

Utica Shale & Pipeline

Update and Review

May 2026

In This Issue:

- How to Make Sure You Reserve Oil and Gas Rights
- Fifth District Court of Appeals Upholds Lower Court Finding that Statutory Unitization Did Not Breach Clause in Lease Limiting Maximum Size of Oil and Gas Development Unit
- Antero Sells Utica Assets to Infinity Natural Resources
- The Supreme Court of Ohio to Decide What is an Overriding Royalty Interest

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Chairman's Message:

Ohio Oil and Gas Association Winter Meeting and Uptick in Leasing

In early March I had the opportunity to attend and present at the 2026 Winter Meeting for the Ohio Oil and Gas Association, known as OOGA. OOGA is an association of oil and gas producers, service providers, and other businesses, focusing primarily on the industry-side of the production, exploration, midstream, and refining processes. I was asked to discuss issues with landowner-leasing groups. These groups were very popular in the early stages of the recent Ohio leasing boom and perhaps waned for a few years.

It was a timely presentation as we are seeing an increase in leasing groups. One aspect of that has been what I would call informal leasing groups, those without a formal structure and which appear to be led by non-attorneys. We are seeing several groups approaching landowners in those counties with increased leasing activity, such as Columbiana County. The issue with these groups is that they seek to have landowners sign written agreements giving the group the exclusive right to market the landowner's mineral rights for leasing or sales. While there is nothing inherently wrong with these groups, we think landowners must carefully consider those agreements, including the impact on the right to negotiate separately for leases or sales. A landowner must also carefully consider the fee structures for these groups and for those without fee structures disclosed upfront, consider how the group leaders are being compensated for their efforts.

Overall, I view a sense of optimism in the industry, with commodities prices and demand increasing based on several global factors, including overseas conflicts and increased power consumption expectations related to AI data centers. That said, I think we also see the potential for increased chances for consolidation within the industry. Later I will discuss a recent acquisition having significant effects in the leasing and production markets.

The optimism within the general oil and gas industry has specifically shown up in an uptick in leasing in counties which have not been drilled. These counties include Stark, Tuscarawas, portions of Columbiana, and Mahoning. The increase activity in Mahoning County has shown up through large group meetings, mostly run by producers or land companies seeking to sign up large tracts. Landowners may feel the "fear-of-missing-out" and use that fear to immediately sign up to lease. But we suggest taking time to seek out all potential deals, hoping to maximize the financial and other protective terms. That is why our firm has been actively marketing a significant amount of acreage and intend to build out landowner leasing groups.

We are set to hold a virtual group meeting on June 9 2026 at 12:00PM EST. We will be discussing general leasing issues, as well as our efforts to market our clients' acreage to get the best deal. If you would like to attend this virtual meeting, please contact Jennie Badalamenti, at 330-244-2364, or by email at jbadalamenti@kwgd.com to get details and to get onto the attendance list.

Matthew W. Onest
Attorney at Law

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Dave Yost

Ohio Attorney General
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Columbus, OH 43215
800-282-0515

Senator Brian Chavez

Senate Building
1 Capitol Square, 1st Floor
Columbus, OH 43215
614-466-6508
Represents Washington,
Athens, Belmont, Meigs,
Morgan, Monroe, Noble,
Harrison and Jefferson
Counties and part of Guernsey
County

Senator Al Cutrona

Represents the 33rd District
Mahoning, Columbiana and Carroll
Counties
614-466-8285

Senator Al Landis

Represents the 31st District
Tuscarawas, Wayne and Musking-
um Counties, parts of Stark and
Guernsey Counties
614-466-5838

Senator Jane Timken

Represents the 29th District
Canton area and most
of Stark County
614-466-0626

*The Utica Shale & Pipeline
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How to Make Sure You Reserve Oil and Gas Rights

By Matthew W. Onest, Esq.

Despite what many think, reserving minerals is not as easy as just saying reserving minerals. One must be careful not to overstate one's intent by including extraneous language which can later be used to limit the mineral reservation. If you want to reserve all minerals, including oil and gas, you must say so as plainly and clearly as possible. A recent opinion from the Supreme Court of Ohio highlights the potential pitfalls in wording mineral reservations.

In *Faith Ranch & Family Fund Inc. v. PNC Bank*, 2026-Ohio-1145, the Supreme Court of Ohio had to interpret a 1953 deed which reserved to the grantor the "right to mine and remove...coal and other minerals of any vein." The surface owner claimed that this language did not reserve the oil and gas and the mineral claimants, for obvious reasons, claimed the opposite. All agree that "oil and gas" are minerals and if the reservation simply reserves "all minerals" that oil and gas would be included. The problem arises when other language is contained in the reservation.

The Supreme Court started with the general rule that "other minerals" may include oil and gas but does not have to in all cases. Yes, there are different definitions of "minerals" but that does not, according to the Supreme Court, make the word ambiguous (meaning always unclear as to its meaning when used in a deed). A court must look to the context of the word used within the deed. The Supreme Court determined "right to mine and remove...coal and other minerals of any vein" excluded oil and gas:

First, the term "mine" can mean methods for producing oil and gas but are more often used to describe hard minerals, like coal and iron ore. When a reservation used the term "mine" it is likely referring to hard minerals unless there are other words which are associated with oil and gas, such as "pipe lines", "tanks", or "drilling of wells". Leaving words associated within oil and gas extraction indicates that oil and gas were not included.

Second, the word "vein" is commonly understood to refer to coal veins. If the reservation uses the term "vein" but does not contain other references to oil then it likely means oil was not included in the term "minerals." The reservation said "coal and other minerals of any vein." Because coal is the specific term used in the language it is followed by the assumption that "other minerals of any vein" must be interpreted as closely as possible to being coal, which would not include oil or gas.

While *Faith Ranch & Family Fund Inc. v. PNC Bank* was decided on its own facts, one must be careful in crafting mineral reservations. This decision also opens the door for new lawsuits based on older reservations which use similar terms.



Fifth District Court of Appeals Upholds Lower Court Finding that Statutory Unitization Did Not Breach Clause in Lease Limiting Maximum Size of Oil and Gas Development Unit

By Wayne A. Boyer, Esq.

In an update to the article in the last newsletter, the Fifth District Court of Appeals affirmed a Guernsey County Court of Common Pleas decision that the inclusion of an owner's acreage within the Ohio Department of Natural Resources ("ODNR") statutory unitization process did not violate a clause contained within that owner's lease limiting the maximum size of an oil and gas development unit.

In *Chervenak Family Trust v. Ascent Resources – Utica, LLC*, Fifth Dist. Guernsey App. No. 25CA00033 (Mar. 16, 2026), the Fifth District Court of Appeals reviewed a 1972 oil and gas lease covering Plaintiff's lands which included a clause granting to the Lessee "the right to consolidate the leased premises with other lands to form an oil and gas development unit of not more than one hundred sixty (160) acres for the purpose of drilling a well thereon." Notably, the lease did not contain any language specifically addressing statutory unitization pursuant to R.C. 1509.28.

After acquiring the deep rights in the 1972 lease, Defendant Ascent Resources – Utica, LLC ("Ascent") included the Plaintiff's lands in three separate applications to create units via statutory unitization under the Ohio Revised Code, all of which exceeded 160 acres. The Chief issued Orders for Unit Operation permitting the creation of the units and designating Ascent as unit operator.

Plaintiff then sued Ascent, alleging that Ascent had breached the terms and conditions of the 1972 lease by including Plaintiff's lands in the units despite the lease's prohibition of units greater than 160 acres. Ascent denied Plaintiff's claims based on the theory that the 1972 lease did not prohibit statutory unitization and that Ascent was within its rights as the lessee to include the lease within the units as an exercise of Ohio's police power. The Guernsey County Court of Common Pleas agreed with Ascent, and Plaintiff appealed.

In affirming the lower court's decision, the Fifth District court found that oil and gas leases are contracts and, as such, are governed by Ohio contract law. The court discussed that Ohio law recognizes two types of unitization: voluntary unitization

(described in R.C. 1509.26) and statutory unitization (described in R.C. 1509.27 and 1509.28). Ohio's law governing statutory unitization (R.C. 1509.28) was enacted in 1965, prior to the 1972 lease at issue. Because of this, if the parties desired to restrict statutory unitization in the lease, they could have done so. However, the language within the lease placed a restriction on the size of development units only in the case of voluntary unitization by the lessee, and did not address statutory unitization in any way. Because the lease was silent as to statutory unitization, it did not place any restrictions on statutory unitization in any manner, including the size of the units created in the statutory unitization process.

This case remains quite important for future Ohio cases interpreting oil and gas pooling provisions. It draws a clear distinction between voluntary unitization and statutory unitization, which is becoming much more common every year. It allows the oil and gas companies the ability to continue to create units several times larger than indicated in historic leases by utilizing the statutory mechanism of forced unitization to create these units. As the case law surrounding statutory unitization continues to evolve, you should review any leases affecting your property to ensure that it is properly protected against ever-increasing unit sizes.



OHIO Utica SHALE PRODUCTION UPDATE

By Wayne A. Boyer, Esq.

The Ohio Department of Natural Resources (“ODNR”) reported that as of April 4, 2026, it had issued a total of 4,542 permits to drill horizontally through the Utica Shale and further reported that a total of 3,916 horizontal wells have been drilled to the Utica Shale. As of April 4, 2026, 3,685 wells were listed as producing (which includes wells that have been plugged back) from the Utica Shale (source: ohiodnr.gov). ODNR reported that, during the fourth quarter of 2025, there was a total oil production of more than 11.927 million barrels and gas production of more than 547 billion cubic feet. ODNR reported that as of April 4, 2026, there were 10 active rigs operating in Ohio.

Top Oil Producing Wells in the State of Ohio in 4th Quarter 2025

WELL NAME	WELL NUMBER	OWNER NAME	COUNTY	TOWNSHIP	OIL PRODUCED
Gray W	1HU	INR OHIO LLC	GUERNSEY	WILLS	137,577
Cooper S WSG GR	8H	ASCENT	GUERNSEY	WASHINGTON	128,743
Gray W	3HU	INR OHIO LLC	GUERNSEY	WILLS	125,756
Gray CW	5HU	INR OHIO LLC	GUERNSEY	WILLS	123,065

Top Gas Producing Wells in the State of Ohio in 4th Quarter 2025

WELL NAME	WELL NUMBER	OWNER NAME	COUNTY	TOWNSHIP	GAS PRODUCED
Cross Creek A SE CRC JF	6H	ASCENT	JEFFERSON	CROSS CREEK	4,071,054
Dickson E CRC JF	8H	ASCENT	JEFFERSON	CROSS CREEK	3,909,623
Dickson SE CRC JF	6H	ASCENT	JEFFERSON	CROSS CREEK	3,802,508
Dickson S CRC JF	4H	ASCENT	JEFFERSON	CROSS CREEK	3,747,238

WTI Crude and Natural Gas Market Prices – Six Month Lookback



Current Price: \$99.45/barrel

Source: businessinsider.com as of 4/9/26.

Current Price: \$2.72/mcf

Source: businessinsider.com as of 4/9/26.

Antero Sells Utica Assets to Infinity Natural Resources

By Matthew W. Onest, Esq.

As discussed before, there has been increased consolidation within the oil and gas industry in Ohio. As many of you likely know, last year saw EOG Resources purchase the Ohio assets of Encino (EAP). That deal closed in the fall of 2025 and EOG is now operating all the wells previously operated by Encino. This comes with certain headaches for EOG and landowners. This was not the only major consolidation in Ohio.

In December 2025, Antero Resources announced its intent to sell its Ohio Utica assets to a partnership between Northern Oil & Gas (NOG) and Infinity Natural Resources (INR). The total value of this deal was \$1.2 billion in cash. This deal would result in 71,000 net acres located mainly in Guernsey, Belmont, and Harrison counties and 255 drilled laterals being transferred to a new company or companies. This deal also included a significant amount of midstream assets (pipelines) being transferred. That deal is now closed, meaning INR owns and operates those assets. If you recall, INR won the bidding war for the right to lease and drill under Ohio's Salt Fork park.

According to Yahoo Finance, INR's total Utica position rises to about 102,000 net acres and 575 drilling locations. Apparently, INR will be operating at least two drilling rigs this year to increase its ability to develop new wells. With this type of expansion through asset acquisition, landowners should consider how this could affect INR's ability (or desire) to close on existing lease deals.

The Supreme Court of Ohio to Decide What is an Overriding Royalty Interest

By Matthew W. Onest, Esq.

The Supreme Court of Ohio is hearing a case involving questions about whether an oil and gas operator is presumed to be able to assess cost against overriding royalty interests. An overriding royalty interest, generally, is a fractional interest in the gross production of oil and gas under a lease in addition to usual royalties paid to the lessor, free of any expense for exploration, drilling, development, operating, marketing and other costs incident to the production and sale of oil and gas produced from the lease. This royalty is usually created by a lease working interest owner who sells all or portions of the working interest for the lease. The working interest owner reserves a certain percentage of the revenue, typically the difference between the landowner's lease royalty and 20%. In Gateway Royalty, LLC, et al. v. EAP Ohio, LLC, Case No. 2025-1265, the Supreme Court of Ohio will consider the following proposition of law: whether "AN OVERRIDING ROYALTY INTEREST ARISING FROM AN OIL AND GAS DRILLING LEASE IS NOT FREE OF POST-PRODUCTION COSTS UNLESS EXPLICITLY STATED." The royalty owner claims Ohio law says the opposite, namely that overriding royalties are free of post-production costs unless explicitly stated to be subject to costs. The briefing in this case just finished and oral argument should be scheduled or conducted shortly.

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