

# MEMO

Attachment D



**Date:** September 14, 2012  
**To:** Board of Directors  
**From:** Jody Wainscott, Chair  
**Subject:** Investment Committee Report: Issue of Fracking

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As you will recall, at the June 2012 board meeting, we discussed the issue of investing in energy companies that engage in fracking. Our current investment policy statement addresses the issue of investor responsibility in the following way:

“Individual investments that could be considered to cause concern relative to the mission of Girl Scouts of Western Ohio should be avoided. Investments should be avoided in those companies which produce or distribute products whose sale is restricted by law to adults anywhere in the USA when the nature of such products represents a temptation and threat to the health of youth.”

During the last board meeting, we agreed to ask the investment managers for additional information on this issue and to provide us with an impact study on the effect of energy stocks to our portfolio. Information was received from both investment managers and is attached to this memo. After further study, the Investment Task Group is recommending that we accept the advice of the investment managers and maintain exposure in the energy sector, but at a lower weight than 10%. We will also continue to monitor information as it is released and to look for new or old companies that are investing in alternative energy space.

**From:** Downing, Kelley J. [<mailto:kdowning@Bartlett1898.com>]

**Sent:** Tuesday, July 03, 2012 3:38 PM

**To:** Linda Odenbeck

**Subject:** Fracking issue

Linda – Attached are the statistics based on 6/30/2012 ending market values (fracking PDF).

It is difficult to quantify the impact on your portfolio if we divest of all energy companies that frack because approximately 90% of them have practiced this technique for over 40 years. Without exposure to energy companies (approximately 10% of the S&P 500), your portfolio is less diversified and may suffer in performance, particularly during those cycles when energy prices rise and demand is high.

You will see in the second attachment, a chart of the Energy Sector - orange line (SP5EM) compared to the S&P500 – black line (SPAL) over approximately 20 years. The sector underperformed in the first 12 years and outperformed thereafter. Any industry sector will have periods of over and underperformance compared to the S&P500, but to have no exposure in a “total return” objective would not be advisable.

Furthermore, while we look for companies that are engaged in alternative energy practices, there are none that meet our criteria from a fundamentally strong financial perspective, and I have been tracking this for many years. We have always taken the approach for our SRI companies, that exposure to energy is picking the best of an “environmentally bad” bunch of companies. We do this because we know the impact of a sector weighted 10-15% can significantly impact performance positively and negatively.

A few things to note:

1. Roughly 90% of all oil wells are fracked, with the exceptions being new discoveries in deep waters. This has been true for decades. <http://tech.fortune.cnn.com/2012/04/16/exxon-shale-gas-fracking/>
2. There are few “pro” fracking articles because it is unpopular to be an “apologist” for the energy business. Those who know the business know that hydrocarbons are trapped in rock, not found in big caverns. The primary arguments used in favor say things like “it would promote energy independence to keep developing oil and gas this way and there are plenty of jobs, too,” while the rebuttal is “we should do wind and solar and renewables.” The cons basically can’t or won’t suggest an alternative extraction technique, since they largely dismiss fossil fuels in their entirety.
3. This article from Forbes is one of the few most recent “pro” oriented: <http://www.forbes.com/sites/christopherhelman/2012/03/12/epa-doubts-its-own-anti-fracking-study-while-ohio-determines-fracking-did-not-spawn-earthquake-swarm/>

Our position on this situation, for now, is to maintain exposure in the energy sector for our SRI accounts, but at a lower weight than 10%. We also continue to monitor the facts as statistics are released, and we continue to look for new or old companies that grow in the alternative energy space in a positive way.

1. A majority of those clients who are social activists in the environmental area are NOT divesting primarily for two reasons. First, because the lack of diversification in this sector will at some point be harmful to the overall return of the portfolio. Secondly, although public opinion is clearly against the practice of fracking, the facts are not conclusive as to the polluting effects, and may not be for a few years.

Our guidance on this issue is to maintain some exposure (less than 10% of equities) and continue to monitor the situation. Please let me know if you need additional information.

Regards,  
Kelley J. Downing

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# BARTLETT

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## Girl Scouts of Western Ohio as of June 30, 2012 Bartlett Energy Sector Holdings

SECURITY	A		B		A+B=	
	MARKET VALUE	% ENERGY SECTOR	DIVIDEND INCOME	EXPECTED RETURN* (%)		EXPECTED PRICE RETURN* (\$)
<u>Energy Sector</u>						
Apache	\$ 65,918	24%	\$ 510.00	30%	\$ 19,775	\$ 20,285
Canadian Natural Resources	\$ 69,810	26%	\$ 1,102.40	50%	\$ 34,905	\$ 36,007
Range Resources	\$ 92,805	34%	\$ 240.00	15%	\$ 13,921	\$ 14,161
Whiting Petroleum	\$ 41,120	15%	\$ -	50%	\$ 20,560	\$ 20,560
	\$ 269,653	100%	\$ 1,852.40		\$ 89,161	\$ 91,013

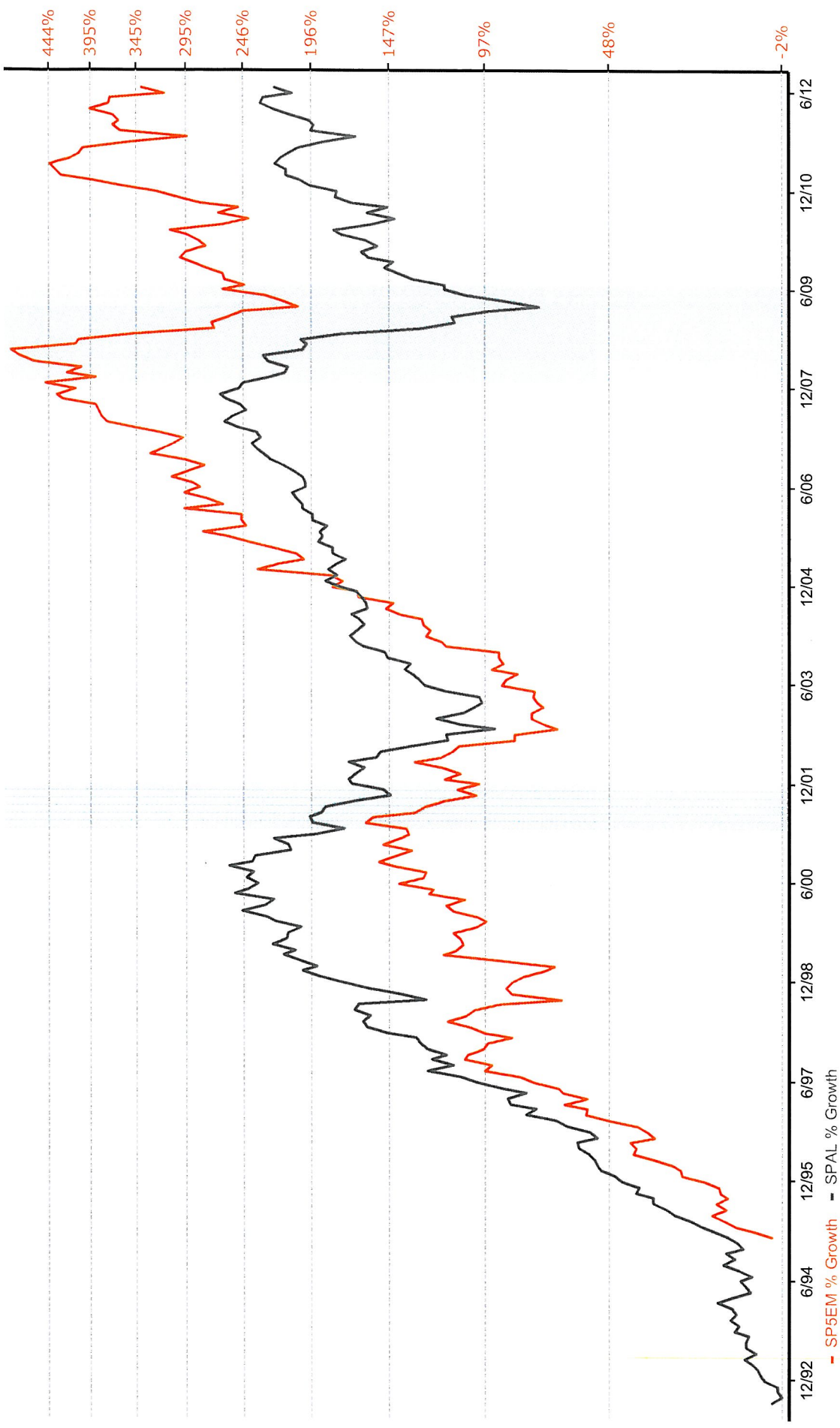
\* Expected return is based approximately on a 12 month price target

The foregoing information was prepared from sources believed to be reliable but is not guaranteed as to accuracy.

Performance

Composite	Zacks Rec(ST-LT)	Price	52Wk Hi	52Wk Low	M Cap(\$M)	Beta	Exchange	Div Yld
S&P 500 Energy Market	N/A-N/A	\$58.63	\$73.53	\$48.48	92,513	1.03	N/A	N/A

Performance since 07/31/92  
S&P 500 Energy Market vs. SPAL



**From:** Pamela Schmitt [mailto:[pschmitt@riverpointcm.com](mailto:pschmitt@riverpointcm.com)]  
**Sent:** Friday, July 20, 2012 6:16 PM  
**To:** Linda Odenbeck  
**Cc:** Roni Luckenbill  
**Subject:** RE: Fracking Issue

Hi Linda,

Please see the information below and the attached reports discussing the fracking issue. Below is a description of all Energy sector companies that were in the portfolio as of 6/30/12:

**Occidental Petroleum Corporation** - engages in the exploration and production of oil and gas properties in the United States and internationally. The company operates in three segments: Oil and Gas; Chemical; and Midstream, Marketing, and Other. The Oil and Gas segment explores for, develops, produces, and markets oil and condensate, natural gas liquids (NGLs), and natural gas. Its domestic oil and gas operations are located in California, Colorado, Kansas, Montana, New Mexico, North Dakota, Oklahoma, Texas, Utah, and West Virginia; and international oil and gas operations are located in Bahrain, Bolivia, Colombia, Iraq, Libya, Oman, Qatar, the United Arab Emirates, and Yemen. Company does have shale properties and thus engages in some fracking, but this is a minority portion of the company's properties.

**Suncor Energy** - operates as an integrated energy company. The company involves in the development of petroleum resource basins in Canada's Athabasca oil sands; acquisition, exploration, development, production, and marketing of crude oil and natural gas in Canada and internationally; transportation and refining of crude oil; and marketing of petroleum and petrochemical products primarily in Canada. Its Oil Sands segment produces bitumen recovered from oil sands through mining and in-situ technology, and upgrades it into refinery feedstock, diesel fuel, and by-products. Company does have shale properties and thus engages in some fracking, but this is a minority portion of the company's properties.

**Devon Energy** - an independent energy company, engages primarily in exploration, development, and production of oil, natural gas, and natural gas liquids. The company holds interest in various properties located in Rocky Mountains, Mid-Continent, Permian Basin, and Gulf Coast regions of the United States. Company does have shale properties and thus engages in some fracking.

**Noble Corporation** - operates as an offshore drilling contractor for the oil and gas industry with the majority of its operations the Gulf of Mexico. Company has no fracking operations.

**Weatherford International** - provides equipment and services used in the drilling, evaluation, completion, production, and intervention of oil and natural gas wells to independent oil and natural gas producing companies worldwide. Some of the company's equipment is used in fracking activities, but the company itself does not engage in fracking.

The attached spreadsheet provides the details you requested about each company, its value in the portfolio and returns. While we can never predict the future return of any stock, the analysis here makes the assumption that the stock grows at the same rate as the earnings projections and that the dividend is paid at the same rate as it is today. Based on these assumptions, the 4 stocks of companies that are involved in "fracking" would provide an estimated annual return of 17.8% to the portfolio. Since this is higher than the overall average return we would expect from the portfolio, removing them would result in a lower annual return on an ongoing basis. Since Energy stocks are very cyclical by nature, the effect on the return for each year would depend on the nature of the overall market. Generally in a down market, not having these stocks would help the portfolio, while in an upward market, not having these stocks would hurt the portfolio. But on a long-term basis, we do expect these energy stocks to provide higher overall returns than are achieved by the overall portfolio.

I hope this helps in your analysis and decision regarding these companies. Please let me know if there is any additional information you would like to see or if there is any other way in which we can help.

Best Regards,  
Pamela



Pamela F. Schmitt, CFA  
Vice President  
Senior Portfolio Manager  
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Hydraulic fracturing, commonly referred to as fracing, is a proven technological advancement that allows natural gas and oil producers to safely recover natural gas and oil from deep shale formations. This discovery has the potential to not only dramatically reduce our reliance on foreign fuel imports, but also to do so in an economically and environmentally responsible manner. Simply put, deep shale natural gas and oil development is critical to America's energy needs and its economic renewal.

Experts have known for years that natural gas and oil deposits existed in deep shale formations, but until recently the vast quantities of natural gas and oil in these formations were not thought to be recoverable. Today, through the use of hydraulic fracturing and sophisticated horizontal drilling techniques, extraordinary amounts of natural gas and oil are being safely produced from deep shale formations across the country.

Hydraulic fracturing has been used by the industry since the 1940s and has become a key element of natural gas and oil development worldwide. In fact, this process is used in nearly all natural gas wells drilled in the United States today. Properly conducted modern fracing is a highly engineered, controlled, sophisticated and safe procedure.

## Hydraulic Fracturing Process

Hydraulic fracturing is the process of creating fissures, or fractures, in underground formations to allow natural gas and oil to flow. In Chesapeake Energy Corporation's deep shale natural gas and oil plays, water, sand and other additives are pumped under high pressure into the formation to create fractures. The fluid is approximately

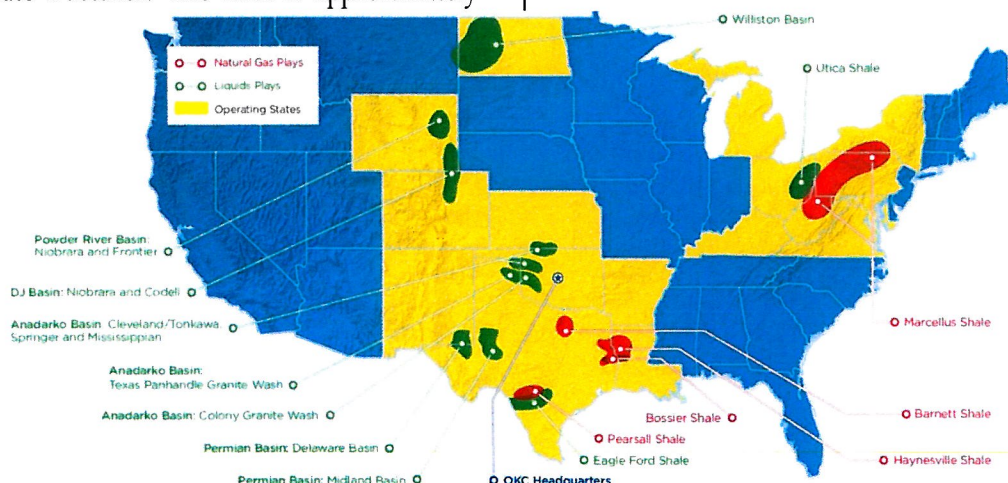
### KEY POINTS

- Hydraulic fracturing is essential for the production of natural gas and oil from shale formations.
- Fracing fluids are comprised of approximately 98% water and sand and are handled in self-contained systems.
- Freshwater aquifers are protected by multiple layers of protective steel casing surrounded by cement. This is administered and enforced under state regulations.
- Deep shale natural gas and oil formations exist many thousands of feet underground.

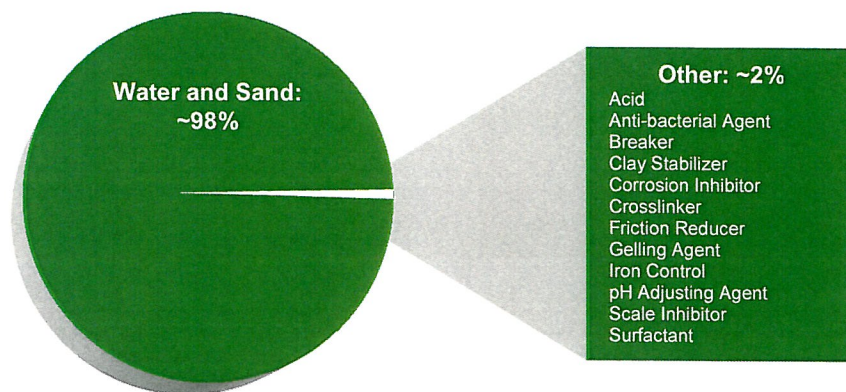
98% water and sand, along with a small amount of special-purpose additives. The newly created fractures are "propped" open by the sand, which allows the natural gas and oil to flow into the wellbore and be collected at the surface. Normally a hydraulic fracturing operation is only performed once during the life of a well. Variables such as rock formations and thickness of the targeted shale formation are studied by scientists before hydraulic fracturing is conducted. The result is a highly sophisticated process that optimizes the network of fractures and keeps them safely contained within the boundaries of the deep shale natural gas or oil formation.

## Fracing Fluid Makeup

In addition to water and sand, other additives are used to allow hydraulic fracturing to be performed in a safe and effective manner. Additives used in fracing fluids include a number of compounds found in common consumer products.



Chesapeake's major deep shale play operating areas



### Example of Typical Deep Shale Fracturing Fluid Makeup

A representation showing the percent by volume of typical deep shale natural gas or oil hydraulic fracturing fluid components (see graphic) reveals that approximately 98% of fracturing fluid is comprised of water and sand. Visit [fracfocus.org](http://fracfocus.org) for additive quantities used to hydraulically fracture Chesapeake and other industry wells. This fluid is injected into deep shale natural gas or oil formations and is typically confined by many thousands of feet of rock layers.

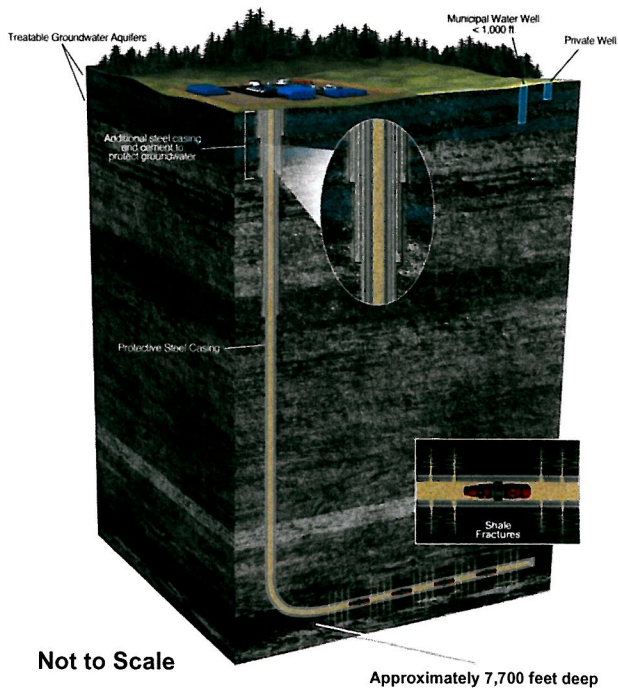
Product	Purpose	Downhole Result	Other Common Uses*
<b>Water and Sand: ~ 98%</b>			
Water	Expands the fracture and delivers sand	Some stays in the formation, while the remainder returns with natural formation water as produced water (actual amounts returned vary from well to well)	Landscaping and manufacturing
Sand (Proppant)	Allows the fractures to remain open so that the natural gas and oil can escape	Stays in the formation, embedded in the fractures (used to "prop" fractures open)	Drinking water filtration, play sand, concrete and brick mortar
<b>Other Additives: ~ 2%</b>			
Acid	Helps dissolve minerals and initiate cracks in the rock	Reacts with the minerals present in the formation to create salts, water and carbon dioxide (neutralized)	Swimming pool chemicals and cleaners
Anti-bacterial Agent	Eliminates bacteria in the water that produces corrosive by-products	Reacts with micro-organisms that may be present in the treatment fluid and formation; these micro-organisms break down the product with a small amount returning to the surface in the produced water	Disinfectant; sterilizer for medical and dental equipment
Breaker	Allows a delayed breakdown of the gel	Reacts with the crosslinker and gel once in the formation, making it easier for the fluid to flow to the borehole; this reaction produces ammonia and sulfate salts, which are returned to the surface in the produced water	Hair colorings, as a disinfectant and in the manufacture of common household plastics
Clay Stabilizer	Prevents formation clays from swelling	Reacts with clays in the formation through a sodium-potassium ion exchange; this reaction results in sodium chloride (table salt), which is returned to the surface in produced water	Low-sodium table salt substitutes, medicines and IV fluids
Corrosion Inhibitor	Prevents corrosion of the pipe	Bonds to the metal surfaces, such as pipe, downhole; any remaining product that is not bonded is broken down by micro-organisms and consumed or returned to the surface in the produced water	Pharmaceuticals, acrylic fibers and plastics
Crosslinker	Maintains fluid viscosity as temperature increases	Combines with the breaker in the formation to create salts that are returned to the surface in the produced water	Laundry detergents, hand soaps and cosmetics
Friction Reducer	"Slips" the water to minimize friction	Remains in the formation where temperature and exposure to the breaker allows it to be broken down and consumed by naturally occurring micro-organisms; a small amount returns to the surface with the produced water	Cosmetics including hair, makeup, nail and skin products
Gelling Agent	Thickens the water to suspend the sand	Combines with the breaker in the formation, making it easier for the fluid to flow to the borehole and return to the surface in the produced water	Cosmetics, baked goods, ice cream, toothpastes, sauces and salad dressings
Iron Control	Prevents precipitation of metal in the pipe	Reacts with minerals in the formation to create simple salts, carbon dioxide and water, all of which are returned to the surface in the produced water	Food additives; food and beverages; lemon juice
pH Adjusting Agent	Maintains the effectiveness of other components, such as crosslinkers	Reacts with acidic agents in the treatment fluid to maintain a neutral (non-acidic, non-alkaline) pH; this reaction results in mineral salts, water and carbon dioxide – a portion of each is returned to the surface in the produced water	Laundry detergents, soap, water softeners and dishwasher detergents
Scale Inhibitor	Prevents scale deposits downhole and in surface equipment	Attaches to the formation downhole with the majority of the product returning to the surface with the produced water, while the remaining amount reacts with micro-organisms that break down and consume it	Household cleansers, de-icers, paints and caulks
Surfactant	Increases the viscosity of the fracture fluid	Returns to the surface in the produced water, but in some formations it may enter the natural gas stream and return in the produced natural gas	Glass cleaners, multi-surface cleansers, antiperspirants, deodorants and hair colors

\*Other common uses of the product may not be in the same quantity or concentration.

## Hydraulic Fracturing and Groundwater Protection

Unlike shallow natural gas and oil projects, such as shallow coalbed methane (CBM), the producible portions of deep shale natural gas and oil formations exist many thousands of feet below the surface. Across the U.S. the average depth of a Chesapeake well is more than 7,700 feet (almost 1.5 miles below the earth's surface and many thousands of feet below freshwater formations). This number varies depending on the development area. Chesapeake does not conduct any production or hydraulic fracturing activities in fresh groundwater aquifers. In fact, across Chesapeake's deep shale gas operations, groundwater aquifers are separated from producing natural gas and oil formations by thousands of feet and the immense weight of tons of protective rock barriers.

State natural gas and oil regulatory programs also place a great emphasis on protecting groundwater. Current well construction requirements consist of installing multiple layers of protective steel casing surrounded by cement that is specifically designed and installed to protect freshwater aquifers.



.....  
**How deep is 7,700 feet?**  
 > More than **six Empire State Buildings** stacked end to end  
 > **1 ½ times deeper** than the deepest part of the **Grand Canyon**  
 > More than **25 football fields** laid out goal line to goal line  
 .....

The measures required by state regulatory agencies in the exploration and production of deep shale natural gas and oil formations have been very effective in protecting drinking water aquifers from contamination attributable to hydraulic fracturing operations. Based on reviews of state natural gas and oil agencies, there has not been a documented case of drinking water contamination related to the hydraulic fracturing of a deep shale natural or oil well.

Furthermore, the Ground Water Protection Council issued a report in April 2009 stating that the potential for hydraulic fracturing in deep shale natural gas and oil wells to impact groundwater is extremely remote, as low as one in 200 million.

### Information Sources

- > Dr. Michael Economides
- > Ground Water Protection Council
- > United States Department of Energy

### About Chesapeake

Chesapeake Energy Corporation is the second-largest producer of natural gas, a Top 15 producer of oil and natural gas liquids and the most active driller of new wells in the U.S. Headquartered in Oklahoma City, the company's operations are focused on discovering and developing unconventional natural gas and oil fields onshore in the U.S. Chesapeake owns leading positions in the Barnett, Haynesville, Bossier and Marcellus natural gas shale plays and in the Granite Wash, Cleveland, Tonkawa, Mississippi Lime, Bone Spring, Avalon, Wolfcamp, Wolfberry, Eagle Ford, Niobrara, Three Forks/Bakken and Utica unconventional liquids plays. The company has also vertically integrated its operations and owns substantial midstream, compression, drilling, trucking, pressure pumping and other oilfield service assets. For more information on Chesapeake environment initiatives, visit the environment section of [CHK.com](http://CHK.com), [HydraulicFracturing.com](http://HydraulicFracturing.com), [NaturalGasAirEmissions.com](http://NaturalGasAirEmissions.com), [NaturalGasWaterUsage.com](http://NaturalGasWaterUsage.com), [AskChesapeake.com](http://AskChesapeake.com) or [FracFocus.com](http://FracFocus.com).



or a soldier after he left his post in Afghanistan, but were too late to stop him from allegedly killing 16 civilians. A7

**Israeli airstrikes killed five people in Gaza and militants there launched rockets deeper into Israel as fighting continued for a fourth day. A7**

**Russia's foreign minister condemned what he called foreign support for terrorists in Syria as he and Clinton clashed at the U.N. A7**

**The Justice Department blocked a Texas law that requires voters to show state-issued photo ID, citing the measure's effect on Hispanics. A4**

**A judge is set to rule if prosecutors must provide more details about sex-abuse charges against former Penn State assistant coach Sandusky. A6**

**A section of a rail line in China collapsed two months before it was set to open, the**

Altaid

**SEARCHING FOR ANSWERS:** As the U.S. investigates the alleged killing of 16 civilians by a U.S. sergeant, Secretary Clinton said the incident wouldn't derail America's goals in Afghanistan. Above, a Kabul checkpoint. A7

# Faulty Wells, Not Fracking, Blamed for Water Pollution

By RUSSELL GOLD

Some energy companies, state regulators, academics and environmentalists are reaching consensus that natural-gas drilling has led to several incidents of water pollution—but not because of fracking.

The energy officials and some environmentalists agree that poorly built wells are to blame for some cases of water contamination. In those cases, they say,

wells weren't properly sealed with subterranean cement, which allowed contaminants to travel up the well bore from deep underground into shallow aquifers that provide drinking water.

Many community activists have said that hydraulic fracturing itself—a process that uses water, sand and chemicals to break up shale rocks and release gas—can pollute drinking water. The energy industry has coun-

tered that the technique, which it has used for decades, isn't to blame for water contamination.

The energy industry has been struggling to convince critics that fracking is safe. If the industry can persuade them that the chief pollution risk is poorly constructed wells—and that risk can be minimized—it might encounter less resistance from the public to expanding oil-and-gas production.

*Please turn to the next page*

Layoffs, pay outrage again: industry under banks and while economic banking : nesses.

But with in panies putting work, the mo

Gains in the fixed-income l can account fo of revenue, an nies including Group Inc., Mc the J.P. Morgar gan Chase & C port their str since the first said bankers a

The clouds c have only part nesses such as main deprese and bankers si Europe's debt v tory risks in the weeks left in t

# Faulty Wells Blamed

Continued from Page One

Mark Boling, executive vice president and general counsel of Southwestern Energy Co., a major natural-gas producer, said he has examined several incidents in Colorado and Pennsylvania where gas drilling appears to have caused gas to get into drinking water. "Every one we identified was caused by a failure of the integrity of the well, and almost always it was the cement job," he said.

A. Scott Anderson, a senior policy adviser with the Environmental Defense Fund who is working with Mr. Boling, agreed. "The groundwater pollution incidents that have come to light to date have all been caused by well construction problems," he said.

Both men are calling for a stronger set of standards for well construction, including better cementing and more testing to ensure that wells and cement have no leaks.

Cement failures have long plagued the industry. Mr. Anderson estimates that cement in about one in 10 wells fails to work properly and requires remedial work. Federal investigators have said that cement problems were a major cause of the Deepwater Horizon disaster in April 2010, when natural gas escaped from an offshore well in the Gulf of Mexico and exploded, killing 11 workers and setting off a mammoth oil spill.

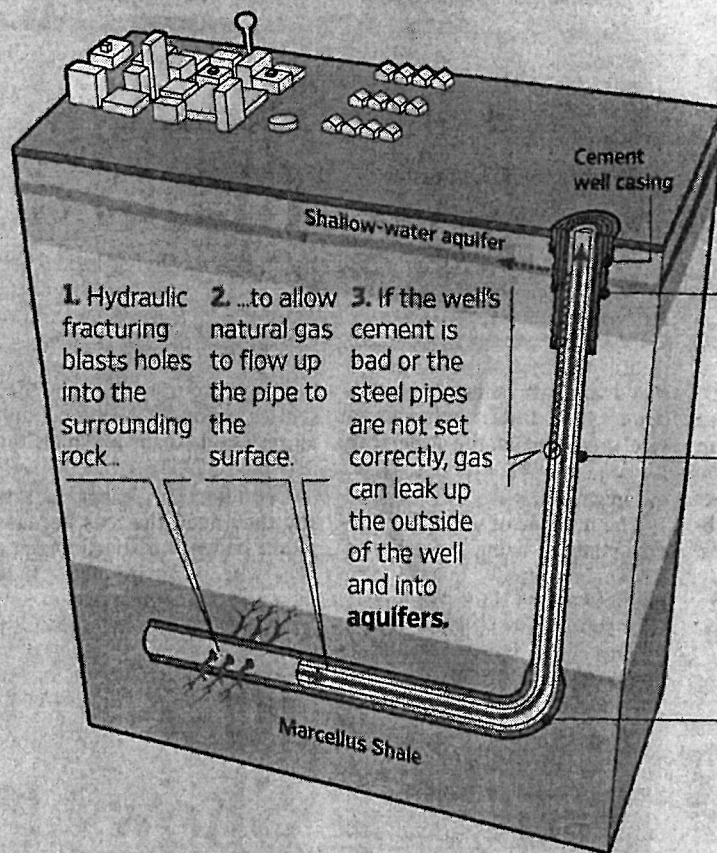
Pennsylvania and New York have adopted new well-construction standards to try to prevent pollution. Ohio is expected to issue new rules this week.

Cementing is an essential aspect of drilling. Energy companies thread steel pipes into bored holes and squeeze cement around the pipes. The cement prevents gas or fluids from moving between the pipe and the exposed rock. A poorly cemented well can create a path for contaminants to migrate upward and leech into shallow porous rocks that hold drinking water.

Some critics say it is the fracking process itself, which

## A Better Well

After a deal between Chesapeake Energy and Pennsylvania, the company is spending more to make sure its natural gas wells are more secure by adding more pipes and cement.



Some features of the new wells:

- 13 3/8-inch casing to 50 feet below fresh groundwater
- 9 5/8-inch casing to 2,500 feet
- 5 1/2-inch casing down to Marcellus Shale
- Cement all the way above the curve where the vertical well turns and runs horizontally

**Other key requirements:** Allow all cements to set for at least eight hours, then test to see if cement has created an effective barrier.

Note: Schematic is not to scale. Source: Pennsylvania Department of Environmental Protection

The Wall Street Journal

takes place far underground, that can cause pollution. Wilma Subra, chairwoman of Stronger, a nonprofit group made up mostly of state oil-and-gas regulators, said that cracks caused by fracking can extend out of the shale and "allow natural gas and frack fluids to migrate out."

Others say that even if fracking is safe, it doesn't mean drilling poses an acceptable risk. "You may be able to fix one issue, but it doesn't make the whole drilling process OK," said Maya Van Rossum, head of the Delaware Riverkeeper Network and an opponent of gas development in the river's watershed.

Mark Zoback, a Stanford University geophysicist who served on the National Academy of Engineering investigation into the Deepwater Horizon blowout and more recently sat on a U.S. Energy Department committee that studied shale production, said it is important to focus on the real risks.

"There are three keys—and

those are well construction, well construction and well construction," he said.

In its August report on shale production, the Energy Department committee recommended that companies run tests on every well to identify inadequate cementing, and it called for more inspections to confirm operators promptly "repair defective cementing jobs."

One of the largest documented instances of water contamination occurred in Bradford County, Pa.—after wells had been drilled but before any fracking took place. Chesapeake Energy Corp., the nation's second largest natural-gas company, has conceded that poor well construction may have played a role in high levels of natural gas found in local aquifers, according to letters to state regulators.

A state investigation concluded Chesapeake failed to cement its wells adequately, allowing gas to leak from pipes into the groundwater. Chesapeake

agreed to pay \$900,000 in fines and payments to the state, but never publicly acknowledged it caused the problem. In a news release last May, it said the investigation was "inconclusive." The company recently declined further comment, citing pending landowner lawsuits.

In an August 2010 letter to the state, a Chesapeake executive said that one of its wells "may be considered to be the most compelling source" of gas that reached the surface. Chesapeake found evidence suggesting the cement in one well had developed small channels that allowed gas to flow through it.

In the settlement, Chesapeake agreed to change how it built wells in Pennsylvania. It has begun using three interlocking pipes, instead of two, which adds an additional barrier to prevent gas movement.

The Oklahoma City-based company said the changes would increase costs per well by up to \$500,000, or about 10%.

GIRL SCOUTS OF WESTERN OHIO  
RIVERPOINT CAPITAL MANAGEMENT PORTFOLIO

ANALYSIS OF EXPOSURE TO ENERGY SECTOR AND "FRACKING"

ENERGY SECTOR HOLDINGS  
AS OF 6/30/12

COMPANY NAME	FRACKING?	VALUE OF POSITION	% OF ENERGY	% OF EQUITIES	PROJECTED EARNINGS GROWTH	CURRENT P/E	DIVIDEND YIELD	EXPECTED ANNUAL RETURN BASED ON CONSTANT P/E
Noble Corporation	No	\$47,982	21%	2.4%	15%	15.8X	1.0%	16.0%
Devon Energy Corp	Yes	\$47,842	21%	2.4%	10%	10.1X	1.4%	11.4%
Occidental Petroleum	Yes	\$38,596	17%	2.0%	10%	10.4X	2.5%	12.5%
Suncor Energy	Yes	\$49,215	21%	2.5%	10%	8.1X	1.7%	11.7%
Weatherford*	<u>Yes</u>	<u>\$46,731</u>	<u>20%</u>	<u>2.4%</u>	<u>35%</u>	<u>11.1X</u>	<u>0.0%</u>	<u>35.0%</u>
<b>Total for Fracking Companies</b>		<b>\$182,384</b>	<b>79%</b>	<b>9.2%</b>				<b>17.8%</b>
<b>Total Energy Sector</b>		<b>\$230,366</b>		<b>11.7%</b>				
<b>Total Equities</b>		<b>\$1,971,905</b>						

\*Weatherford makes equipment used in fracking. They do not engage in fracking activities of their own.