



Your oil and gas leasing solution

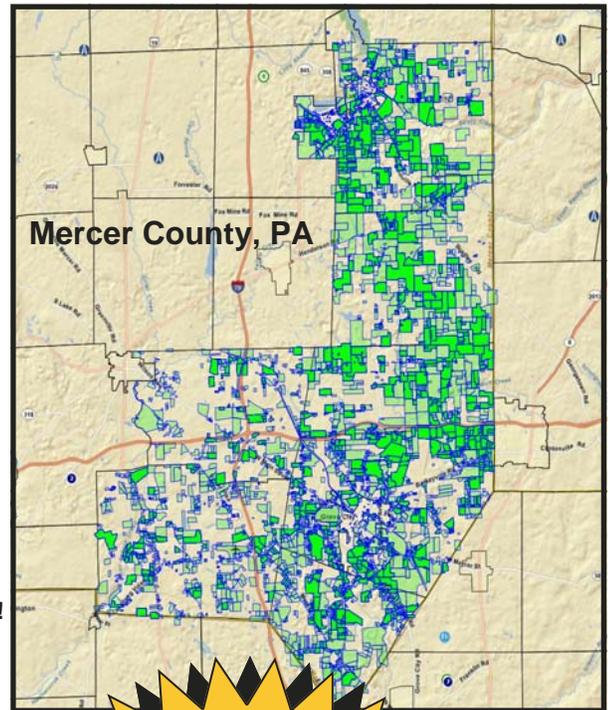
Special Mercer County Update!

In our June 2013 newsletter, we reported that we were in contact with 212 companies and 41 of those companies had expressed some level of interest in our Mercer County acreage. Since then, we launched a Special Mercer County Prospect Overview Campaign that showcased your acreage along with geological reports and pipeline data. As a result, 6 of those companies expressed a heightened level of interest in your acreage. **1 company in particular made a special trip to CX-Energy this week to discuss the possibility of leasing your oil and gas rights in Mercer County!** It is too early in the process for us to disclose the name of the company however, we can tell you that it is a publically traded oil and gas company that currently holds hundreds of thousands of gross acres of leases across 5 counties in north central Pennsylvania and would like more. The company's engineering and geoscience team is currently collaborating with the CX-Energy team to evaluate our acreage. While we are very encouraged by this progress, we do not yet have a written offer to report in your area. **We wanted to provide you with this brief update and let you know that a Mercer County lease offer might be happening soon, so watch your mailbox! Once we have an offer in hand, we may only give a few days notice for an offer meeting.**

Next Steps: CX-Energy and the attorneys with M&P will continue to work for a written lease offer with this interested oil & gas company. **As soon as we have a written offer, we will schedule a landowner meeting and notify you by mail. It is a fact that nice big blocks are the first ones that get drilled, so encourage your neighbors to join the group to increase your chance of being drilled faster by the eventual lessee. We will offer the 6% rate to your neighbors who join the group BEFORE a written offer is presented.** In the meantime, we will provide additional information to the other 5 companies that expressed interests from our Prospect Overview Campaign. If you receive offers or visits from landmen, tell them to contact CX-Energy and please contact us as soon as possible with the details.

We hope to have an offer to show you soon. If you have any questions, please contact CX-Energy at 724-933-1311 or Morascyzk and Polochak Attorneys at Law at 412-564-5695.

The company that visited our office this week was thrilled that we currently have 23,000 acres in Mercer County but told us they would like 40,000 more! The GIS map on the right shows your current acreage in dark green and open acreage in lime green (non-leased acreage). You can take an active role in maximizing the likelihood and level of success of our group by logging into our GIS mapping tool to view landowners in your area who have not committed to the group and talking to them about the benefits of the CX-Energy leasing process. (Printable Landowner Market Place Agreements are available on our website or contact us to have one mailed directly to your neighbor) Encourage your neighbors and friends to join the group with you because this will help us to bring you a better deal, faster. Our Landowner Development Team is available to answer questions: 724-933-1311 or mtjax4@cx-energy.com



GIS tool access: www.cx-energy.com



We are optimistic that the signs are pointing to the increasing interest in leasing your acreage.

Nationally/ Globally: The President rolled out a climate action plan on Tuesday that supports the important role of natural gas in achieving “more cleaner burning natural gas, which provides safe, cheap power” and positions the United States as the “top natural gas producer”.

Locally: The proximity to pipeline is attractive to oil and gas companies as they map the land for well pad locations. Lucky for us, Mercer County is prepared with 2 active natural gas pipelines running through the area (National Fuel and Tennessee Gas) and a third Liquid Petroleum Gas/ Natural Gas pipeline proposed by MarkWest Energy that would be within 10 miles.

Activity of nearby drilled and completion wells is also working in our favor. Halcón's Allam #1H in Venango County, Pennsylvania, was the discovery well and is currently shut-in awaiting infrastructure. This well was drilled to a total measured depth of 14,300 feet, with an effective lateral length of 5,580 feet and was completed with 21 frack stages. The well is located in the gas/ condensate window of the play and tested at a peak rate of 6.6 MMcf/d of 1,210 BTU natural gas and 22 barrels of condensate per day. Halcón estimates the well will produce an additional 728 barrels of NGLs per day for a total peak production rate of 1,652 Boe/d.

Rex Energy's Cheeseman #1H located in nearby Muddy Creek Township Butler County, Pennsylvania has had strong production rates as well.



TELL YOUR NEIGHBORS AND FRIENDS ABOUT SMART LEASING WITH CX-ENERGY!

Here are the highlights if you are talking to your neighbors and friends:

We form landowner groups:

Our process begins with the creation of a landowner group. We have chosen our group locations based on the current economics within the natural gas industry, and areas with promising geology for the future. Our online GIS mapping tool, regular meetings, and newsletters keep our members informed and educated.

We Grow Contiguous Acres:

Our professional, full-time team is dedicated to growing our groups, while focusing on building contiguous acreage. We utilize strength in numbers in order to create greater bargaining power for the landowner. Oil and gas companies are looking for contiguous blocks of land to form drilling units. As a landowner acting alone, it can be difficult to attract interest in your individual property, but when you are part of a larger group your holdings will command more market power.

Members gain access to our online interactive GIS mapping tool with full access to view which landowners in their area have and have not committed to the group. This allows members to take an active role in assisting the growth of the group through neighbor referrals.

We Market the Landowner Group Acreage:

Our experienced team stays in constant communication with multiple oil and gas companies by keeping them updated with the ongoing progress of our groups. We provide access to our GIS mapping tool which offers potential bidders highly organized information to assess the group opportunities. When the time is right, we help identify who is qualified to make offers based on their area of interest and budget. We also take into consideration their history of responsible drilling and industry reputation. Our goal is to identify multiple oil and gas companies to provide lease offers to each landowner group.

We Negotiate a Premium Lease:

CX-Energy is not a law firm and does not intend to act as your legal counsel. As part of our services we team up with oil and gas attorneys who specialize in negotiating oil and gas leases with premium terms including upfront bonus payments, ongoing royalty payments, and surface and water protections.

Active Landowner Groups Open for Enrollment:

We are currently creating and marketing landowners groups in many counties. We would be happy to discuss with you the benefits of joining a landowner group and even help you to find a landowners group in your area that you may consider joining. Contact us to discuss your options. contact@cx-energy.com or 724-933-1311

