



October 14, 2011

Dear Producer:

Appalachian Oil Purchasers will initiate a price change for brine hauling and disposal effective for receipts beginning November 1, 2011.

Our last brine hauling and disposal price change was effective September 1, 2009, when the average price of diesel fuel was \$2.719 per gallon. Current diesel prices are just under \$3.70 per gallon.

We will follow the path of most other carriers and implement a Fuel Surcharge with a methodology that tracks the percentage change in the corresponding fuel price. Additionally, we have updated our service territory to include brine hauling and disposal activity in Ohio.

Methodology & Calculation

Effective November 1, 2011, the brine-hauling rate will be adjusted by 20% of the percentage change in the EIA - PADD 2 fuel price for the prior month compared to the base price. Using the pricing from above, the percentage change from the base price of \$2.719 to current price \$3.70 is 36.08%. Therefore, each Zone would be adjusted by 20% of this change (7.216%). Please note that the adjustment will be zero if the corresponding fuel price falls to the base price of \$2.719 per gallon.

Example

- $\$3.70 - \$2.719 = \$0.981$
- $\$0.981 / \$2.719 = 36.08\%$
- $36.08\% * .20 = \underline{\mathbf{7.21\% \text{ Calculated Fuel Surcharge Factor}}}$
- Current Zone Rate = $\$6.00 * .0721 = \underline{\mathbf{\$0.4326 \text{ calculated Fuel Surcharge}}}$
- Adjusted Monthly Zone Price = $\underline{\mathbf{\$6.4326}}$

Enclosed is a copy of the current zones and base pricing.

Our current rates and zones can be viewed at www.aopoil.com as well as future adjusted monthly price adjustments.

We thank you for your continued business and wish your organizations growth and success for the future.

“Serving The Appalachian Basin For Over 100 Years”

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



**Price Schedule
Effective October 2011**

FULL BRINE LOAD DISPOSAL RATES

ZONE	State - County	Price per barrel
1	West Virginia - Doddridge, Pleasants, Ritchie, Tyler, Wirt, Wood	\$6.00/bbl
2	West Virginia - Calhoun, Clay, Gilmer, Harrison, Jackson, Kanawha, Lewis, Marshall, Mason, Ohio, Putnam, Roane, Wetzel	\$6.50/bbl
3	West Virginia - Barbour, Braxton, Boone, Cabell, Lincoln, Marion, Monongalia, Taylor, Upshur, Wayne	\$7.00/bbl
4	West Virginia - Fayette, Logan, Mingo, Nicholas, Preston, Raleigh, Randolph, Tucker, Webster	\$7.50/bbl
5	Pennsylvania	\$7.50/bbl
11	Ohio - Athens, Meigs, Monroe, Morgan, Noble, Washington	\$6.00/bbl
12	Ohio - Belmont, Coshocton, Fairfield, Gallia, Guernsey, Hocking, Holmes, Jackson, Knox, Licking, Muskingum, Perry, Vinton	\$6.50/bbl
13	Ohio - All others	\$7.50/bbl

* The rates above include both trucking and disposal fees. Volumes disposed in Ohio will be assessed the appropriate Ohio disposal fee; \$.05/bbl in District, \$.20/bbl out of District

* Invoices for Brine Disposal will be billed on or about the 1st of the month following the month brine is hauled

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