work together to move this project forward.

Very truly yours,

CABOT OIL & GAS CORPORATION



North Region Land Manager