

Excerpt of Penn Township Resolution No. 104-2016

- (a) Providing all third-party permits to Penn Township prior to the construction and drilling of the wells;
- (b) Providing a study including air modeling and hydrogeological studies regarding potential pathways that a spill or release of fluid may flow similar to the study accepted on the Quest Central Pad-7 and submitted with the applications for the Beattie Central Pad-37, Draftina Central Pad-31, and White Central Pad-30;
- (c) Constructing and maintaining industry standard physical barriers (commonly referred to as "sound walls") on all sides of each Pad which will provide for the absorption and mitigation of sound, light and airborne materials, if present, emanating from the drilling, completion and on-site pipeline connection of natural gas wells. Such barriers will be assembled and constructed on the Pad following construction and vegetation of the Pad, and will remain in place during the mobilization, drilling, completion, and demobilization activities taking place on each Pad. Following commencement of gas production, the barriers may be removed by Apex. In the event that Apex engages in separate and non-consecutive drilling, completions or turn-to-sales activity, Apex may disassemble such barriers between each activity, but must reassemble the barriers prior to the commencement of each activity or operation;
- (d) Participating in and paying for third party noise monitoring during the construction, drilling, and completion stages of development. Thirty (30) days prior to the commencement of construction of a Pad, Apex and the Township shall select an industry accepted noise specialist from a list of five (5) qualified industry experts developed by Apex. The selected noise specialist shall take baseline measurements for each Pad. During construction, drilling, and completion of each pad, the noise specialist shall conduct active monitoring at the property line nearest Apex's limit of disturbance once every three (3) days. The Township may contact the noise specialist and direct the noise specialist as to the specific time for the active monitoring in each three day interval. The results of the monitoring shall be available upon the Township's request. The noise specialist shall notify Apex and the Township if the monitoring shows results attributable to Apex's oil and gas operations above any applicable performance standard. The parties agree that the temporary movement of vehicles to and from the site shall not be included in the noise monitoring. Apex shall also maintain a log of on site monitoring conducted for OSHA purposes and shall notify the Township of any reading beyond the sound barriers showing Apex's operations above 90 decibels for a period in excess of two (2) hours;

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- (e) Providing a site plan or testimony of a Pennsylvania Registered Professional Engineer certifying that the Pad will meet all setback requirements of the Current Ordinance. To the extent a Protected Structure exists within 600 feet of a well bore, Apex may provided evidence of a waiver or consent of the owner to the oil and gas operation development;
- (f) To the extent permitted by Pennsylvania laws and regulations as defined by the DEP, planting and vegetating each Pad in consultation with Penn Township to provide for the visual enhancement of the Pad in concert with surrounding vegetation and topography;
- (g) Establishing and maintaining a 24-hour emergency hotline telephone number to be used by the Township representatives, employees, contractors, and volunteer fire companies to contact Apex employees and contractors directly in the event of an emergency. In addition, Apex will provide two (2) separate direct cellular telephone contacts of Apex's Chief Operating Officer and Senior Drilling Engineer that may also be contacted in the event of an emergency. Except with the express written consent of Apex, no telephone or cellular telephone numbers provide under this provision shall be made publicly available for the use of any other private person or party;
- (h) Apex will participate with or agree to the monitoring of air quality emissions and particulate content during drilling and completion activities. Apex will agree to pay for third-party monitoring and testing from a mutually acceptable expert with experience in this industry. The expert shall take baseline readings at each Pad. The expert shall engage in active monitoring twice a week on the first Pad. For all subsequent pads, Apex and the Township may agree to limit testing to once a week. Testing locations shall be established on relevant parcel or leasehold boundaries but in all events the only location that will be used for air monitoring located within Apex's established limit of disturbance shall be situated at the access road entrance. No other air monitoring equipment will be located within Apex's limit of disturbance including but not limited to the Pad or associated stormwater or erosion and sedimentation control facilities. Apex will notify the Township if any monitoring for OSHA emissions requirements at the site exceed OSHA's standards. In the event that a DEP reportable spill or any spill that is reported to the DEP by Apex occurs at a Pad-Site, the Township may require immediate air monitoring until the spill is abated or remediated. Other than in emergency situations, Apex will not flare or incinerate natural gas at the Pad during completion or flowback operations, and Apex will comply with all state and federal regulations applicable to emissions relating to its operations on the Pad. This condition shall conclusive establish compliance with 190-407.G(9) and also show compliance with § 190-641(D);

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- (i) In conjunction with the aforementioned physical barriers, mitigating the direction or deflection of light sources off the Pad, including but not limited to use of low-glare lighting sources, light shields, and low vertical profile lighting equipment. Upon request by the Township, Apex will meet with the Township to take steps to further mitigate specific instances of complaints regarding Apex light sources. In all circumstances, Apex will have the right to take any and all steps to ensure that work surfaces will be properly lit to provide for a safe workspace for Apex workers and contractors; and
- (j) Ensuring that no trucks or construction vehicles will be staged or queued on any public roads within the Township. Apex will consult with the local School District at each Pad to coordinate and minimize truck traffic during regularly scheduled school bus stops. Apex will follow the requirements of the Diesel-Powered Motor Vehicle Idling Act of 2008 to minimize unnecessary vehicle idling on the Pad. Apex will inspect to ensure that all vehicles utilized on the Pad will maintain all required certifications and permits applicable to such vehicles.