

01-575-CD
RICHARD M. HURLEY et al -vs- CAPROCK OIL & GAS COMPANY INC.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION - LAW

RICHARD M. HURLEY, WILLIAM E.
HURLEY and SHIRLEY J. HURLEY,
his wife, RANDY P. HURLEY and
DARLENE M. HURLEY, his wife

Plaintiffs

vs.

CAPROCK OIL & GAS COMPANY, INC.

Defendant

No. 01-575-CD

Type of Pleading: Complaint

FILED ON BEHALF OF:
Plaintiff

COUNSEL OF RECORD FOR THIS
PARTY:

David C. Mason, Esquire
Supreme Court I.D. No. 39180
MASON LAW OFFICE
P.O. Box 28
Philipsburg PA 16866
(814) 342-2240

FILED

APR 20 2001

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION - LAW

RICHARD M. HURLEY, WILLIAM E.
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Defendant

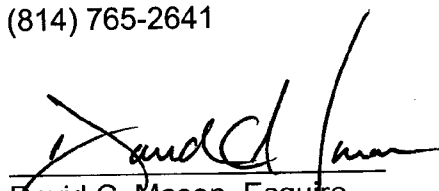
No.

NOTICE

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE AN LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Court Administrator
Clearfield County Courthouse
Clearfield, PA 16830
(814) 765-2641


David C. Mason, Esquire
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION - LAW

RICHARD M. HURLEY, WILLIAM E.
HURLEY and SHIRLEY J. HURLEY,
his wife, RANDY P. HURLEY and
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Plaintiffs

vs.

CAPROCK OIL & GAS COMPANY, INC.*

Defendant

No.

COMPLAINT

AND NOW, comes the Plaintiffs, by and through their attorney, **DAVID C. MASON, ESQUIRE** and makes the following Complaint against the Defendant, and in support thereof avers as follows:

1. Plaintiffs are:

a) Richard M. Hurley, an individual, currently of RR 1 Box 385, Morrisdale, Pennsylvania, 16858;

b) William E. Hurley and Shirley J. Hurley, his wife currently of RR 1 Box 369, Morrisdale, Pennsylvania, 16858; and

c) Randy P. Hurley and Darlene M. Hurley, his wife, currently of RD 1 Box 411, Frenchville, Pennsylvania, 16836.

2. Defendant is Caprock Oil & Gas Company, Inc, which, upon information and belief, is a Corporation, with an office or place of business at 8323 East Market Street,

Warren, Ohio 44484.

3. Plaintiffs are the owners of certain premises in Graham Township, Clearfield County, Pennsylvania, containing 737.73 acres, more or less.

4. Under date of January 5, 2000, Plaintiffs entered into an Oil and Gas Lease with Defendant for leasing of the aforesaid tracts of land containing 737.73 acres. A true and correct photocopy of the Lease Agreement dated January 5, 2000, is attached hereto as Exhibit "A".

5. Pursuant to paragraph 3 of the aforementioned Lease, Lessee has agreed to pay Lessor a rental of \$5.00 per acre per year, if operation for a well are not commenced within one (1) year of the date of the Lease Agreement.

6. No operations on the aforesaid tract have been commenced and it has been a period of time in excess of one (1) year from the date of the Lease.

7. Pursuant to paragraph 1 of the Lease, the term of the Lease is ten (10) years.

8. Defendant has breached the Oil and Gas Lease dated January 5, 2000, by its failure to tender payment to the Plaintiffs in the amount of \$3,688.65, or to acknowledge the termination of the existing Lease.

9. Pursuant to the terms of the Lease Defendant is obligated to pay the annual rental of \$3,688.65 for the balance of the term of the Lease, for a total of ten (10) years.

WHEREFORE, Plaintiffs demand that judgement be entered in favor of Plaintiffs against Defendant in the amount of \$36,886.50.

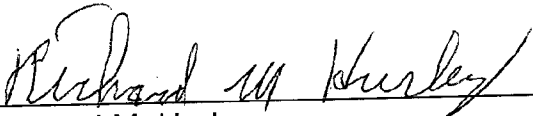
Respectfully submitted,


David C. Mason, Esquire
Attorney for Plaintiffs

VERIFICATION

I hereby verify that the statements set forth in the foregoing COMPLAINT are true and correct to the best of my knowledge, information and belief. This verification is made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

DATED:


Richard M. Hurley



OIL & GAS LEASE

THIS LEASE, made this 5th day of January 2000, by
Richard M. Hurley William E. Hurley Randy P. Hurley
RR-1, Box-385 RR-1, Box-369 RD-1, Box-411
Morrisdale, Pa. 16858 Morrisdale, Pa. 16858 Frenchville, Pa. 16836
 hereinafter called Lessor, and
 hereinafter called Lessee, does witness: CapRock Oil & Gas Company, Inc.
8323 East Market Street
Warren, Ohio 44484

1. Lessor, for consideration received, grants Lessee all the oil and gas in and under the lands described below, with the exclusive right to drill for, operate for, produce and market the oil and gas; the right to lay and maintain pipelines to transport oil and gas from the lands hereunder and other lands; the right to install and maintain such roads, tanks, meters and other equipment to operate for oil and gas; and the right to use so much of said lands as is necessary or convenient for all purposes herein. This lease is for 10 year(s), and as long thereafter as operations are being conducted or oil or gas can be produced in paying quantities in Lessee's judgement. This lease covers the land in Map/Section 16-006-007 Lot 3, 4, 5, 6, 7, 8, 9, 10 of Graham Township, Town or District Clearfield County, Pennsylvania containing 737.73 acres, more or less, being all of the land owned by Lessor in said township(s), bounded substantially as follows:

North by Susquehanna River East by Thompson
 South by Carr West by Forcey

2. Lessee shall pay Lessor royalties equal to one-eighth (1/8) of the proceeds realized by Lessee on all oil and gas produced from and sold off the premises. If after a well is drilled there is no production from the leased lands for six continuous months, then thereafter Lessor shall be paid fifty dollars per month until production occurs and this lease shall continue in full force for as long as such payments are made. These shut-in payments shall be considered advance royalties and be recouped by Lessee out of production royalties. All payments due Lessor shall be deemed tendered when delivered or mailed to Lessor or any one of them. Lessor grants Lessee a power of attorney to execute division orders or contracts for the sale of gas or oil.

3. If operations for a well are not commenced within one year of the date of this lease, then thereafter, Lessee shall pay Lessor a rental at the rate of \$5.00 per acre dollars (\$) per year, payable quarterly, semi-annually or annually until operations are commenced or the primary term expires.

4. Lessee shall seek the approval of Lessor, or any one of them, for the location of all drillsites, roads, and pipelines on Lessor's lands, in those areas deemed suitable by Lessee, which approval shall not be unreasonably withheld. At operations and restoration shall be done in compliance with all State and Federal laws. Lessee shall maintain all equipment and keep all production areas clean. Lessee shall pay for all crops damaged outside the normal areas of operations and repair all drain tile roads and fences damaged by Lessee. Lessee may use, free of cost, gas, oil or water found on said lands for its operations, except water from Lessor's wells. Lessee may at any time remove all casing and other equipment placed on said land by Lessee.

5. Lessor may take up to 200,000 cubic feet of gas free each calendar year from one producing well on Lessor's lands, at Lessor's sole risk and expense, for use in one dwelling on said lands, subject to the reasonable rules of Lessee and Lessee's right of abandonment. All gas taken by Lessor shall be accurately metered at the wellhead at Lessor's expense and all excess gas taken shall be paid for by the Lessor at wellhead price.

6. Lessee may unitize the leased lands, or any portion, with any other lands into a drilling unit of no more than six hundred forty acres. Operations upon and production from any unit, including all or any portion of the leased lands, shall be treated as if such operations were upon or such production were from the leased lands whether or not the well or wells are located thereon; provided, however, that Lessee shall pay Lessor, in lieu of other royalties and shut-in payments, only such proportion of the royalties or shut-in payments provided for in this lease as the amount of Lessor's acreage in the unit bears to the total acreage in the unit and provided further that Lessor may take gas from a unit well only if said well is located on lands actually owned by Lessor.

7. Lessor shall notify Lessee by certified mail of any failure by Lessee to comply with any provision of this lease, whereupon Lessee shall have thirty days to correct or begin to correct same. Any claim for damages by Lessor shall be made within ninety days of its occurrence and liability shall not exceed loss of market value as determined by bona fide appraisal. This lease shall not be terminated, in whole or in part, nor shall Lessee be liable for damages for failure to comply herewith, if compliance is prevented by, or such failure is the result of any occurrence beyond the reasonable control of the Lessee. Lessee may at any time surrender this lease in whole or in part. Unless the release instrument expressly provides to the contrary, upon the surrender, termination or expiration of this lease, Lessee shall nonetheless maintain all rights to then existing pipelines.

8. This lease shall extend to and be binding on all heirs, successors and assigns of Lessor and Lessee. No change of ownership shall be binding on Lessee until Lessee has received adequate evidence of transfer. If the leased lands are hereinafter owned in separate tracts, the premises, nevertheless, shall be developed and operated as an entirety, and all payments due shall be paid proportionally to each separate owner. Lessor hereby warrants ownership of the whole and undivided fee simple estate in, and agrees to defend the title to said lands, but if the Lessor does own a lesser interest, then Lessor shall be paid only his proportional share of any payment due. Lessee, at its option, may pay and discharge any lien on said lands and, if it exercises such option, it shall be subrogated to the rights of any holder thereof and may reimburse itself from payments due. This lease contains all the agreements of the Lessor and Lessee and there shall be no implied covenants.

9.

Signed and acknowledged in the presence of

Eric Kapp
ERIC KAPP

William R. Clack
WILLIAM R. CLACK

X Richard M. Hurley
Social Security # 195-24-7780

X William E. Hurley 170-30-8033
Social Security # Shirley J. Hurley 186-73-0907

X Randy Hurley
Social Security # 0203-4301349

Darlene M. Hurley 170-52-7179
Social Security #

ACKNOWLEDGEMENT

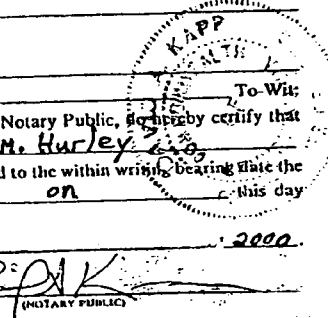
State of Pennsylvania
County of Clearfield

I, David A. Kapp a Notary Public, do hereby certify that
Richard M., William E., Shirley J., Randy and Darlene M. Hurley

whose name are signed to the within writing bearing date the
5th day of January, 2000 has on this day

acknowledged the same before me.
Given under my hand this 5th day of January, 2000.

My commission expires



Instrument prepared by:
CapRock Oil & Gas Company, Inc.
8323 East Market Street
Warren, Ohio 44484

KAREN L. STARCK REGISTER AND RECORDER CLEARFIELD COUNTY Pennsylvania	INSTRUMENT NUMBER 200003205 RECORDED ON Mar 09, 2000 11:04:40 AM	RECORDING FEES - \$1.00 RECORDER COUNTY IMPROVEMENT FUND \$1.00 RECORDER IMPROVEMENT FUND \$1.00 STATE WRIT TAX \$1.00 TOTAL \$16.40
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FILED

APR 20 2001

Wm A. Shaw
Prothonotary

Meem

PA \$80.00

dec atty

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION - LAW

RICHARD M. HURLEY, WILLIAM E.
HURLEY and SHIRLEY J. HURLEY,
his wife, RANDY P. HURLEY and
DARLENE M. HURLEY, his wife

Plaintiffs

vs.

CAPROCK OIL & GAS COMPANY, INC.

Defendant

No. 01-575-CD

CERTIFICATE OF SERVICE

Pursuant to Pa. R. C. P. 403

I, David C. Mason, Esquire, Attorney for the Plaintiff in the above captioned matter, do hereby certify that on the 7th day of May, 2001, I deposited in the United States Mail, first class postage prepaid, a certified copy of the Complaint, addressed to the Defendant as follows: Caprock Oil & Gas Company, Inc., 8323 East Market Street, Warren, Ohio 44484.

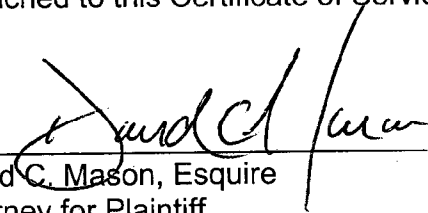
Service pursuant to Pa. R. C. P. 404 was first attempted by certified mail, return receipt requested, but was refused by the Defendant. A photocopy of the envelope mailed by Plaintiff's counsel on April 27, 2001, refused by the Defendant on May 2, 2001, and returned to Plaintiff's counsel on May 7, 2001, is attached to this Certificate of Service.

Date: 5/7/01

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m/1036/nccc
William A. Shaw
Prothonotary

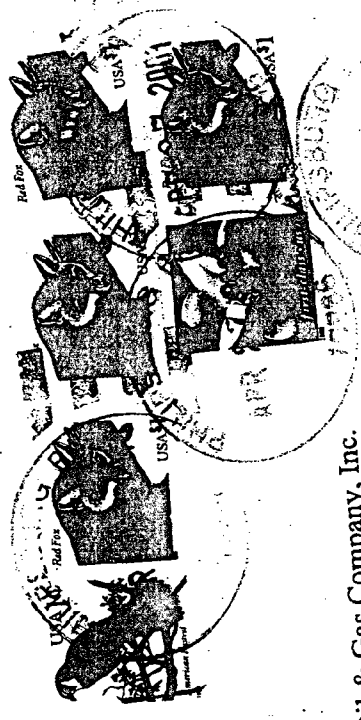

David C. Mason, Esquire
Attorney for Plaintiff

CERTIFIED MAIL

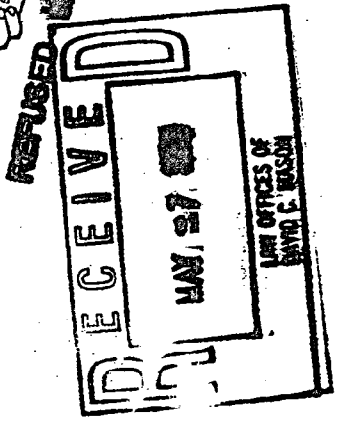
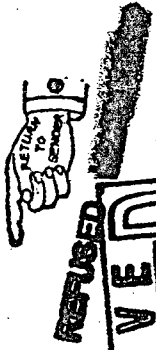


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MASON LAW OFFICE
Attorney at Law
409 NORTH FRONT STREET
P.O. BOX 28
PHILIPSBURG, PA 16866



Caprock Oil & Gas Company, Inc.
8323 East Market Street
Warren, Ohio 44485



*Refused
to send*

5-7

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PA.

CIVIL ACTION - LAW

RICHARD M. HURLEY, WILLIAM E.
HURLEY and SHIRLEY J. HURLEY,
his wife, RANDY P. HURLEY and
DARLENE M. HURLEY, his wife,

Plaintiff

vs.

CAPROCK OIL & GAS COMPANY,
INC.

Defendant

No. 01-575-CD

Pleading filed:
PRAECIPE TO SETTLE & DISCONTINUE

Filed by:
David C. Mason, Esq.
MASON LAW OFFICE
P.O. Box 28
Philipsburg, PA 16866
PA Id No. 39180

FILED

SEP 24 2001

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PA.

CIVIL ACTION - LAW

RICHARD M. HURLEY, WILLIAM E.
HURLEY and SHIRLEY J. HURLEY,
his wife, RANDY P. HURLEY and
DARLENE M. HURLEY, his wife,

Plaintiff

vs.

CAPROCK OIL & GAS COMPANY,
INC.

Defendant

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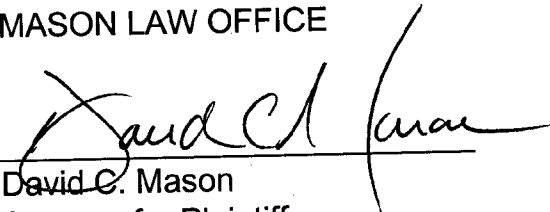
No. 01-575-CD

PRAECIPE TO SETTLE AND DISCONTINUE

To: William Shaw, Prothonotary:

Kindly discontinue the above referenced case filed against the named
Defendant, Caprock Oil & Gas Company, Inc.

MASON LAW OFFICE


David C. Mason
Attorney for Plaintiff

FILED

SEP 24 2001
0340167
William A. Shaw
Prothonotary

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to atty.
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**IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA**

COPY

CIVIL DIVISION

**Richard M. Hurley
William E. Hurley
Shirley J. Hurley
Randy P. Hurley
Darlene M. Hurley**

Vs.

No. 2001-00575-CD

Caprock Oil & Gas Company, Inc.

CERTIFICATE OF DISCONTINUATION

Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on September 24, 2001 marked:

Discontinued

Record costs in the sum of \$80.00 have been paid in full by David C. Mason, Esquire.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 24th day of September A.D. 2001.

William A. Shaw, Prothonotary