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Grandview Golf Course Marcellus Shale Project Lease Offer Highlights

MPF Management LLC is pleased to announce that it has a conditional deal in place for Marcellus Shale development in the Grandview Golf Course area. MPF has been tasked by a publicly traded oil and gas exploration and development company in order to accumulate leases in the Grandview area. Because of confidentiality purposes, MPF can't disclose the name of this driller just yet.

Bob Beam, an owner of Grandview Golf Course, will be working with MPF and local landowners in order to have leases signed to be a part of the Marcellus Shale package.

This driller is committed to developing this unique and unconventional project provided that enough landowners in the immediate area sign leases to accommodate horizontal drilling of gas wells, and that permitting and a market for the gas are secured in the future.

Accordingly, "Step 1" in this process is for landowners to sign leases. By signing a lease the landowner is committing its acreage for drilling and the potential economic rewards. Enclosed is a lease option package for you to review. Highlighted terms are as follows:

- **Leases are "non-surface" development.** This means that the drilling company will never set foot on an acre of your property in order to drill or otherwise conduct operations. Grandview Golf Course is committed to serving as the site of any surface development.
- **Leases will allow landowners to collect a one-time "signing bonus" payment of \$850/acre for each acre leased.** This is substantially more than the current offer of \$0/acre to lease in the Grandview area. Lease bonuses will be paid upon the driller agreeing to accept the package. The driller will have until October 2014 to determine if it will take the package and then 90 days afterward conduct title searches and make payments to landowners. Should the driller eventually drill this prospect, it could drill 10 or more wells, spending anywhere between \$50-\$100 million in development costs.

- **Leases will allow landowners to collect “royalty payments” amounting to 13.25% of all oil and gas drilled and produced from their premises should wells be drilled in the future.** This is more than the state minimum of 12.5% and the royalties are without post-production deductions, which can be a savings of up to 25% of the gross production to the landowner. A common rule of thumb for calculating royalties (from Washington County, PA) is as follows:

_____ acres owned x \$100 x _____ wells drilled in your production unit = monthly royalty check amount.

So for example if you owned 10 acres and 6 wells were drilled...

10 acres owned x \$100 x 10 wells drilled in your production unit = \$10,000 monthly royalty check.

- As the driller will be paying MPF directly for its services in putting the deal together should the deal happen, there will be no fees owed to MPF by the landowners who sign leases.

MPF is very excited to have – after over 3 plus years of searching - found a reputable operator who is interested enough in this project to take the next steps of working with landowners in the Grandview area. We believe that this driller is a quality operator who is committed to safety, fair dealing, and using the best techniques and technology possible in order to maximize the production of its wells.

Thank you again for your cooperation and we look forward to working with you on this exciting opportunity.