



December 27, 2011

Dear Producer:

In July 2008, we implemented a new pricing methodology, with a minor price adjustment in December 2009. Since December 2009, the oil hauling/purchasing economics have experienced dramatic changes, some to the benefit of the Appalachian producing community. In order to track the changes, Appalachian Oil Purchasers, Inc. is instituting a new oil price mechanism that incentivizes producers to achieve their desired pricing.

The price change creates three load sizes for pricing, paying only for the amount of oil in the load. Additionally, the price differential creates an incentive to increase the size of the load of oil, increasing the efficiency of the oil hauling. The new price sheets with the base price and the floor price are included.

As the pricing shows, two of the three changes are an increase to the producer. The lower load size creates an opportunity for a producer to maximize value by increasing the oil in the load.

We will maintain an adjustment as described in the July 2008 change letter, however, all adjustments will be at 2.5% of the change in WTI. Therefore, as the base WTI price changes, the amount received for the oil changes. You will find attached the revised Crude Oil Base Prices for all purchases on or after December 1, 2011, in addition to the floor price. You will be able to access our monthly-posted haul rates at our website www.aopoil.com.

We appreciate your business and strive to continue providing the best possible service.

Please have a safe and Happy New Year.

Respectfully,

Appalachian Oil Purchasers

“Serving The Appalachian Basin For Over 100 Years”

Appalachian Oil Purchasers • Box 430, Fazeysburg, Ohio 43822
(740) 828-2892 • Fax (740) 828-3660



**Base Price Schedule
Effective December 1, 2011**

CRUDE OIL PRICES

ZONE	State - County	More than 150 Barrels Oil	60 to 150 Barrels Oil	Less than 60 Barrels Oil
1	West Virginia - Doddridge, Pleasants, Ritchie, Wirt, Wood, Tyler	WTI \$0.75/bbl	WTI \$(2.25)/bbl	WTI \$(5.25)/bbl
2	West Virginia – Brooke, Calhoun, Clay, Gilmer, Harrison, Jackson, Kanawha, Lewis, Marshall, Mason, Ohio, Putnam, Roane, Wetzel	WTI \$(0.65)/bbl	WTI \$(3.65)/bbl	WTI \$(6.65)/bbl
3	West Virginia - Barbour, Braxton, Boone, Cabell, Lincoln, Marion, Marshall, Monongalia, Taylor, Upshur, Wayne	WTI \$(1.65)/bbl	WTI \$(4.65)/bbl	WTI \$(7.65)/bbl
4	West Virginia - Fayette, Logan, Mingo, Nicholas, Preston, Raleigh, Randolph, Tucker, Webster	WTI \$(2.65)/bbl	WTI \$(5.65)/bbl	WTI \$(8.65)/bbl
5	Pennsylvania – Fayette, Green, Washington	WTI \$(2.65)/bbl	WTI \$(5.65)/bbl	WTI \$(8.65)/bbl

* Oil is purchased by county based upon the average daily price for the month of the posted West Texas Intermediate Plains Marketing-All Other Areas Price (WTI) www.paalp.com as outlined above

* Oil payments will be made on or about the 20th of the month following the month the oil is hauled

**Floor Price Schedule
Effective December 1, 2011**

CRUDE OIL PRICES

ZONE	State - County	More than 150 Barrels Oil	60 to 150 Barrels Oil	Less than 60 Barrels Oil
1	West Virginia - Doddridge, Pleasants, Ritchie, Wirt, Wood, Tyler	WTI \$1.75/bbl	WTI \$(1.25)/bbl	WTI \$(4.25)/bbl
2	West Virginia – Brooke, Calhoun, Clay, Gilmer, Harrison, Jackson, Kanawha, Lewis, Marshall, Mason, Ohio, Putnam, Roane, Wetzel	WTI \$0.35/bbl	WTI \$(2.65)/bbl	WTI \$(5.65)/bbl
3	West Virginia - Barbour, Braxton, Boone, Cabell, Lincoln, Marion, Marshall, Monongalia, Taylor, Upshur, Wayne	WTI \$(0.80)/bbl	WTI \$(3.80)/bbl	WTI \$(6.80)/bbl
4	West Virginia - Fayette, Logan, Mingo, Nicholas, Preston, Raleigh, Randolph, Tucker, Webster	WTI \$(1.85)/bbl	WTI \$(4.85)/bbl	WTI \$(7.85)/bbl
5	Pennsylvania – Fayette, Green, Washington	WTI \$(1.85)/bbl	WTI \$(4.85)/bbl	WTI \$(7.85)/bbl

“Serving The Appalachian Basin For Over 100 Years”