



December 15, 2011

Dear Producer:

Since October, crude oil prices have experienced a transformation, to the benefit of the Appalachian producer, moving the relationship in favor of our local crude oil.

As with the price change of May 2011, Kentucky Oil Gathering Corporation has been working with Marathon to capture some of this price shift, and Marathon agreed to raise its purchase price. Effective December 1, 2011 the purchase price will increase by \$3.00 per barrel, reducing the zone deductions. We are hopeful this price change is permanent, and will strive to continue this type of pricing for the producers in Kentucky, Tennessee, and Virginia.

Attached is the revised Crude Oil Price sheet effective for all purchases on or after December 1, 2011. Additionally, the price sheets can be viewed at [www.kyogc.com](http://www.kyogc.com). Please note that Kentucky Oil Gathering Corporation is the only oil purchaser of your crude oil that publishes a price offering.

Oil will continue to be purchased based on the monthly average of the posted West Texas Intermediate (W.T.I.), Plains Marketing – All Other Areas Price, with the zone differentials in the price sheets.

For information regarding operational issues, please contact Carl Ross at 606-464-3841. We appreciate your business and strive to continue providing the best possible service. Please have a safe and Happy Holiday Season.

Respectfully,

*Brian R. Jonard*  
President

Enclosure

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*"Serving The Appalachian Basin For Over 100 Years"*

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