**GLOSSARY OF CERTAIN INDUSTRY TERMS**

“Bcf”  One billion cubic feet of gas.

“Bcfe”  One billion cubic feet of gas equivalent.  Determined using the ratio of one barrel of crude oil to six Mcf of natural gas.

“Bbl”  One stock tank barrel, or 42 U.S. gallons liquid volume, used herein in reference to crude oil or other liquid hydrocarbons.

“Btu”  British thermal unit, which is the heat required to raise the temperature of a one-pound mass of water from 58.5 to 59.5 degrees Fahrenheit.

“Dekatherm”  A thermal unit of energy equal to 1,000,000 British thermal units (Btu’s), that is, the equivalent of 1,000 cubic feet of gas having a heating content of 1,000 Btu’s per cubic foot.

“Development drilling”  The drilling of a well within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

“Downspacing”  The process of drilling additional wells within a defined producing area to increase recovery of natural gas and oil from a known reservoir.

“EBITDA”  Represents net income attributable to common stock plus interest, income taxes, depreciation, depletion and amortization.  We refer you to “Business - Other Items - Reconciliation of Non-GAAP Measures” in Item 1 of Part I of this Form 10-K for a table that reconciles EBITDA with our net income as derived from our audited financial information.

“Exploratory prospects or locations”  A location where a well is drilled to find and produce natural gas or oil reserves not classified as proved, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir or to extend a known reservoir.

“Finding and development costs”  Costs associated with acquiring and developing proved natural gas and oil reserves which are capitalized pursuant to generally accepted accounting principles, including any capitalized general and administrative expenses.

“Gross acreage or gross wells”  The total acres or wells, as the case may be, in which a working interest is owned.

“Infill drilling”  Drilling wells in between established producing wells, see also “Downspacing.”

“LIBOR”  Represents the London Inter-Bank Overnight Rate of interest.

“MBbls”  One thousand barrels of crude oil or other liquid hydrocarbons.

“Mcf”  One thousand cubic feet of natural gas.

“Mcfe”  One thousand cubic feet of natural gas equivalent.  Determined using the ratio of one barrel of crude oil to six Mcf of natural gas.

“MMBbls”  One million barrels of crude oil or other liquid hydrocarbons.

“MMBtu”  One million Btu’s.

“MMcf”  One million cubic feet of natural gas.

“MMcfe”  One million cubic feet of natural gas equivalent.  Determined using the ratio of one barrel of crude oil to six Mcf of natural gas.

“Net acres or net wells”  The sum of the fractional working interests owned in gross acres or gross wells.

“Net revenue interest”  Economic interest remaining after deducting all royalty interests, overriding royalty interests and other burdens from the working interest ownership.

“NYMEX”  The New York Mercantile Exchange.

“Operating interest”  An interest in natural gas and oil that is burdened with the cost of development and operation of the property.

“Play”  A term applied to a portion of the exploration and production cycle following the identification by geologists and geophysicists of areas with potential oil and gas reserves.

“Producing property”  A natural gas and oil property with existing production.

“Proved developed reserves”  Proved reserves that can be expected to be recovered from existing wells with existing equipment and operating methods. For additional information, see the SEC’s definition in Rule 4-10(a)(3) of Regulation  
S-X, which is available at the SEC’s website, http://www.sec. gov/divisions/corpfin/forms/regsx.htm#gas.

“Proved reserves”  The estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. For additional information, see the SEC’s definition in Rule 4-10(a)(2)(i) through (iii) of Regulation S-X, which is available at the SEC’s website, http://www.sec. gov/divisions/corpfin/ forms/regsx.htm#gas.

“Proved undeveloped reserves”  Proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.  Reserves on undrilled acreage shall be limited to those drilling units that offset productive units and that are reasonably certain of production when drilled. For additional information, see the SEC’s definition in Rule 4-10(a)(4) of Regulation S-X, which is available at the SEC’s website, http://www.sec. gov/divisions/corpfin/forms/regsx.htm#gas.

“PV-10”  When used with respect to natural gas and oil reserves, PV-10 means the estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and future development costs, using prices and costs in effect as of the date of the report or estimate, without giving effect to non-property related expenses such as general and administrative expenses, debt service and future income tax expense or to depreciation, depletion and amortization, discounted using an annual discount rate of 10%.  Also referred to as “present value.” After-tax PV-10 is also referred to as “standardized measure” and is net of future income tax expense.

“PVI” A measure that is computed for projects by dividing the dollars invested into the PV-10 resulting from the investment.

“Recomplete” This term refers to the technique of drilling a separate well-bore from all existing casing in order to reach the same reservoir, or redrilling the same well-bore to reach a new reservoir after production from the original reservoir has been abandoned.

“Royalty interest”  An interest in a natural gas and oil property entitling the owner to a share of oil or gas production free of production costs.

“Step-out well”  A well drilled adjacent to a proven well but located in an unproven area; a well located a “step out” from proven territory in an effort to determine the boundaries of a producing formation.

“Undeveloped acreage”  Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of natural gas and oil regardless of whether such acreage contains proved reserves.

“Well spacing” The regulation of the number and location of wells over an oil or gas reservoir, as a conservation measure.  Well spacing is normally accomplished by order of the regulatory conservation commission.  The order may be statewide in its application (subject to change for local conditions) or it may be entered for each field after its discovery.

“Working interest”  An operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and to receive a share of production.

“Workovers”  Operations on a producing well to restore or increase production.

“WTI”  West Texas Intermediate, the benchmark crude oil in the United States.

Easy reading:

<https://www.edisonenergy.com/blog/nymex-vs-index-natural-gas-contracts-matters/>