D06-1-2011

STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

IN RE: **CARNAHAN B3-18-103 HDN**

PETITION OF ATLAS ENERGY INDIANA, LLC, FOR THE INTEGRATION OF INTERESTS LOCATED IN TOWNSHIP 3 NORTH, RANGE 8 WEST, KNOX COUNTY, INDIANA

PETITION FOR INTEGRATION OF INTERESTS

COMES NOW, Atlas Energy Indiana, LLC, of 10691 East Carter Road, Traverse City, Michigan 49684 ("Petitioner"), by attorney Karen J. Anspaugh, and pursuant to IC 14-37-9-1 and other applicable laws enacted by the State of Indiana to prevent waste and to avoid the drilling of unnecessary wells, respectfully petitions the Department of Natural Resources, Division of Oil and Gas ("Division"), to require the integration of all interests in the oil, gas and associated hydrocarbons and to develop a single unit.

In support thereof, Petitioner states as follows:

1. Petitioner intends to seek a permit from the Division to approve a well within the **CARNAHAN B3-18-103 HDN** unit, which includes land in Donation 102, Donation 103, Donation 114 and Donation 115, Township 3 North, Range 8 West, Knox County, Indiana, containing 405.730 acres, more or less ("Established Drilling Unit"). Said Established Drilling Unit is not in an area comprised of Sections established by the Official United States Public Lands Survey by the rectangular surveying system for the State of Indiana. If adjacent Survey Sections continued, the pooled unit would be comprised of the East Half of the Northwest Quarter and the West Half of the Northeast Quarter of Section 18, Township 3 North Range 8 West, together with the East Half of the Southwest Quarter and the Southeast Quarter of the Northwest Quarter, as well as the West Half of Southeast Quarter and the Southwest Quarter of the Northeast Quarter of Section 7, Township 3 North, Range 8 West.

2. The parcel subject to this Petition is labeled herein as Tract 9 and contains 1.00 acre, more or less ("Separately Owned Interest").

3. The Separately Owned Interest is owned by the following party ("Non-Consenting Owner"):

Dennis J. Meyer
10943 East Bud Road
Wheatland, Indiana 47597

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4. The following described exhibits are attached to this Petition and are incorporated herein:

   Exhibit A: Oil and Gas Lease Form Utilized in Project Area
   Exhibit B: Map of the Pooled Unit
   Exhibit C: Division of Gas Ownership Interest Spreadsheet
   Exhibit D: Contact Report Summarizing Lease Attempts

5. Petitioner owns valid and operative Oil and Gas Leases ("Operative Leases") covering all of the oil, gas and associated hydrocarbons underlying the Leased Parcels. Exhibit A is a sample Oil and Gas Lease form utilized by Petitioner in the project area.

6. Petitioner has commenced a Geologic or Structure Test Well on the Established Pooled Unit, being a single horizontal well into the New Albany Shale, which is anticipated to produce natural gas and the constituents thereof.

7. Natural gas and associated hydrocarbons are reasonably believed to underlie the Pooled Unit. It is also a reasonable belief that natural gas and associated hydrocarbons can be economically produced by drilling and operating a well.

8. The Separately Owned Interest is situated so as to constitute an integral and necessary part of the Established Pooled Unit as described in 312 IAC 16-5-3(c).

9. The Operative Leases contain terms which are standard in the industry and commonly utilized in the project area, including a royalty rate of 1/8th and a primary term of 5 years. Landowners in the general vicinity of the Pooled Unit are customarily compensated with a lease-signing bonus between $35.00 and $50.00 per acre.

10. The Operative Leases contain a pooling clause granting Petitioner the right and power to pool or combine the acreage covered thereby with other lands for the production of oil, gas and other hydrocarbons.

11. The Operative Leases contain terms giving the owner of each tract of land therein an equitable share of the net production of oil, gas and other hydrocarbons in the communitized unit over and above that which may be used or consumed for production or development purposes. Said net production share is based upon the ratio between tract acreage and the total acreage of the communitized unit. Production allocation shall be disbursed as if said production was generated from a well drilled on that tract.

12. The terms contained in the pooling clause of the Operative Leases provide the most just, reasonable and equitable method for sharing the production of oil, gas and other hydrocarbons from the Pooled Unit, to wit:

    > Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Land, whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided.

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and except that in calculating the amount of any shut-in gas royalties, only that part of the acreage originally leased and then actually embraced by this Lease shall be counted. With respect to the production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessor's acreage hereunder which is placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit.

14. Exhibit C sets out ownership information pertaining to both the Separately Owned Interest and the Leased Parcels.

15. Petitioner has repeatedly contacted the owner of the Separately Owned Interest and has diligently attempted to obtain an Oil and Gas Lease or consent to voluntarily integrate her interest with the Leased Parcels. Exhibit D is a Contact Report that summarizes said attempts.

16. Petitioner now desires to exercise its rights granted under the pooling clause contained in the Operative Leases, to explore for natural gas and associated hydrocarbons thereunder. Petitioner is being prevented from doing so by the existence of the Separately Owned Interest.

17. Petitioner is prepared to pay all costs associated with the drilling and abandonment of the well in the event the same is found to be a dry hole.

18. Petitioner intends to utilize, with the permission of the pertinent landowners, a portion of the surface within the Established Drilling Unit for a drill pad, measuring approximately 250 feet by 250 feet. An access road measures 30 feet wide by 125 feet long. No other surface structures or facilities are present.

19. Petitioner has executed an "Authority for Expenditure" that details the costs associated with drilling and operation of the well. The Authority for Expenditure will be provided to Division with this Petition. Division is authorized by Petitioner to provide a copy to all persons desiring to participate in the costs of drilling and operation of the well.

20. If Division does not require the integration of the Separately Owned Interest in the Established Pooled Unit, the natural gas and associated hydrocarbons thereunder cannot be economically and efficiently extracted, correlative rights cannot be protected and waste and the drilling of unnecessary wells will occur.

21. Division has the right and power, pursuant to the provisions of IC 14-37-9-1 et seq., to require such integration "upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool."

WHEREFORE, Petitioner respectfully moves Division, after any such notice and hearing as may be required by law, to issue an "Order for the Integration of Interests" to effectuate the following:

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1. Integrate the Separately Owned Interest with the Leased Parcels as one of the following:

   A) Royalty Owner: The rights and responsibilities of both the Royalty Owner and the Petitioner would be governed by the terms and conditions set out in the Operative Leases except that the Petitioner may recover the expenses associated with filing this Petition.

   B) Participating Owner: The rights and responsibilities of both the Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Participating Owner pay their share of the estimated costs of drilling and production and receive their proportionate share of production.

   C) Limited Participating Owner: The rights and responsibilities of both the Limited Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Limited Participating Owner:

      - Pay their share of the costs of drilling and production on a limited or carried basis
      - Have the same responsibilities as a Participating Owner, except that the costs of drilling and production would not include up-front costs
      - Receive no compensation from the Petitioner until the Petitioner has, through the sale of the Limited Participating Owner's share of production, recovered the proportional share of the costs of drilling, producing and operating the well, together with reasonable compensation for carrying the risk of a dry hole
      - Thereafter, receive a proportionate share of production and be treated as a Participating Owner.

2. Designate Petitioner as the operator of the Established Pooled Unit for the development and operation thereof; and

3. Implement any further terms and provisions in accordance with the law of the State of Indiana that Division may, in its discretion, deem desirable and proper.

Respectfully submitted,

Atlas Energy Indiana, LLC

By: _____ Date: 1/7/11

Karen J. Anspaugh #18975-49
Post Office Box 4212
Traverse City, Michigan 49685
231-228-2218
Attorney for Petitioner

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For Notification:

Atlas Energy Indiana, LLC
Attn: Paul A. Domagalski
10691 East Carter Road
Traverse City, Michigan 49684

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EXHIBIT "A"
Sample Oil and Gas Lease Utilized in Vicinity

OIL AND GAS LEASE
(PAID UP)

THIS AGREEMENT made and entered into this _____ day of _____, _____, by and between _____, hereinafter called LESSOR (whether one or more), and _____, hereinafter called LESSEE, WITNESSETH:

1. (Granting and Legal Description) LESSOR, for and in consideration of TEN DOLLARS AND OTHER CONSIDERATION, the receipt of which is hereby acknowledged, and the covenants and agreements of the LESSEE hereinafter contained, does hereby grant, lease and let unto LESSEE the land described below, including all interests therein LESSOR may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in exploring for, drilling for, producing, treating, storing, caring for, transporting and removing production from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, establish and utilize facilities for disposition of water, brine or other fluids, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said land is in the County of _____, State of Indiana, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

containing _____acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above, that are owned or claimed by LESSOR, or to which LESSOR has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir. The term "gas" when used in this lease shall mean a mixture of hydrocarbons and of non hydrocarbons in a gaseous state which may or may not be associated with oil, coal or shale, and including coal bed methane and shale gas and those liquids resulting from condensation of gas after it leaves the underground reservoir.

2. (Term and Operations) It is agreed that this lease shall remain in force for the primary term of Five (5) years from this date, and as long thereafter as operations are conducted upon said land with no cessation for more than 90 consecutive days, provided, however, that in no event shall this lease terminate if production of oil and/or gas from a well located on said land, or on lands pooled therewith, has not permanently ceased. If operations commenced during the primary term are discontinued less than 90 days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within 90 days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, drilling, coring, testing, completing, equipping, reworking, recompleting, deepening, plugging back, de-watering, water disposal, or repairing of a well in search of or in an endeavor to obtain production of oil and/or gas, and production of oil and/or gas whether or not in paying quantities.

3. (Royalty) LESSEE covenants and agrees to pay the following royalties: (a) To deliver to the credit of the LESSOR into tank reservoirs or into the pipeline to which LESSEE may connect its well, one-eighth of the oil produced and saved from said land, LESSOR's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of the LESSEE, LESSEE may sell the oil produced and saved from said land and pay LESSOR one-eighth of the net amount realized by LESSEE, computed at the wellhead, whether the point of sale is on or off said land, (b) To pay LESSOR on gas produced from said land (1) when sold by LESSEE, whether the point of sale is on or off said land, one-eighth of the net amount realized by LESSEE, computed at the wellhead, or (2) when used by LESSEE, for purposes other than those specified in Paragraph numbered 7 of this lease, the market value, at the wellhead, of one-eighth of said gas. Prior to payment of royalty, LESSOR shall execute a Division Order setting forth his interest in production. LESSEE may pay all taxes and privilege fees levied upon the oil and gas produced, and deduct a proportionate share of the amount so paid from any monies payable to LESSOR hereunder.

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4. (Shut in) If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land, or on lands pooled or communitized with all or part of said land, is at any time shut-in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut-in, whether before or after expiration of the primary term. LESSEE shall use reasonable diligence to market oil and/or gas capable of being produced from such shut-in well, but shall be under no obligation to reinject or recycle gas, or to market such oil and/or gas under terms, conditions, or circumstances which in LESSEE's judgment are uneconomic or otherwise unsatisfactory. If all wells on said land, or on lands pooled or communitized with all or part of said land are shut-in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut-in, LESSEE shall be obligated to pay or tender, as royalty, to LESSOR, (at LESSOR's address), or it's successors, as LESSOR's agent, which shall remain as the depository regardless of change in ownership of royalties, shut-in royalties or other money, the sum of $1.00 multiplied by the number of acres subject to this lease, provided however, that if production from a well or wells is sold or used off the premises before the end of any such period or, if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in wells, LESSEE shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check at the option of LESSEE, and the depositing of such payment in any post office, with sufficient postage and properly addressed to LESSOR, or said bank, within 60 days after expiration of the annual period shall be deemed sufficient payment as herein provided.

5. (Express or Implied Obligations) In the event LESSOR considers that LESSEE has not complied with its obligations hereunder, both express and implied, LESSOR shall give written notice to LESSEE, setting out specifically in what respects LESSEE has breached this contract. LESSEE shall have 60 days from receipt of such notice to commence and thereafter pursue with reasonable diligence such action as may be necessary or proper to satisfy such obligation of LESSEE, if any, with respect to LESSOR's notice. Neither the service of said notice nor the doing of any acts by LESSEE intended to satisfy any of the alleged obligations shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder. No judicial action may be commenced by LESSOR for forfeiture of this lease or for damages until after said 60 day period. LESSEE shall be given a reasonable opportunity after judicial ascertainment to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall nevertheless, remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by LESSEE in such shape as then existing spacing rules permit; and (b) any part of said land included in a pooled unit on which there are operations. LESSEE shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. (Actual Interest) If this lease covers less than the entire undivided interest in the oil and gas in said land (whether LESSOR's interest is herein specified or not), then the royalties and extension payment as provided in this lease shall be paid to LESSOR only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. (Lessee's rights) LESSEE shall have the right to use, free of cost, gas, oil and water produced on said land for LESSEE's operations hereunder, except water from the wells of LESSOR. When requested by LESSOR, LESSEE shall bury LESSEE's pipelines below plow depth. No well shall be drilled nearer than 200 feet from the house or barn now on said land without written consent of LESSOR. LESSEE shall pay for damages caused by LESSEE's operations to growing crops on said land. LESSEE shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other downhole equipment and fixtures.

8. (Pooling Clause: General) LESSEE is hereby granted the right to pool or unitize said land, or any part of said land, with other lands, as to any or all minerals or horizons, to establish units containing not more than approximately 320 acres; provided, however, such units may be established so as to contain not more than approximately 640 acres as to any or all of the following: (a) gas, (b) oil produced from formations below the base of the Black River Lime and (c) oil produced from wells classified as gas wells by the regulatory agency having jurisdiction. If larger units than those permitted above, either at the time established or thereafter, are required or permitted under any governmental rule or order for the drilling or operation of a well at a regular location or obtaining the maximum allowable from any well or for any other reason, then the maximum unit size authorized hereby shall conform to the size required or permitted by such governmental rule or order. LESSEE may enlarge the unit to the maximum area permitted herein and reform said unit to include after-acquired leases within the unit area. LESSEE may create, enlarge or reform the unit or units as above provided at any time, and from time to time, during the continuance of this lease, either before or after production is obtained. A unit established hereunder shall be effective for all purposes of this lease, whether or not all interests in the lands in the unit are effectively pooled or unitized. In no event shall LESSEE be required to drill more than one well in each unit. LESSEE may reduce or terminate such unit or units at any time prior to the discovery of oil or gas on the pooled acreage, or at any time after discovery subsequent to the cessation of production. LESSEE may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which such unit is located. ~~Any operations conducted~~

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on any part of the lands pooled shall be deemed to be on the lands leased herein within the meaning of all provisions of this lease. Production of oil and/or gas from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit.

9. (Pooling Clause for Shallow Formations) In addition to the right to pool granted to the LESSEE In Paragraph numbered 8 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, LESSEE is granted the right to pool or unitize the shallow formations in said land, or any part of said land with other lands, to establish units containing no more than approximately 2,560 acres. The exercise of the right shall be effective only if LESSEE drills or has drilled, no later than two (2) years after recording a declaration of the unit, at least one well completed in a shallow formation for each 320 acres in the unit. "Shallow formations" are defined as geologic formations between the surface of the earth and the base of the Silurian Formation. The unit shall consist of any combination of governmental quarter-quarter sections, each of which must share at least one common side with another. All provisions of Paragraph numbered 8, including those regarding LESSEE's identification of a unit, the effect of operations conducted thereon and the allocation of production from wells thereon, shall apply in the same manner to a unit formed pursuant to this paragraph for production from shallow formations, except to the extent inconsistent with this paragraph. LESSEE may expand the unit to include additional lands until a maximum of 2,560 acres is included in the unit, provided that the required wells density (one well for every 320 acres) is maintained, or is attained by the drilling of an additional well or wells within one (1) year after each such expansion.

10. (Future regulations State or Federal) All present and future rules, regulations and orders of any governmental agency pertaining to well spacing, drilling, or productions units, use of materials and equipment, or otherwise, shall be binding on the parties hereto with like effect as though incorporated herein at length, provided, however, that no such rule, regulation or order shall (a) prevent LESSEE from pooling oil and/or gas development units as provided in Paragraphs numbered 8 and 9 hereof, larger than the well spacing, drilling or production units prescribed or permitted by such rule, regulation or order or (b) require a greater density for shallow formation wells then required by Paragraph numbered 9 above.

11. (Operations if land is subdivided) If, after the date hereof, the leased premises shall be conveyed in severalty or in separate tracts, the premises shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit designated by the state regulatory agency for such well and apportioned among said tracts on a surface acreage basis; provided, however, if a portion of the leased premises is pooled with other lands for the purpose of operating the pooled unit as one lease, this paragraph shall be inoperative as to the portion so pooled.

12. (Acts of God, etc.) If LESSEE is prevented from, or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within LESSEE's control, this lease shall not terminate and LESSEE shall not be liable in damages so long as said circumstances continue (the "period of suspension"). These circumstances include, but are not limited to the following: Conflict with federal, state or local laws, rules, regulations, and executive orders; acts of God; strikes; lockouts; riots; wars; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by LESSEE; equipment failures; inability to obtain materials in the open market or to transport said materials. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, this lease shall not terminate if LESSEE shall commence or resume operations within 90 days after the end of the period of suspension.

13. (Estate) If the estate of either party hereto is assigned, the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs, devisees, legal representatives, successors or assigns. Notwithstanding any other actual or constructive knowledge of the record owner of this lease, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on the then record owner of this lease until 45 days after the record owner has received, by certified mail, written notice of such change, and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of record owner to establish the validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof however accomplished, shall increase the obligations or diminish the rights of LESSEE, including, but not limited to, rights and obligations relating to the locating and drilling of wells and the measurement of production. Upon assignment by LESSEE, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of ~~any other part.~~

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14. (Warranty) LESSOR hereby warrants and agrees to defend the title to said land, and agrees that LESSEE may at any time pay all or part of any land contract, mortgage, taxes, or other liens or charges with respect to said land, either before or after maturity, and be subrogated to the rights of the holder thereof, and may reimburse itself by applying to such payments any royalty or other monies payable to LESSOR hereunder. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as LESSOR.

15. (Surrender of Lease) LESSEE may at any time surrender this lease as to all or part of said land, by delivering or mailing a release to LESSOR if the lease is not recorded, or by placing a release of record in the proper county if the lease is recorded. If this lease is surrendered only as to part of said land, any shut-in royalties which may thereafter be payable hereunder shall be reduced proportionately.

16. (Written notification) All written notices permitted or required by this lease to be given LESSOR and LESSEE herein shall be at their respective addresses listed hereinabove, shall be by certified United States mail, and shall identify this lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.

17. (Extension of Option) This lease may, at LESSEE's option, be extended as to all or part of the lands covered hereby for an additional primary term of _____ years commencing on the date that the lease would have expired but for the extension. LESSEE may exercise its option by paying or tendering to LESSOR an extension payment of _____ per acre for the land then covered by the extended lease, said bonus to be paid or tendered to LESSOR in the same manner as provided in Paragraph numbered 4 hereof with regard to the payment of shut-in royalties. If LESSEE exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term. LESSEE's option shall expire on the first to occur of the following: (a) the termination or expiration of this lease or (b) the second anniversary of the expiration of the primary term stated in Paragraph numbered 2 above.

18. (Unitization) Lessor agrees to participate in and to execute a unitization agreement as provided by Lessee, pooling this land with other lands to create a production unit(s).

Executed as of the day and year first above written.

STATE OF INDIANA)
)SS (Acknowledgment)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this_____ day of _____, 2010, by

_____

My commission expires_____

_____
Notary Public

Notary in_____County, Indiana

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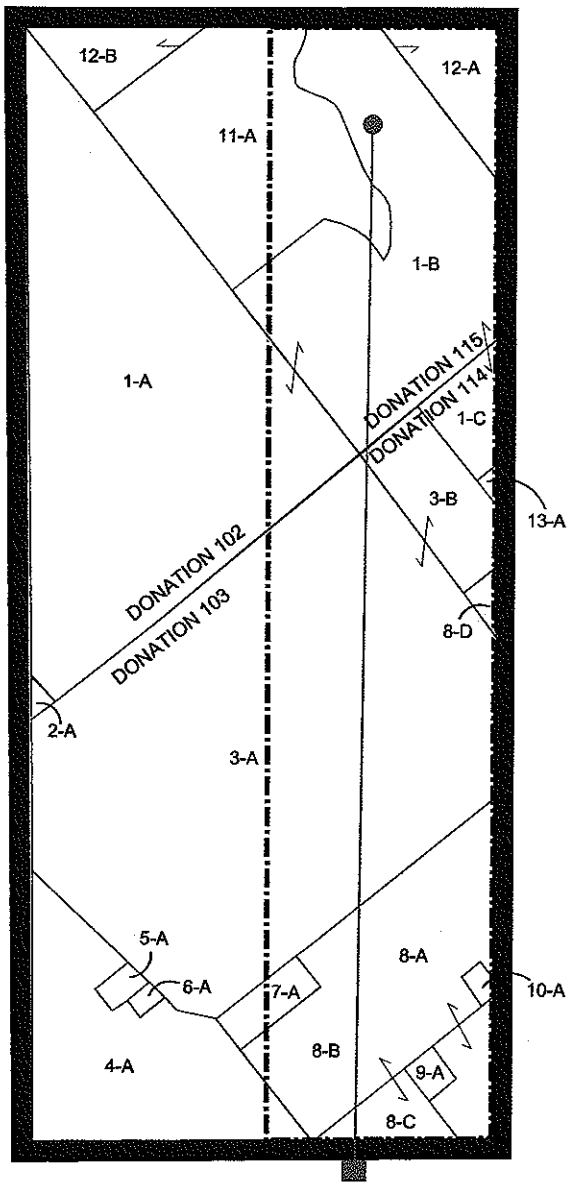
Division of Oil & Gas

Atlas Energy Resources, LLC

EXHIBIT "B"

NOTES :

1. SHUTTER, Tim & Robin
   - 1-A
   - 1-B
   - 1-C
2. HILL, Debra
   - 2-A
3. LOMAR ROAD LLC (HILL, Charles H.)
   - 3-A
   - 3-B
4. ROBINSON FARMS INC.
   - 4-A
5. KNOY, Donald L. & Denise R.
   - 5-A
6. MARLEY, Joseph & Sherry
   - 6-A
7. GOODWIN, Donald & Janet G.
   - 7-A
8. CARNAHAN, W.Lowell & Sons INC.
   - 8-A
   - 8-B
   - 8-C
   - 8-D
9. MEYER, Dennis J.
   - 9-A
10. OTTEN, Carl Eugene
    - 10-A
11. DUNLAP, Frances G. & Rita Ann
    - 11-A
12. FULFORD, Robert O. & Luella
    - 12-A
    - 12-B
13. DILLION, Paul E. & Nancy Sue
    - 13-A



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CARNAHAN B3-18-103 HDN

AEI LEASEHOLD

DRILLING UNIT

PRODUCTION UNIT

WELL SURFACE HOLE LOCATION

WELL BOTTOM HOLE LOCATION

N
W E
S

SECTION 18/7
T3N-R8W
STEEN TWP., KNOX CO.

01/03/11

INDIANA\ST_LANDS_EXHIBITS\CarnahanB3-18-108HDN

EXHIBIT "C"
DIVISION OF GAS INTEREST

Tract	Acres in Unit	Interet Holder	Type	Rate	Royalty
Leased Acreage:					
1	133.4500	Atlas Energy Indiana, LLC	WI	87.50%	
		Tim and Robin Shutter	RI	12.50%	4.11142
		Total Interest			
2	0.2800	Atlas Energy Indiana, LLC	WI	87.50%	
		Debra Hill	RI	12.50%	0.00863
		Total Interest			
3	148.5000	Atlas Energy Indiana, LLC	WI	87.50%	
		Lomar Roads LLC (Charles H. Hill)	RI	12.50%	4.57509
		Total Interest			
4	31.4200	Atlas Energy Indiana, LLC	WI	87.50%	
		Robinson Farms, Inc.	RI	12.50%	0.96801
		Total Interest			
5	2.0400	Atlas Energy Indiana, LLC	WI	87.50%	
		Donald L. and Denise R. Knoy	RI	12.50%	0.06285
		Total Interest			
6	0.4700	Atlas Energy Indiana, LLC	WI	87.50%	
		Joseph and Sherry Marley	RI	12.50%	0.01448
		Total Interest			
7	3.0000	Atlas Energy Indiana, LLC	WI	87.50%	
		Donald and Janet G. Goodwin	RI	12.50%	0.09243
		Total Interest			
8	35.4300	Atlas Energy Indiana, LLC	WI	87.50%	
		W. Lowell Carnahan & Sons, Inc.	RI	12.50%	1.09155
		Total Interest			
10	0.3600	Atlas Energy Indiana, LLC	WI	87.50%	
		Carl Eugene Otten	RI	12.50%	0.01109
		Total Interest			
11	34.3600	Atlas Energy Indiana, LLC	WI	87.50%	
		Frances G. and Rita Ann Dunlap	RI	12.50%	1.05859
		Total Interest			
12	15.0400	Atlas Energy Indiana, LLC	WI	87.50%	
		Robert O. and Luella Fulford	RI	12.50%	0.46336
		Total Interest			
13	0.3800	Atlas Energy Indiana, LLC	WI	87.50%	
		Paul E. and Nancy Sue Dillon	RI	12.50%	0.01171
		Total Interest			
	404.7300	**Total Leased Acreage**			

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Unleased Acreage:

9	1.0000	Dennis J. Meyer	12.50%	0.03081
	405.7300	**Total Acres in Pooled Unit**		
			Total Royalty Interest	**12.50000**

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EXHIBIT "D"
Contact Report

1. Representatives of Atlas Energy Indiana, LLC (hereinafter "Atlas"), have contacted Dennis J. Meyer (hereinafter "Non-Consenting Owner") on numerous occasions to offer the opportunity to execute an Oil and Gas Lease. The Non-Consenting Owner lives in Wheatland, Indiana, and in recent communication attempts has indicated he is unwilling to enter into any contract whatsoever regarding his property.

2. On October 30, 2010, Atlas left a note on the Non-Consenting Landowner's door regarding an Oil and Gas Lease.

3. On November 1, 2010, Atlas called back, and the Non-Consenting Landowner agreed to meet, but he did not want to sign and Oil and Gas Lease for $100.

4. On November 15, 2010, Atlas visited the Non-Consenting Landowner again, but the Non-Consenting Landowner was not willing to sign an Oil and Gas Lease.

5. On December 1, 2010, Atlas left another note on the Non-Consenting Landowner's door and increased its offer to $500.

6. As of December 7, 2010, the Non-Consenting Landowner had not responded to Atlas's offer of $500.

7. On December 7, 2010, Atlas met with the Non-Consenting Landowner again. The Non-Consenting Landowner indicated he is not willing to sign an Oil and Gas Lease for any amount because he did not want to enter into any contract whatsoever regarding his property.

8. On January 5, 6 and 7, of 2011, Karen J. Anspaugh called the Non-Consenting Landowner's phone number. An automated response reported that the cell number was not available.

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