

01-681-CD
DAVID L. DUNLAP et al -vs- BARRY A. DUNLAP et al

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY,
a Corporation,

DEFENDANTS

No. 01- -C.D.

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 without you and a judgment may be entered 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(s). 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 A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET HELP.

Court Administrator's Office
Clearfield County Courthouse
1 North Second Street
Clearfield, PA 16830
(814) 765-2641, Extension 32

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

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Individually and as Fiduciary for
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V.

MID EAST OIL COMPANY, a Corporation and
BARRY A. DUNLAP, an individual,
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No. 01- -C.D.

COMPLAINT

AND NOW, comes David L. Dunlap, co-tenant, individually and as fiduciary for co-tenants similarly situated, by his attorney, John Sughrue, and files the within complaint against the above-named Defendants upon causes of action whereof the following is a statement:

1. The Plaintiff, David L. Dunlap, is an adult individual maintaining his principle residence at RD 3, Box 289, Curwensville, Clearfield County, Pennsylvania 16833.

2. The Corporate Defendant, Mid East Oil Company, is a corporation organized under the Laws of the Commonwealth of Pennsylvania that conducts business in Clearfield County, with its principle office at the Airport Office Complex, Route 286 White Township, Indiana County, Pennsylvania and a mailing address of PO Box 1378, Indiana, PA 15701.

3. The Individual Defendant, Barry A. Dunlap, is an adult individual who resides at 630 Thayer Rd., Santa Cruz, California 95060 and is a co-owner of the property located Knox Township, Clearfield County, Pennsylvania, which is the subject of this action.

4. The real property which is the subject of this litigation and gives rise to this litigation, is located in Knox Township, Clearfield County, Pennsylvania and more particularly described as follows:

All of the oil, gas and related hydrocarbons, royalties and profit therefrom, in, under and upon of that certain parcel of land believed to consist of one-hundred thirty (130) acres more or less, situate Knox Township, Clearfield County, Pennsylvania described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church.

Being the same property which vested in Luther Y. Dunlap during his lifetime and of which he died seized and by his Last Will and Testament dated November 23, 1964 and duly probated and recorded in the Register of Wills Office of Clearfield County Pennsylvania in Will Book 15 page 471 bequeathed and devised equally among his heirs, specifically to wit, Alma Dunlap, his wife, and children Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock.

All such oil, gas and related hydrocarbons royalties and profits therefrom described above, together with all rights and privileges appurtenant thereto are hereafter individually and collectively referred to as the "Property".

5. Luther Y. Dunlap, late of Knox Township, Clearfield County, PA acquired ownership of the property during his lifetime and was seized of the property at the time of his death.

6. The said Luther Y. Dunlap died testate on December 17, 1969, a resident and domiciliary of Clearfield County, Pennsylvania.

7. Alma Dunlap, a/k/a Alma R. Dunlap, above-referenced, died August 23, 1976 intestate, a resident and domiciliary of the Commonwealth of Pennsylvania and was survived by

all of her intestate heirs under the Law, specifically to wit her children, Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock, above referenced.

8. Plaintiff is the absolute owner of an undivided interest (believed to be a 1/12 undivided interest), in the whole of the property and acquired the same as follows:

A. By item III of the Last Will of Golda Dunlap-Bell, recorded Clearfield County in Will Book 75 page 573, Plaintiff, nephew of the decedent together with decedent's nieces, Linda Goss and Tammy Salter, were devised all of the interest of Golda Dunlap-Bell in the minerals, oil, gas, royalties and profit therefrom in the property known as the Luther Dunlap Estate;

B. Golda Dunlap-Bell acquired ownership in the property (believed to be a 1/4 undivided interest) in the whole of the property under the Last Will of Luther Y. Dunlap, referenced above, wherein he gave equally to his heirs, Alma Dunlap, Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock, the "gas, oil or fireclay or any other minerals found on this farm, the proceeds is to be equally divided among my heirs", and as one of four intestate heirs of Alma Dunlap, mother of the other four named heirs of Luther Y. Dunlap, who subsequently died intestate thereby vesting her interest in the property in her intestate heirs, including Golda Dunlap-Bell, as set forth above;

C. That Luther Y. Dunlap, during his lifetime, acquired the property and was seized of the same upon his death thereby causing the same to be devised under the Law by his Will to his heirs, his wife Alma Dunlap and children, Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock.

9. All of the other present co-owners of the property (hereafter co-tenants) are as follows:

A. Linda Goss, an adult individual, living at RD 1, Box 200A, Olanta, Clearfield County, Pennsylvania 16863 and Tammy Salter, an adult individual living at North Third and Presquile Street, Philipsburg, Centre County, Pennsylvania 16866, are each presently owners of an undivided interest in the property (believed to be a 1/12 each) under and through the same chain of title as the Plaintiff as aforesaid, all of which is incorporated herein by reference;

B. Norman Dunlap, son of Luther and Alma Dunlap, is presently an owner of an undivided interest (believed to be a 1/4 undivided interest) in the property by virtue of being an heir specified in the Will of Luther Y. Dunlap and as an Alma Dunlap heir, as aforesaid, all of which is incorporated herein by reference;

C. Jack Gardlock and Tim Gardlock are each owners of an undivided interest (believed to be a 1/8 each) in the property by virtue of being the sole equal heirs of Maxine Dunlap-Gardlock. Maxine Dunlap-Gardlock was an owner of an undivided interest (believed to be a 1/4 interest) in the property by virtue of being a daughter and heir of Luther Y. and Alma Dunlap as aforesaid, all of which is incorporated herein by reference;

D. That Barry A. Dunlap, Defendant, is presently an owner of an undivided interest in the property (believed to be a 1/4 interest) by virtue of and through the following chain of title:

1. As sole heir of Austin M. Dunlap who died June 3, 2000 and Minnie Dunlap who died October 11, 1999;

2. By Deed of Austin M. Dunlap dated October 29, 1999 recorded Clearfield County as Instrument No. 199917954;

3. Austin M. Dunlap acquired the same as heir and son of Luther Y. Dunlap and Alma Dunlap, as aforesaid, all of which is incorporated herein by reference.

E. The present owners of the property hold undivided interests in the whole as tenants in common.

10. At all times pertinent hereto, the Corporate Defendant acted by and through its duly authorized shareholders, officers, employees, servants, agents and contractors, including President, Mark A. Thompson, Jacqueline Weinhold, Lance Cassady and Bradley A. Brothers, Secretary/Treasurer, acting at all times on behalf of the Corporate Defendant, in the course of employment and within the scope of its employment and authority.

11. The Corporate Defendant, on or about November 30, 1998, secured and executed two oil and gas leases, with Austin M. Dunlap, et ux, for oil and gas located on two tracts of land in Knox Township, Clearfield County, Pennsylvania (one for 79.75 acres and the other for 117.68 acres). The oil and gas, rights and privileges alleged to be leased for development and sale in said leases include Plaintiff's property. The aforesaid oil and gas leases dated November 30, 1998 and recorded in Clearfield County's Recorder's Office as Instrument Nos.

199900524 and 199900741, respectively are attached hereto as Exhibits A and B, are incorporated herein by reference and are hereafter referred to as "Leases".

12. Plaintiff did not know that Corporate Defendant was securing the Leases at the time they were secured, did not execute the Leases and did not authorize any other person to execute the Leases on his behalf, or remove his property and sell it.

Count I
David L. Dunlap, Plaintiff v. Mid East Oil Company, Defendant

13. The facts and averments set forth above in paragraphs 1 through 12, are incorporated herein by reference, as though the same were set forth herein at length verbatim.

14. At all times pertinent hereto, the Corporate Defendant knew:

A. That the property was not owned solely by Austin M. Dunlap or his successor, the Individual Defendant;

B. Or, should have known by virtue of public documents filed on record in the Clearfield County Courthouse, that the individual Defendant and/or his father owned less than 100% of the property;

C. That the Plaintiff and the other above-named co-tenants were owners of undivided interest in the property;

D. Or, should have known by virtue of the public documents and the exercise of reasonable care, as aforesaid, that the Plaintiff and the other above-named co-tenants were owners of undivided interest in the property.

15. Notwithstanding the foregoing, the Corporate Defendant willfully and intentionally converted for its own benefit and profit, the property of the Plaintiff and other co-tenants similarly situated, without their knowledge and consent by securing the aforesaid oil and gas lease from the Individual Defendant and by paying the proceeds of said lease to the Individual Defendant under the guise of a legitimate lease when it knew that the said Austin Dunlap and/or the Individual Defendant was not the sole owner of the property and that, in fact, the property was owned in part by the Plaintiff and the above-named co-tenants similarly situated; by causing

the property to be drilled and the oil and gas removed, transported and marketed for its benefit and profit.

16. As a result of the foregoing, the Corporate Defendant willfully and intentionally converted for its own benefit and profit, the property of the Plaintiff and other co-tenants without their knowledge and consent by securing the aforesaid oil and gas lease from the Individual Defendant and by paying the proceeds of said lease to the Individual Defendant under the guise of a legitimate lease when it should have known by the exercise of due care that the said Austin Dunlap and/or the Individual Defendant was not the sole owner of the property and that, in fact, the property was owned in part by the Plaintiff and the other above-named co-tenants.

17. Further, the Corporate Defendant individually and jointly with Individual Defendant willfully and intentionally converted the property of the Plaintiff and other co-tenants similarly situated in violation of the Law when it, without the knowledge and consent of the Plaintiff and other co-tenants caused the property to be explored for oil and gas, drilled and the oil and gas removed and sold for their individual accounts and benefit.

18. The Corporate Defendant individually and/or jointly with Individual Defendant actually caused gas wells to be drilled for the purpose of securing Plaintiff's property, did secure Plaintiff's property and removed said property from the ground, sold it, and transported it to buyers, the exact entity of which is unknown to the Plaintiff and exclusively within the control of the Corporate Defendant.

19. In the alternative, the Corporate Defendant negligently and/or recklessly converted the property of the Plaintiff and other co-tenants to its individual accounts and benefits when it committed the acts set forth in the foregoing paragraphs 1 through 18 at a time when it

knew or should have known by the exercise of due care that the Plaintiff and other co-tenants were the owners of the property.

20. As a result of the Corporate Defendant's conduct as aforesaid, the Corporate Defendant individually and/or jointly with Individual Defendant permanently deprived the Plaintiff and other co-tenants of their property, right of control over their property, the use, enjoyment, benefit and proceeds of the sale of the property, and appropriated the same for its individual benefit and profit, all of which constitutes an unlawful conversion of the property in violation of the Laws of the Commonwealth of Pennsylvania.

21. As a result of the foregoing, the Corporate Defendant has been paid substantial sums of money for the property and the property of co-tenants and has retained and appropriated said money for its own benefit and profit.

22. As a result of the foregoing, the Corporate Defendant has appropriated and sold Plaintiff's property, property to which it did not have legal title, and received compensation therefore.

23. As a result of the Corporate Defendant's conduct as aforesaid, the Corporate Defendant acquired for its own account, benefit and profit, substantial sums of money, the extent of which is unknown for the reason that is within the exclusive control of the Corporate Defendant.

24. Plaintiff, by his attorney, John Sughrue, by letter dated October 3, 2000, copy attached as Exhibit C, mailed certified, return receipt requested, delivered October 4, 2000, advised Corporate Defendant of its improper conduct and demanded that the conversion of property cease.

25. Notwithstanding such demand, the Corporate Defendant failed or refused to cease its improper conduct and continues through the filing of this Complaint to deprive Plaintiff of his property.

26. As a result of the Corporate Defendant's individual and collective conduct as aforesaid, the Plaintiff and other co-tenants similarly situate, have sustained serious and substantial damages, including the following:

- A. Permanent deprivation of their property;
- B. Permanent deprivation of the use, control and benefit of their property;
- C. Permanent deprivation of the fair market value of the property;
- D. Permanent deprivation of the revenues and profit to be secured from their property;

27. As a result of the Corporate Defendant's individual and collective conduct, as aforesaid, the Corporate Defendant is individually, jointly and severally liable to the Plaintiff and co-tenants similarly situated for compensatory damages, including fair market value of the converted property and all proceeds, revenues and profit acquired therefrom by Corporate Defendant.

WHEREFORE, Plaintiff respectfully moves the Honorable Court to forthwith enter a judgment for compensatory damages, in favor of the Plaintiff, individually and/or as Fiduciary for co-tenants similarly situated and against the Corporate Defendant its successors and assigns in an amount in excess of \$20,000.00 with costs of this action taxed to the Defendant. **A JURY TRIAL IS HEREBY DEMANDED ON ALL ISSUES AND MATTER RAISED IN THE FOREGOING COUNT.**

Count II

David L. Dunlap, Plaintiff v. Barry A. Dunlap, Defendant

28. The facts and averments set forth above in paragraphs 1 through 12 are incorporated herein by reference as though the same were set forth herein at length verbatim.

29. The facts and averments set forth above in paragraphs 14 through 27 are incorporated herein by reference as though the same were set forth herein at length verbatim.

30. At all times pertinent hereto, the Individual Defendant on his own behalf and previously as Attorney-in-Fact for his father, Austin Dunlap, knew:

A. That his father and/or he owned less than 100% of the property;

B. Or should have known by virtue of public documents filed of record in the Courthouse of Clearfield Pennsylvania that his father and/or he owned less than 100% of the property;

C. Or by the exercise of reasonable care should have known that his father and subsequently he owned the property as a tenant in common with the Plaintiff and the other individual co-tenants named above.

31. Notwithstanding the foregoing, the Individual Defendant willfully and intentionally converted the property of the Plaintiff and other co-tenants, for the benefit of his father, Austin M. Dunlap, and himself by providing for the proceeds of Leases to be paid to him for the account of his father and/or his individual account and benefit.

32. Further, the Individual Defendant individually and jointly with Corporate Defendant willfully and intentionally converted the property of the Plaintiff and other co-tenants similarly situated in violation of the Law when he, without the knowledge and consent of the Plaintiff and other co-tenants caused or permitted the property to be explored for oil and gas, drilled and the oil and gas removed and sold for his individual accounts and benefit.

33. The Individual Defendant individually and/or jointly with Corporate Defendant actually caused or permitted gas wells to be drilled for the purpose of securing Plaintiff's property, did secure Plaintiff's property and removed said property from the ground, sold it, and transported it to buyers, the exact entity of which is unknown to the Plaintiff and exclusively within the control of the Individual Defendant.

34. In the alternative, the Individual Defendant negligently and/or recklessly converted the property of the Plaintiff and other co-tenants to their individual accounts and benefits when he committed the acts set forth in the foregoing paragraphs 1 through 33 at a time when he knew or should have known by the exercise of due care that the Plaintiff and other co-tenants were the owners of the property.

35. As a result of the Individual Defendant's conduct as aforesaid, the Individual Defendant individually and/or jointly with Corporate Defendant permanently deprived the Plaintiff and other co-tenants of their property, right of control over their property, the use, enjoyment, benefit and proceeds of the sale of the property, and appropriated the same for his individual benefit and profit, all of which constitutes an unlawful conversion of the property in violation of the Laws of the Commonwealth of Pennsylvania.

36. As a result of the foregoing, the Individual Defendant has been paid substantial sums of money by the Corporate Defendant, its successors and assignees in consideration of the Individual Defendant's conduct as aforesaid and the Individual Defendant has retained and appropriated said funds for his own exclusive benefit and profit.

37. As a result of the foregoing, the Individual Defendant has appropriated and sold Plaintiff's property, property to which he did not have legal title, and received compensation therefore.

38. As a result of the Individual Defendant's conduct as aforesaid, the Individual Defendant acquired for his own account, benefit and profit, substantial sums of money, the extent of which is unknown for the reason that is within the exclusive control of the Individual Defendant.

39. At all times pertinent hereto, the Individual Defendant, as a co-tenant owed a fiduciary duty to the Plaintiff and the other co-tenants similarly situated.

40. As a result of the foregoing, the Individual Defendant breached his fiduciary duty to the Plaintiff and his other co-tenants.

41. Plaintiff, by his attorney, John Sughrue, by letter dated October 3, 2000, copy attached as Exhibit C, mailed certified, return receipt requested, delivered October 4, 2000, advised Corporate Defendant of its improper conduct and demanded that the conversion of property cease. Corporate Defendant thereafter advised the Individual Defendant of Plaintiff's property ownership and said demand.

42. Notwithstanding such demand, the Individual Defendant failed or refused to cease its improper conduct and continues through the filing of this Complaint to deprive Plaintiff of his property.

43. As a result of the Individual Defendant's individual and collective conduct as aforesaid, the Plaintiff and other co-tenants similarly situate, have sustained serious and substantial damages, including the following:

- A. Permanent deprivation of their property;
- B. Permanent deprivation of the use, control and benefit of their property;
- C. Permanent deprivation of the fair market value of the property;
- D. Permanent deprivation of the revenues and profit to be secured from their property;

44. As a result of the Individual Defendant's individual and collective conduct as aforesaid, the Individual Defendant is liable to the Plaintiff and co-tenants similarly situated for compensatory damages, including fair market value of the converted property and all proceeds, revenues and profit acquired therefrom by Individual Defendant.

WHEREFORE, Plaintiff respectfully moves the Honorable Court to forthwith enter a judgment for compensatory damages, in favor of the Plaintiff, individually and/or as Fiduciary for co-tenants similarly situated and against the Individual Defendant, individually, jointly and severally in an amount in excess of \$20,000.00 with costs of this action taxed to the Defendant. **A JURY TRIAL IS HEREBY DEMANDED ON ALL ISSUES AND MATTER RAISED IN THE FOREGOING COUNT.**

Count III

David L. Dunlap, Plaintiff v. Mid East Oil Company and Barry A. Dunlap, Defendants

Punitive Damages

45. The facts and averments contained in paragraphs 1 through 44, as set forth above, are incorporated herein by reference as though the same were set forth herein at length verbatim.

46. That the Individual Defendant's conduct, as averred herein, was such a willful, intentional, reckless and/or negligent act and in violation of his Fiduciary duty to his co-tenants and the Law of this Commonwealth, to the extent that it constitutes outrageous conduct, that is the circumstances are such that the bad motive or reckless indifference of the Individual Defendant to the interest and rights of the others may be readily inferred and for which punitive damages should be awarded in order to deter the Individual Defendant and others from engaging in similar conduct in the future.

47. That the Corporate Defendant's conduct, as averred herein, was such a willful, intentional, reckless and/or negligent act and in violation of the Law of this Commonwealth, to the extent that it constitutes outrageous conduct, that is, the circumstances are such that the bad motive or reckless indifference of the Corporate Defendant to the interest and rights of the others may be readily inferred and for which punitive damages should be awarded in order to deter the Corporate Defendant and others from engaging in similar conduct in the future.

WHEREFORE, Plaintiff respectfully moves the Honorable Court to forthwith enter a judgment for punitive damages in favor of the Plaintiff individually and against the Defendants, individually, jointly and/or severally in an amount in excess of \$20,000.00, with costs of this action taxed to the Defendants. **A JURY TRIAL IS HEREBY DEMANDED ON ALL ISSUES AND MATTER RAISED IN THE FOREGOING COUNT.**

Count IV

David L. Dunlap, Plaintiff v. Mid East Oil Company and Barry A. Dunlap, Defendants

Equitable Relief

48. The averments of paragraphs 1 through 47, as set forth above, are incorporated herein by reference as though the same were set forth herein at length verbatim.

49. That the Defendants have in the past, and continued through the filing of this Complaint, as averred above, unlawfully taken and appropriated property of the Plaintiff and the Defendants are continuing, subsequent to the filing of this Complaint, to unlawfully secure, remove, sell and appropriate property of the Plaintiff together with the proceeds of sale of such property for their own benefit and profit.

50. As a result of the Defendants' conduct as aforesaid, the Plaintiff and other co-tenants similarly situated have suffered irreparable harm and continue to suffer irreparable harm so long as the Defendants persist in said conduct, generally and for the following reasons:

- A. That the property, which has been converted and will be converted in the future cannot be returned or replaced;
- B. That financial compensation alone is an inadequate remedy;
- C. That the harm suffered by Plaintiff is continuing by virtue of the fact that he continues to be deprived of control of the property.

WHEREFORE, Plaintiff respectfully requests the Honorable Court to forthwith schedule a hearing on the merits of this case and thereafter to enter an order directing the Defendants, its

assignees and successors to immediately terminate its operations on Plaintiff's property and declare the aforesaid Leases invalid, with costs of this action and reasonable attorney's fees and expenses taxed to the Defendants.

Respectfully submitted:



John Sughrue,
Attorney for Plaintiff

VERIFICATION

I, David L. Dunlap, Plaintiff, verify that the statements made in this Complaint are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

Date: May 8, 2001



David L. Dunlap, Plaintiff

AMIDAY

A. 30508

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-3
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
 19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
 hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and cojointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Stott
 On the East by lands of _____
 On the South by lands of _____
 On the West by lands of A. Dunlap and R. Rebon
 and containing, for the purpose of calculating rentals, 79.75 acres of land whether actually
 containing more or less; and part of all said land is described in that certain deed to Lessor from _____
 dated _____
 recorded in Book 723, Page 20, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years
 from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
 (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of eight hundred and 0/00's DOLLARS (\$ 800.00) annually,
 commencing 60 days from date as a rental for 12 months
 such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

Exhibit A

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit A

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

Washington

SS.

On this, the 30th day of November, 1998, before

me a notary public, the undersigned officer,

personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

OF

Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the day of 19, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, he duly acknowledged to me that he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the day of 19, before

me, the undersigned officer,

personally appeared

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing

In witness whereof, I hereunto set my hand and official seal.

My commission expires:

Notary Public

Exhibit A

AFFIDAVIT No. 30530

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-2
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
 hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Todd Brothers
 On the East by lands of A. Dunlap
 On the South by lands of R. Rebon
 On the West by lands of D. Rowles

and containing, for the purpose of calculating rentals, 117.68 acres of land whether actually containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
 recorded in Book 1315, Page 55, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
 (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of one thousand one hundred and seventeen DOLLARS (\$ 1,117.00) annually,

commencing 60 days from date as a rental for 12 months such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

Exhibit B

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit B

COMMONWEALTH OF PENNSYLVANIA

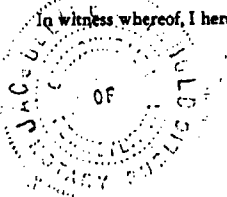
SS.

COUNTY OF Washington

On this, the 30th day of November, 1998, before
me 2 notary public, the undersigned officer,
personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument,
and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF _____

SS:

COUNTY OF _____

On this, the _____ day of _____, 19____, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, _____ he duly acknowledged to me
that _____ he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

SS:

COUNTY OF _____

On this, the _____ day of _____, 19____, before
me _____, the undersigned officer,
personally appeared _____

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing _____

In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

Notary Public

Exhibit B

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

October 3, 2000

VIA CERTIFIED, RETURN RECEIPT
REQUESTED & FIRST CLASS MAIL

Mid-East Oil Company
PO Box 1378
Indiana, PA 15701

ATT: Mr. Mark Thompson, President

RE: David L. Dunlap; claim of ownership to gas and oil
underlying Austin M. Dunlap Farm, formerly Luther Y.
Dunlap Farm, Knox Township, Clearfield County, PA.

Dear Mark,

This will confirm and follow up my phone conversation with your office. I have been retained by David L. Dunlap to represent him with respect to the above matter.

I understand that your company drilled and is operating wells on the above-mentioned property.

My client has consulted with me regarding his belief that he is an owner by inheritance of an interest in the oil and gas underlying the above referenced property. As a result of my preliminary review, I am likewise of the opinion that he has an interest through Luther Dunlap and Golda Bell. Accordingly, it appears that your company is converting his property without his permission and without compensation.

As I indicated in my phone conversation, I would like to meet with a representative of your company and review the matter informally. I recognize that I could be missing something, you could have missed something or there could be an issue as to interpretation of relevant documents.

In any event, please accept this letter as notice to you of the conduct referenced. I ask that the wells in question be taken out of production while the matter is reviewed.

Exhibit C (182)

My client is interested in amicably resolving this matter in the next thirty (30) days. At the requested meeting, I ask that you have available your title search, maps and leases. Thank you for your prompt attention to this request.

Very truly yours,

John Sughrue

JS/kg

cc: Mr. & Mrs. David L. Dunlap

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
MID EAST OIL CO. Mark Thompson

| | |
|---|----------------------|
| Postage | \$ <u>33</u> |
| Certified Fee | <u>1.40</u> |
| Return Receipt Fee (Endorsement Required) | <u>1.25</u> |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ <u>298</u> |

Postmark Here: CLEARFIELD PA 16830

Name (Please Print Clearly) (to be completed by mailer)
John Sughrue (Done & Burdette)
Street, Apt. No., or PO Box No.
23 N 2nd St.
City, State, ZIP+4
Clearfield, PA 16830

PS Form 3800, July 1999 See Reverse for Instructions

Dunlap

| | |
|--|--|
| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
| <ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Received by (Please Print Clearly) <u>Betty Paulm</u> B. Date of Delivery <u>4 OCT 2000</u></p> <p>C. Signature <u>Betty Paulm</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| 1. Article Addressed to: MID EAST OIL COMPANY PO BOX 1378 INDIANA, PA 15701 ATT: MR. MARK THOMPSON, PRESIDNET | 3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. |
| 2. Article Number (Copy from service label) 7000 0600 0023 6401 2227 | 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes |

Exhibit C
(2 of 2)

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket # 10989

DUNLAP, DAVID L. Co-Tenant, indiv. Et al

01-681-CD

VS.

DUNLAP, BARRY A., ind. Al

COMPLAINT

SHERIFF RETURNS

NOW MAY 11, 2001 DONALD BECKWITH, SHERIFF OF INDIANA COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN COMPLAINT ON MID EAST OIL COMPANY, a corp., DEFENDANT.

NOW MAY 21, 2001 SERVED THE WITHIN COMPLAINT ON MID EAST OIL COMPANY, a corp., DEFENDANT BY DEPUTIZING THE SHERIFF OF INDIANA COUNTY. THE RETURN OF SHERIFF BECKWITH IS HERETO ATTACHED AND MADE A PART OF THIS RETURN STATING THAT HE SERVED BETTY PAULINA, SEC.

NOW MAY 24, 2001 SERVED THE WITHIN COMPLAINT ON BARRY A. DUNLAP, DEFENDANT BY CERTIFIED MAIL # 7000 0600 0023 2701 1199 AT 639 THAYER RD., SANTA CRUZ, CA. 95060 BEING HIS LAST KNOWN ADDRESS. THE RETURN RECEIPT IS HERETO ATTACHED AND MADE A PART OF THIS RETURN ENDORSED BY DEFENDANT. THE LETTER WAS SENT "ADDRESSEE ONLY".

Return Costs

| Cost | Description |
|-------|-------------------------------|
| 42.72 | SHFF. HAWKINS PAID BY: ATTY. |
| 27.00 | SHFF. BECKWITH PAID BY: ATTY. |
| 20.00 | SURCHARGE PAID BY: ATTY. |

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket #

10989

DUNLAP, DAVID L. Co-Tenant, indiv. Et al

01-681-CD

VS.

DUNLAP, BARRY A., ind. Al

COMPLAINT

SHERIFF RETURNS

Sworn to Before Me This

5th Day Of June 2001
William A. Shaw

WILLIAM A. SHAW
Prothonotary
My Commission Expires
1st Monday in Jan. 2002
Clearfield Co. Clearfield, PA.

So Answers,

Chester A. Hawkins
Jay Mautyn Hamer
Chester A. Hawkins
Sheriff

FILED

JUN 05 2001
09:55am
William A. Shaw
Prothonotary
Ed



INDIANA COUNTY SHERIFF

825 PHILADELPHIA STREET
INDIANA, PENNSYLVANIA 15701
(724) 465-3930
FAX: (724) 465-3937

Donald L. Beckwith
Sheriff

David J. Rostis
Chief Deputy Sheriff

PAGE: 578

CASE NUMBER: 01-681-CD

AFFIDAVIT OF SERVICE

NOW, MAY 21, 2001, AT 1:55 P M. SERVED

THE WITHIN COMPLAINT

UPON MID EAST OIL COMPANY, CORP.

AT 255 AIRPORT ROAD INDIANA, PA 15701

BY HANDING TO BETTY PAULINA, SECRETARY PERSON IN CHARGE AT TIME OF SERVICE

A TRUE AND CORRECT COPY(S) OF THE WITHIN COMPLAINT

AND MAKING KNOWN TO HIM/HER/THEM THE CONTENTS THEREOF:

////////////////////////////////////

NOW, AFTER DILIGENT SEARCH AND INQUIRY

FAILED TO FIND THE WITHIN

WITHIN MY BAILLIWICK. REASON UNABLE TO LOCATE:

////////////////////////////////////

SO ANSWERS:

Donald L. Beckwith
DONALD L. BECKWITH, SHERIFF

BY:

Robert E. Snyder
ROBERT E SNYDER

DEPUTY

SWORN AND SUBSCRIBED BEFORE ME.
THIS DAY OF

COSTS: \$27.00-PAID

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP, Co-tenant, :
Individually and as Fiduciary, :
for Norman Dunlap, Tammy Salter, :
Linda Goss, Jack Gardlock, :
and Tim Gardlock, Co-tenants :
similarly situated :
Plaintiffs :

v. :

BARRY A. DUNLAP, an individual :
and MID EAST OIL COMPANY, :
a corporation, :
Defendants :

CIVIL ACTION - LAW

TYPE OF CASE: Civil

TYPE OF PLEADING: Prae-
cipe to Enter Appearance

No. 01-681-C.D.

FILED ON BEHALF OF: Mid
East Oil, Defendant

COUNSEL FOR THIS PARTY:
Sharon L. Smith
Supreme Court No.: 28738
197 Main Street
Brookville, Pa. 15825
814-849-6720

FILED

JUN 06 2001

M/10:29/NOCC
William A. Shaw
Prothonotary

Er
HHS

7000 0600 0023 2701 1144

| U.S. Postal Service | |
|--|----------------|
| CERTIFIED MAIL RECEIPT | |
| (Domestic Mail Only; No Insurance Coverage Provided) | |
| Article Sent To: | |
| Postage | \$ 139 |
| Certified Fee | ADDED 150 ONLY |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | 320 |
| Total Postage & Fees | \$ 799 |

Postmark Here MAY 10 2001 CLEARFIELD PA 16830 USPS

Name (Please Print Clearly) (to be completed by mailer)
BARRY A. DUNLAP
Street, Apt. No., or PO Box No.
630 Thayer Rd.
City, State, ZIP+4
Santa Cruz, CA 95060

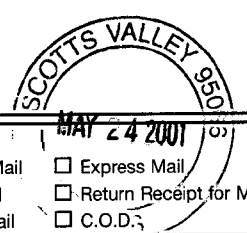
Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A signature upon delivery
- A record of delivery kept by the Postal Service for two years

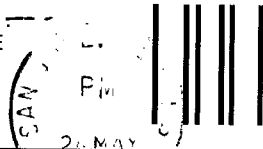
Important Reminders:

- Certified Mail may **ONLY** be combined with First-Class Mail or Priority Mail.
- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|--|--|---|--|
| <ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits. | | A. Received by (Please Print Clearly) B. Date of Delivery | |
| 1. Article Addressed to: BARRY A. DUNLAP 630 Thayer Rd. Santa Cruz, CA. 95060 | | C. Signature X <i>Barry Dunlap</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee | |
| | | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| | |  | |
| | | 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. | |
| | | 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes | |
| 2. Article Number (Copy from service label) 7000 0600 0023 2701 1199 | | | |

UNITED STATES POSTAL SERVICE



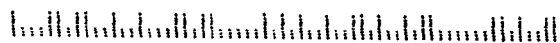
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-40

• Sender: Please print your name, address, and ZIP+4 in this box •

CHESTER A. HAWKINS
Sheriff of Clearfield County
1 N. 2nd St.
Clearfield, Pa. 16830

C. 10989

02



COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP, Co-tenant, :
Individually and as Fiduciary :
for Norman Dunlap, Tammy Salter, :
Linda Goss, Jack Gardlock, and :
Tim Gardlock, Co-tenants :
individually situated :
:

v. :

No. 01-681-C.D.

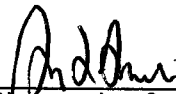
BARRY A. DUNLAP, an individual :
and MID EAST OIL COMPANY, a :
corporation :

PRAECIPE TO ENTER APPEARANCE

To the Prothonotary:

Please enter my appearance on behalf of Mid East Oil Company
in the case cited above.

Date: 4 June 2001


Sharon L. Smith,
Attorney for Mid East
Oil Company
Defendant

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

DAVID L. DUNLAP, Co-tenant, :
Individually and as Ficuiciary for :
Norman Dunlap, Tammy Salter, :
Linda Goss, Jack Gardlock and Tim :
Gardlock, Co-tenants similarly :
situated, :

Plaintiff :

VS. :

NO. 01-681-CD

BARRY A. DUNLAP, an individual, :
and MID EAST OIL COMPANY, :
a Corporation, :

Defendants :

FILED

CASE NUMBER: 01-681-CD

TYPE OF CASE: Civil

TYPE OF PLEADING: ENTRY OF APPEARANCE

FILED ON BEHALF OF: Defendant, Barry A. Dunlap

AUG 09 2001

013:30/1111
William A. Shaw
Prothonotary

COUNSEL OF RECORD FOR THIS PARTY:

R. DENNING GEARHART, ESQUIRE
Supreme Court I.D. #26540
215 East Locust Street
Clearfield, PA 16830
(814) 765-1581

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and Tim
Gardlock, Co-tenants similarly
situated,

Plaintiff

VS.

NO. 01-681-CD

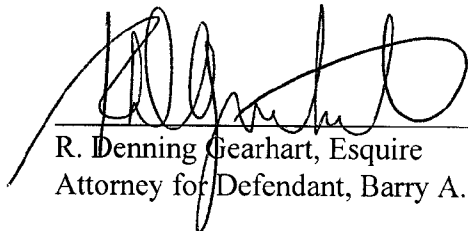
BARRY A. DUNLAP, an individual,
and MID EAST OIL COMPANY,
a Corporation,

Defendants

ENTRY OF APPEARANCE

TO THE PROTHONOTARY OF CLEARFIELD COUNTY:

Please enter my appearance on behalf of the Defendant, BARRY A. DUNLAP, in
the above captioned matter.



R. Denning Gearhart, Esquire
Attorney for Defendant, Barry A. Dunlap

Date: August 9, 2001

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

| | | |
|------------------------------------|---|---------------|
| DAVID L. DUNLAP, Co-Tenant, | : | |
| Individually and as Fiduciary for | : | |
| Norman Dunlap, Tammy Salter, | : | |
| Linda Goss, Jack Gardlock and | : | |
| Tim Gardlock, Co-Tenants similarly | : | |
| situated, | : | |
| Plaintiff | : | |
| vs. | : | No. 01-681-CD |
| BARRY DUNLAP, individually, and | : | |
| MID-EAST OIL COMPANY, a | : | |
| Corporation, | : | |
| Defendants | : | |

CASE NUMBER: 01-681-CD

TYPE OF CASE: Civil

TYPE OF PLEADING: DEFENDANT BARRY DUNLAP'S PRELIMINARY OBJECTION
QUESTIONING PLAINTIFF DAVID L. DUNLAP'S CAPACITY
TO SUE ON BEHALF OF OTHER PLAINTIFFS

FILED ON BEHALF OF: Defendant, BARRY DUNLAP

| | |
|-----------------------------------|------------------------------|
| COUNSEL OF RECORD FOR THIS PARTY: | R. DENNING GEARHART, ESQUIRE |
| | Supreme Court I.D. #26540 |
| | 215 East Locust Street |
| | Clearfield, PA 16830 |
| | (814) 765-1581 |

FILED

JAN 02 2002

William A. Shaw
Prothonotary

**IN THE COURT OF COMMON PLEAS, CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

**DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and
Tim Gardlock, Co-Tenants similarly
situated**

Plaintiff

vs.

**BARRY DUNLAP, individually, and
MID-EAST OIL COMPANY, a
Corporation**

Defendants

No. 01 - 681 - CD

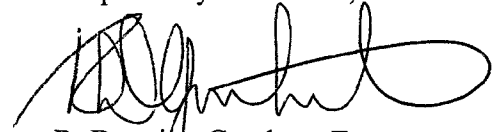
**DEFENDANT BARRY DUNLAP'S PRELIMINARY OBJECTION QUESTIONING
PLAINTIFF DAVID L. DUNLAP'S CAPACITY TO SUE ON BEHALF OF OTHER
PLAINTIFFS**

AND NOW COMES Defendant, Barry Dunlap, who files these preliminary objections and in support thereof avers as follows:

1. The Plaintiff, David L. Dunlap, commenced this action seeking payment to him and the other Plaintiffs of certain royalties alleged to be owed him and the other Plaintiffs.
2. The Plaintiff, David L. Dunlap's Complaint asserts that he also represents, and brings this suit on behalf of the other Plaintiffs by virtue of some claimed fiduciary capacity or appointment.
3. Nothing in the Complaint asserts the basis for his appearance or representation of them or of any authorization to act on their behalf.

Wherefore the Defendant, Barry Dunlap, prays Your Honorable Court to dismiss the instant action insofar as any claims raised by the Plaintiff, David L. Dunlap, on behalf of others.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R. Denning Gearhart', written over the printed name.

R. Denning Gearhart, Esq.
Attorney for Defendant

Barry Dunlap

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION No. 01-681-CD

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and
Tim Gardlock, Co-Tenants similarly
situated, Plaintiff

vs.

BARRY DUNLAP, individually, and
MED-EAST OIL COMPANY, a corporation,

Defendants

DEFENDANT BARRY DUNLAP'S
PRELIMINARY OBJECTION QUESTIONING
PLAINTIFF DAVID L. DUNLAP'S CAPACITY
TO SUE ON BEHALF OF OTHER PLAINTIFFS

FILED

JAN 02 2002

0133013cc-ath
William A. Shaw
Prothonotary

[Signature]

R. DENNING GEARHART
ATTORNEY AT LAW
CLEARFIELD, PA. 16830

IN THE COURT OF COMMON PLEAS
OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

DAVID L. DUNLAP, al

:

-vs-

: No. 01-681-CD

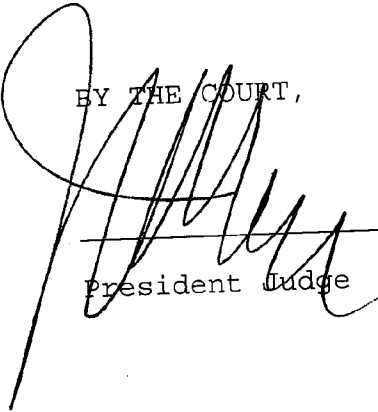
BARRY DUNLAP, al

:

O R D E R

NOW, this 27th day of February, 2002, following argument and briefs into preliminary objections filed on behalf of Barry Dunlap, above named, it is the ORDER of this Court that said objections be and are hereby sustained to the extent that Plaintiff, David L. Dunlap, shall submit for the record within thirty (30) days from date hereof powers of attorney from all other named Plaintiffs granting him permission to proceed on their behalf in the above-captioned law suit.

BY THE COURT,



President Judge

FILED

FEB 28 2002

0132312cc atty Supreme
2cc atty Seaboard
William A. Shaw
Prothonotary 2cc atty Smith
Ekal

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

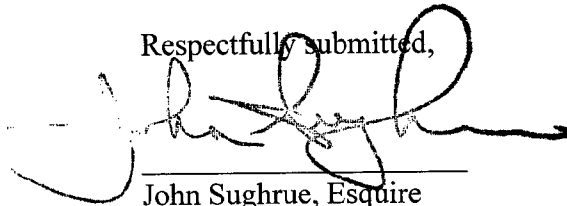
No. 01- 681 -C.D.

PRAECIPE TO FILE AUTHORIZATION LETTER
FROM TAMMY SALTER, CO-OWNER

TO: WILLIAM A. SHAW, PROTHONOTARY

Kindly file in the above captioned matter the attached original letter of authorization
dated July 9, 2001, from Tammy Salter to John Sughrue, Attorney for Plaintiff.

Respectfully submitted,



John Sughrue, Esquire
Attorney for Plaintiff

Date: March 21, 2002

FILED

MAR 21 2002

011:0711cc with Sughrue
William A. Shaw
Prothonotary



7/9/01

Dear Mr. John Sughrue,

JUL 10 2001

I am writing to confirm to you that I do want my share of all rights that I (Tammy Salter) am entitled to on the Dunlap land. Please inform Mid East Oil Company of my request.

Thank you,
Tammy Salter

Tammy Salter
17 North 3rd St.
Philipsburg, Pa. 16866

(814) 343-1839

Re: Dunlap v. Barry A. Dunlap
et al

No. 01-681-CD

JUL 10 2001

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

FILED

MAR 21 2002

0111:1011cc att. Sughrue
William A. Shaw / *WAS*
Prothonotary

No. 01-681-C.D.

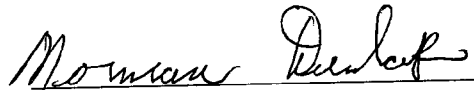
LIMITED POWER OF ATTORNEY FROM NORMAN DUNLAP
TO DAVID L. DUNLAP, PLAINTIFF

KNOW ALL MEN BY THESE PRESENTS that I, Norman Dunlap, single, of the Commonwealth of Pennsylvania, domiciled and residing at 222 Leavy Avenue, Apt. #301, Clearfield Borough, Clearfield County, Pennsylvania 16830, a co-tenant and co-owner of the property, which is the subject of the above-captioned litigation, have constituted, made, and appointed and by these presents do constitute, make, and appoint my son, David L. Dunlap, of RD 3 Box 289, Curwensville, Clearfield County, Pennsylvania 16833, phone number (814) 236-3068, **Plaintiff in the above captioned matter**, my true and lawful agent in the above-captioned matter and hereby grant to him the following authorizations:

1. To institute, maintain and prosecute to conclusion, on my behalf and as a fiduciary for me, the actions filed in the above captioned matter;
2. Represent me in the above-captioned matter, and in particular to represent my interest in the property, which is the subject of the above-captioned matter and all remedies related thereto and to secure for me and my heirs forever, such property, compensation and damages to which I may be entitled in the oil and gas or the royalties from the oil and gas, which is the subject of the above-captioned action and to represent me in all respects to secure such other remedies at law or equity to which I may be entitled from and against the above name Defendants;
3. To do all that is reasonably necessary or desirable to secure the same and in particular to do such things with respect to the above-captioned litigation and the subject matter of the litigation as I could do and to the same extent as I could do if I was a Plaintiff in the above-captioned matter, including the authority to employ lawyers and expert witnesses as may be necessary to succeed in the above-captioned matter.

4. I acknowledge and intend that this Power of Attorney should take effect immediately upon execution and that it will be filed of record in the above-captioned matter. I further understand and direct that this Power of Attorney shall remain in full force and effect until such time as it may be revoked in writing filed of record in the above-captioned matter.

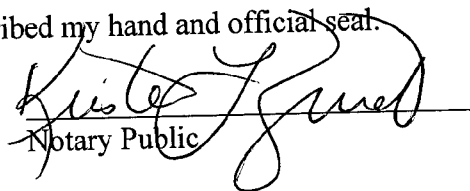
IN WITNESS WHERETO, I have here and to set my hand and seal this 18th day of March 2002.

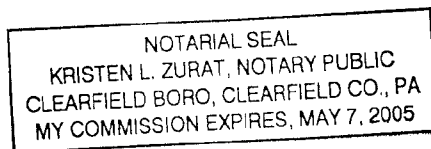

Norman Dunlap

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF CLEARFIELD :

On this, the 18th day of March 2002, before me, the undersigned authority, personally appeared Norman Dunlap, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and official seal.


Notary Public



IN THE COURT OF COMMON PLEAS, CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

| | | |
|------------------------------|---|---------------|
| DAVID L. DUNLAP, | : | |
| Plaintiff | : | |
| VS. | : | No. 01-681-CD |
| | : | |
| BARRY A. DUNLAP, individual, | : | |
| and MID-EAST OIL COMPANY, a | : | |
| Corporation | : | |
| Defendants | : | |

CASE NUMBER: 01-681CD

TYPE OF CASE: Civil

TYPE OF PLEADING: ANSWER OF DEFENDANT, BARRY A. DUNLAP

FILED ON BEHALF OF: Defendant, Barry A. Dunlap

COUNSEL OF RECORD FOR THIS PARTY: R. DENNING GEARHART, ESQUIRE
Supreme Court I.D. #26540
215 East Locust Street
Clearfield, PA 16830
(814) 765-1581

FILED

MAY 28 2002

6/1/02/3000
William A. Shaw
Prothonotary

**IN THE COURT OF COMMON PLEAS, CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

| | | |
|-------------------------------------|---|-----------------------|
| DAVID L. DUNLAP, | : | |
| Plaintiff | : | |
| VS. | : | No. 01 -681-CD |
| | : | |
| BARRY A. DUNLAP, individual, | : | |
| and MID-EAST OIL COMPANY, a | : | |
| Corporation | : | |
| Defendants | : | |

NOTICE TO DEFEND

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 without you and a judgment may be entered 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 A 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's Office
Clearfield County Courthouse
Clearfield, PA 16830
814-765-2641 Ext. 50-51

IN THE COURT OF COMMON PLEAS, CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

| | | |
|------------------------------|---|----------------|
| DAVID L. DUNLAP, | : | |
| Plaintiff | : | |
| VS. | : | No. 01 -681-CD |
| | : | |
| BARRY A. DUNLAP, individual, | : | |
| and MID-EAST OIL COMPANY, a | : | |
| Corporation | : | |
| Defendants | : | |

ANSWER OF DEFENDANT BARRY A. DUNLAP

AND NOW comes Barry A. Dunlap, one of the named Defendants in the above matter, who answers the Complaint as follows:

1. Admitted.
2. Admitted.
3. Admitted as to Barry Dunlap's address. However, denied that he is the co-owner. He is in fact the sole owner of the tract of land that is the subject of this litigation.
4. Admitted in part and denied in part. The description of the property is correct, but the acreage is in fact 117.68 acres, not the 130 acres claimed. Further, denied that Luther Y. Dunlap bequeathed the gas, oil, etc., to Alma Dunlap, his wife, and the named children. In fact, Luther Y. Dunlap bequeathed only the **proceeds** from the oil and gas. Inasmuch as, under Pennsylvania law, royalties are personal property, it is the answer of the Defendant Barry A. Dunlap that Luther Y. Dunlap left all real property interest to his son, Austin M. Dunlap.

5. Admitted.

6. Admitted.

7. Admitted.

8. Denied. For reasons set forth in the Answer to Paragraph 4, Plaintiff does not own an undivided 1/12 interest in the real estate. He owns only a fractional interest in the **royalties**, personal property.

a. Admitted in part and denied in part. As answered in Paragraph 4 above, the interest that passed as claimed by the Plaintiff, was only interest in personal property (to wit, the right to royalties) and not to any real estate interests.

b. Admitted in part and denied in part as described in Paragraph 'a' above.

c. Admitted in part and denied in part for reasons as described in Answer to Paragraph 4 above.

9. Denied. The only owner of real estate is Barry A. Dunlap by virtue of the conveyance to him by his parents Austin M. and Minnie Dunlap. Said property being acquired by Austin Dunlap as described above.

a-c. Denied. The heirs listed in the averments own only a fractional interest in **royalties**, personal property. There is no interest in the real estate, including oil and gas rights.

d. Denied. All of the real estate is owned solely by Barry A. Dunlap.

e. Denied. As stated before, the sole owner of the real estate is Barry A. Dunlap. The other heirs listed own a fractional share of **royalties**, personal property.

10. Admitted.

11. Admitted in part and denied in part. The only lease that is part of this lawsuit is the one for the 117.68 acres. The other lease pertains to separate property of Austin M. Dunlap, not part of the Luther Dunlap bequest. The rest of the averment is admitted.

12. Defendant is unable to respond to what the Plaintiff did or did not know.

COUNT I

13. through 27. No answer required by Defendant, Barry A. Dunlap.

COUNT II

28. No answer required.

29. No answer required.

30. Admitted.

31. Denied that Defendant, Barry A. Dunlap, intentionally converted the property of the Plaintiff, David L. Dunlap. Both Defendants have offered to pay to the Plaintiff, David L. Dunlap, a sum equal to the total of his share of the royalties that were erroneously paid to Barry A. Dunlap, either on his own behalf or as attorney in fact for his father, Austin Dunlap.

32. Denied for reasons set forth in Paragraph 31.

33. Admitted.

34. Denied for reasons set forth in Paragraph 31.

35. Denied for reasons set forth in Paragraph 31.

36. Denied for reasons set forth in Paragraph 31.

37. Denied for reasons set forth in Paragraph 31.

38. Denied for reasons set forth in Paragraph 31.

39. Denied. Calls for a conclusion of law.

40. Denied. Calls for a conclusion of law.

41. Admitted to the extent that the same is within the knowledge of the Defendant, Barry A. Dunlap. However, it is further averred that, upon being advised of the mistake, Plaintiff, David L. Dunlap, through his attorney, was offered full payment for his share of the royalties. This offer was contained in a letter dated August 22, 2001, from Attorney Sharon L. Smith, attorney for the corporate Defendant. A copy of that letter is attached as Exhibit '1.' Any further denial of sums of money due to David L. Dunlap are solely caused by the refusal of David L. Dunlap, or his attorney, John Sughrue, to respond to said letter.

42. Denied for reasons set forth in Paragraph 41.

43. Denied for reasons set forth in Paragraph 41.

44. Admitted, but as explained in Paragraph 41, Defendants are, and have been, willing to pay to the Plaintiff, David L. Dunlap, the full sum of money owed to him.

COUNT III

45. No answer required.

46. For reasons contained in the responses above, particularly Paragraphs 31 and 41, the conduct of the Defendants was not reckless or in bad faith. If anything, this correspondence which indicates the Defendants' willingness to correct their error, evidences their good faith. It is Plaintiff, David L. Dunlap, and/or his attorney, in an effort to obtain more than the actual sum due to them, or to justify unnecessary legal fees, that

causes matters to be delayed and has led to the Plaintiff, David L. Dunlap, being deprived of what is due him.

47. Denied for reasons set forth in Paragraph 46.

COUNT IV

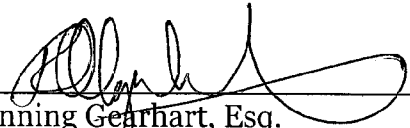
48. No answer required.

49. Denied for reasons set forth above.

50. Denied for reasons set forth above.

WHEREFORE, Defendant, Barry A. Dunlap, prays Your Honorable Court to deny the prayer of the Plaintiff.

Respectfully Submitted,



R. Denning Gearhart, Esq.
Attorney for Defendant, Barry Dunlap

SATE OF CALIFORNIA

:

: SS:

COUNTY OF

:

AFFIDAVIT

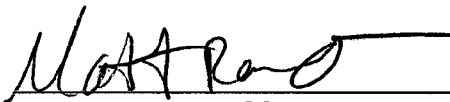
Before me, the undersigned officer, personally appeared, BARRY A. DUNLAP who being duly sworn according to law deposes and says that the facts set forth in the foregoing Answer are true and correct to the best of his knowledge, information, and belief.

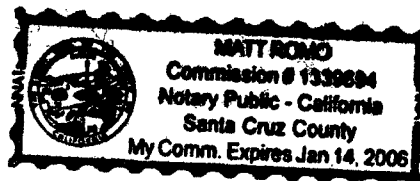

BARRY A. DUNLAP

Sworn to and subscribed

before me this 24th day

of May, 2002.


Notary Public



IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)
NO. 01-681-CD

DAVID L. DUNLAP,
Plaintiff
VS.

BARRY A. DUNLAP, et al,
Defendants

ANSWER OF DEFENDANT,
BARRY A. DUNLAP

R. DENNING GEARHART
ATTORNEY AT LAW
CLEARFIELD, PA. 16830

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a corpora-
tion,
Defendants

CIVIL ACTION - LAW

No. 01-681-C.D.

TYPE OF CASE: Civil

TYPE OF PLEADING:

FILED ON BEHALF OF:
Mid-East Oil Company,
Defendant

COUNSEL OF RECORD FOR THIS
PARTY: Sharon L. Smith
Supreme Court No.: 28738
197 Main Street
Brookville, Pa. 15825
814-849-6720

FILED

MAY 31 2002

m/11/30/ KC atty Smith
William A. Shaw
Prothonotary
K 26

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a Corpora-
tion,
DEFENDANTS

No. 01-681-C.D.

ANSWER

1.-2. Admitted.

3. Admitted in part and denied in part. Barry A. Dunlap's address is listed correctly. It is denied that he is a co-owner. The records in the Clearfield County Courthouse show that he is the sole owner of the tract of land that is the subject of this litigation.

4. Admitted in part and denied in part. The location and the metes and bounds description of the property appears to be correct, but the acreage is 117.68 acres, not 130 acres. Further, Luther Y. Dunlap did not bequeath the oil, gas, and related hydrocarbons, royalties, and profits therefrom, but rather, the proceeds only from the oil and gas, to Alma Dunlap, his wife, and his children, Austin M. Dunlap, Norman Dunlap, Golda Dunlap Bell, and Maxine Dunlap Gardlock. Proceeds or profits, under Pennsylvania law, are personal property. Luther Y. Dunlap left the real property interest to his son, Austin M. Dunlap. The Luther Y. Dunlap will is attached hereto as Exhibit A.

5.-7. Admitted.

8. Denied. Plaintiff does not own an undivided one-twelfth (1/12th) interest in the whole property. He appears to own a fractional interest in the royalties, which are personal property.

A. Admitted in part and denied in part. It is admitted that Golda D. Bell left her interest in "the minerals, oil, and gas in the property known as the Luther Y. Dunlap Estate" to Tammy Salter, Linda Goss, and David L. Dunlap. It is denied that she left her heirs the oil and gas rights. The testatrix's bequest was limited to what she herself had inherited, i.e., a fractional share of the proceeds of the oil and gas. The will of Golda D. Bell is attached hereto as Exhibit B.

B. Admitted in part and denied in part. Golda D. Bell did inherit a fractional share of the proceeds from both Luther Y. Dunlap and Alma Dunlap. However, her interest was limited to the proceeds alone.

She owned no interest in the oil and gas. See Exhibit A attached hereto.

C. Admitted in part and denied in part. Luther Y. Dunlap died seised of the land that is the subject of this action; however, he left it to his son, Austin M. Dunlap. The other heirs were to receive a portion of the proceeds if oil and gas were found on the property. That is personal property.

9. Denied. The only owner of the real estate is Barry A. Dunlap by virtue of the conveyance to him by Austin M. and Minnie Dunlap. Austin M. Dunlap acquired the property through the bequest of Luther Y. Dunlap. See Exhibit A attached hereto.

A.-C. Denied. The heirs listed in the averments own a fractional interest in the royalties, which are personal property. They have no interest in the land or the oil and gas rights.

D. Denied. Barry A. Dunlap owns all the real estate that is the subject of this litigation. The conveyances in 1 through 3 are admitted.

E. Denied. The sole owner of the property is Barry A. Dunlap. The other heirs own a fractional share of the royalties, which are personal property.

10. Admitted.

11. Admitted in part and denied in part. The only lease that is part of this lawsuit is the one for 117.68 acres. The other lease pertains to separate property of Austin M. Dunlap that was not acquired as part of the Luther Y. Dunlap bequest. The rest of the averment is admitted.

12. Admitted in part and denied in part. It is admitted that plaintiff was not a party to any lease and was not notified. It is denied that it was necessary for defendant Mid-East Oil Company to do so. Plaintiff does not own a working interest in the oil and gas rights.

COUNT I

13. The answers in Paragraphs 1 through 12 are hereby incorporated by reference.

14. A. Denied. Defendant Mid-East Oil Company did not know that Austin M. Dunlap, and his successor, Barry A. Dunlap, were not the sole owners of the property. On the contrary, the Luther Y. Dunlap will clearly stated that he left his farm to his son, Austin M. Dunlap, who conveyed his interest to his son, Barry A. Dunlap.

B. Denied. The Luther Y. Dunlap will was placed into probate in Clearfield County. Therefore, the public records in Clearfield County show that Austin M. Dunlap, and his successor, Barry A. Dunlap, owned the property.

C. Denied. The Luther Y. Dunlap will left plaintiff a non-working interest in the farm, i.e., the proceeds of any oil and gas, which are personal property.

D. Denied. The public records manifestly show that the farm was left to Austin M. Dunlap, who conveyed it to his son, Barry A. Dunlap. The plaintiff, and any other Luther Y. Dunlap heirs, have an interest only in the proceeds, which are personal property.

15. Denied. Defendant Mid-East Oil Company did not willfully and intentionally convert the property of the plaintiff or anyone else without his or their knowledge. The Clearfield County records establish that Austin M. Dunlap and his successor, Barry A. Dunlap, were the sole owners of the tract of land. The plaintiff inherited a non-working interest in the oil and gas royalties. Plaintiff had no legal authority to enter into a lease. Mid-East Oil Company acted properly in commercially developing the oil and gas.

16. Admitted in part and denied in part. It is admitted that the plaintiff is owed a portion of the royalties. It is denied that Mid-East willfully and intentionally converted the plaintiff's property for its use and benefit. The initial title search on which Mid-East Oil Company relied failed to reveal the plaintiff's interest, which is a non-working one. Despite that mistake, the lease is valid because the sole owner of the working interest was the lessor, Austin M. Dunlap. Barry A. Dunlap has succeeded to that interest. Mid-East Oil Company has offered to pay the plaintiff his share of the royalties, which are being held in escrow pending the outcome of this litigation. See Exhibits C, D, and E attached hereto.

17. Denied. Defendant Mid-East Oil Company acted properly since the only authorization that it needed to explore for, drill, remove, and sell the oil and gas was that of Austin M. Dunlap, whose successor is the defendant, Barry A. Dunlap. There can be no willful and intentional conversion of plaintiff's property when plaintiff did not own it.

18. Denied. Defendant Mid-East Oil Company did not act improperly when it caused the gas wells to be drilled and the oil and/or gas removed and sold. The oil and gas rights belonged to Austin M. Dunlap as part of the bequest of the farm from his father, Luther Y. Dunlap. Austin M. Dunlap conveyed those rights to his son, Barry A. Dunlap, defendant herein. Plaintiff has an interest in the royalties, which are personal property and provide no right to consent to an oil and gas lease.

19. Denied. The tract of land that contains the oil and gas under lease with the defendant, Mid-East Oil Company, was the sole property of Austin M. Dunlap at the time the lease was signed. He was the only party authorized to enter into an oil and gas lease. Barry A. Dunlap has succeeded to his interests in both the real estate and the oil and gas lease. There was no negligent or reckless conversion of the plaintiff's property because he did not own it. Plaintiff is entitled to a portion of the royalties.

They are being held in escrow.

20. Denied. There has been no unlawful conversion. Plaintiff does not own an interest in the real estate, but rather, a non-working interest in the oil and gas proceeds. The latter does not entitle him to have any control over an oil and gas lease. Instead, he is to receive a portion of the royalties, which Mid-East Oil Company will pay. The money is being held in escrow.

21. Denied. Mid-East Oil Company entered into a valid lease with Austin M. Dunlap. Barry A. Dunlap is his successor in interest. Mid-East Oil is entitled, therefore, to its profits. The royalties are being held in escrow.

22. Denied. The property was Austin M. Dunlap's to lease. Barry A. Dunlap is his successor in interest. Mid-East Oil Company got proper title to the oil and gas and is entitled to the compensation it received. Plaintiff's share of the royalties are being held in escrow.

23. Denied. Defendant Mid-East Oil Company had a valid lease and was entitled to the profits. Mid-East has provided John Sughrue with an accounting of the money. See Exhibit E.

24. Admitted in part and denied in part. It is admitted that John Sughrue sent the letter dated 3 October 2000 and that Mid-East Oil received it. It is denied that Mid-East Oil Company's conduct was improper or that there was any conversion of the plaintiff's property. The real estate on which the gas wells are located vested first in Austin M. Dunlap, and then in Barry A. Dunlap. Austin M. Dunlap was free to sign the lease with Mid-East Oil. Plaintiff has an interest in the royalties, which are personal property. Mid-East Oil is keeping those royalties in escrow until this litigation is resolved.

25. Denied. Mid-East Oil Company has legitimately exercised its rights under the oil and gas lease. The only property interest that plaintiff has is in the royalties, which are personal property.

26. Denied. Plaintiff and the other heirs are not co-tenants. They have an interest in the royalties, which are personal property. Plaintiff has not sustained any damage.

A.-D. Defendant Mid-East Oil has not deprived plaintiff of any property; the control, use, and benefit of property; the fair market value of property; or the revenues and profits from the property. Plaintiff has a non-working interest in the oil and gas wells, which means that he has no interest in the real estate. Mid-East Oil Company is willing to pay plaintiff his portion of the royalties.

27. Denied. Because plaintiff has no interest in the real estate, he is not entitled to compensatory damages, including the fair market value of property and all proceeds, revenues, and profits acquired therefrom. No conversion

of real estate took place as it belonged to Austin M. Dunlap, grantor of the oil and gas lease, or his successor, Barry A. Dunlap.

WHEREFORE, the defendant, Mid-East Oil Company, requests Your Honorable Court to enter judgment for defendant and against plaintiff for compensatory damages and costs.

COUNT II

28. The answers in Paragraphs 1 through 12 are hereby incorporated by reference.

29. The answers in Paragraphs 14 through 27 are hereby incorporated by reference.

30. A.-C. Denied. The records in the Clearfield County Courthouse show that Austin M. Dunlap and his successor in interest, Barry A. Dunlap, owned the working interest in the oil and gas rights. As to what defendant Barry A. Dunlap actually knew, after reasonable investigation, defendant Mid-East Oil Company is without knowledge and/or information sufficient to form a belief as to the truth of the averment.

31. Denied. After reasonable investigation, defendant, Mid-East Oil Company, is without knowledge and/or information sufficient to form a belief as to the truth of the averment.

32. Denied. Defendant, Mid-East Oil Company did not willfully and intentionally convert the property of the plaintiff when it explored for drilled, and sold the oil and/or gas. The Clearfield County Courthouse records establish that Austin M. Dunlap, and his successor, Barry A. Dunlap, owned the real estate and the working interest in the oil and gas rights.

33. Denied. Defendant, Mid-East Oil Company, did not cause or permit gas wells to be drilled for the purpose of depriving the plaintiff of his property. The oil and gas rights belonged to Austin M. Dunlap, who conveyed them to Barry A. Dunlap. Plaintiff has never had an interest in the farm. His interest is limited to a portion of the royalties, which are personal property and gives him no control over the oil and gas lease.

34. Denied. As to what the defendant Barry A. Dunlap knew, defendant, Mid-East Oil Company, after reasonable investigation, is without knowledge and/or information sufficient to form a belief as to the truth of the averment. The public records in Clearfield County, however, show that Austin M. Dunlap or his successor in interest, Barry A. Dunlap, owned the real estate and the working interest in the oil and gas. Plaintiff owns a portion of the non-working interest, but that does not give him any control over the disposition of the oil and gas.

35. Denied. Defendant, Mid-East Oil Company, did not participate in depriving plaintiff of his property; right of control or property; or the use, enjoyment, benefit, and proceeds of the sale of the property. It did not unlawfully

convert the plaintiff's property. The plaintiff does not have an ownership interest in the realty that would entitle him to control or have a say in the leasing of the property. He is entitled to a portion of the royalties, which are personal property and a non-working interest. Mid-East Oil cannot convert that which the plaintiff did not own.

36. Denied. Defendant, Mid-East Oil Company, has escrowed the royalties due until the resolution of this case. As to any royalties not escrowed, Mid-East Oil will compensate plaintiff for his share.

37. Denied. Austin M. Dunlap had title to the oil and gas rights at the time the lease was signed. Title to the oil and gas then vested in Mid-East Oil.

38. Denied. Austin M. Dunlap owned the property as well as the working interest in the oil and gas rights. Any money now due plaintiff is being held in escrow. In any case, any interest plaintiff has in the oil and gas is a non-working one.

39. Denied. Austin M. Dunlap is not a co-tenant with anyone. He owned the working interest in the oil and gas rights at the time he leased them to Mid-East Oil Company. Therefore, his successor in interest, Barry A. Dunlap, is not in a fiduciary relationship with anyone.

40. Denied. As Austin M. Dunlap's successor in interest, Barry A. Dunlap did not owe a fiduciary duty to anyone inasmuch as his predecessor was the sole owner of the oil and gas rights at the time he entered the lease with Mid-East Oil.

41. Admitted in part and denied in part. Defendant, Mid-East Oil Company, received John Sughrue's letter of 3 October 2000 and advised defendant Barry A. Dunlap of it. However, Mid-East Oil's conduct has never been improper, and it has committed no conversion. The title to the 117.68 acre tract that Mid-East has under lease belonged to Austin M. Dunlap at the time he signed lease, and he had control of the oil and gas rights. There can be no conversion of the plaintiff's property since he did not own it.

42. Denied. There is nothing improper in Barry A. Dunlap allowing Mid-East Oil Company to remove and sell the oil and/or gas under the 117.68 acre tract. His predecessor in interest, Austin M. Dunlap, owned the working interest in the oil and gas rights at the time he entered the lease. Plaintiff cannot be deprived of property that he does not own.

43. A.-D. Denied. There has been no deprivation of property; deprivation of the use, control, and benefit of property; permanent deprivation of the fair market value of property; or deprivation of the revenues and profits to be secured from the property. The reason is that the plaintiff has never owned the realty or the oil and gas rights that go with it. He was a non-working interest in the oil and gas by virtue of the fact that he is entitled to a portion of the royalties, which are personal property. That money is

being held in escrow pending the outcome of the litigation.

44. Denied. Plaintiff is owed nothing but a portion of the royalties, which are being held in escrow. At the time Austin M. Dunlap leased the oil and gas rights to Mid-East Oil, he owned them, subject to the division of the royalties. Title to the oil and gas is now vested in Mid-East Oil Company by virtue of the lease.

WHEREFORE, defendant, Mid-East Oil Company, respectfully requests Your Honorable Court to enter judgment in favor of the defendants and against plaintiff for compensatory damages and costs.

COUNT III

45. The answers in Paragraphs 1 through 44 are hereby incorporated by reference.

46. Denied. Austin M. Dunlap owned the oil and gas rights to the 117.68 acre tract that is the subject of this litigation at the time he entered into a lease with Mid-East Oil Company. As such, his successor in interest, Barry A. Dunlap, had no fiduciary responsibility to the plaintiff. As to the rest of the averment, defendant, Mid-East Oil Company, is without knowledge and/or information sufficient to form a belief as to the truth of the averment.

47. Denied. Defendant, Mid-East Oil Company's, conduct has not been a willful, intentional, and/or negligent act and violation of the laws of Pennsylvania so as to entitle plaintiff to punitive damages. On the contrary, the defendant, Mid-East Oil, has acted properly in entering into an oil and gas lease with the sole owner of the oil and gas rights, Austin M. Dunlap. Barry A. Dunlap is his successor in interest. Upon learning that plaintiff was entitled to a portion of the royalties, it offered to pay plaintiff the amount due prior to the escrow of the royalties as well as plaintiff's portion of the escrow account. See Exhibits C, D, and E attached hereto.

WHEREFORE, defendant, Mid-East Oil Company, respectfully requests that Your Honorable Court enter judgment in its favor and against the plaintiff for punitive damages and costs.

COUNT IV

48. The answers in Paragraphs 1 through 47 are hereby incorporated by reference.

49. Denied. Defendant, Mid-East Oil Company, has not taken and appropriated plaintiff's property to unlawfully secure, remove, sell, and appropriate it. On the contrary, Mid-East Oil is operating under an oil and gas lease that entered into with the sole owner of those rights, Austin M. Dunlap. Barry A. Dunlap is his successor in interest. The only interest that plaintiff has in the oil and gas is in the royalties, which are personal property and represent a non-working interest. See the Luther Y. Dunlap and Golda D. Bell wills attached hereto as Exhibits A and B. Mid-East Oil has offered

to pay plaintiff his share of the royalties and is holding them in escrow pending resolution of this case.

50. Denied. Plaintiff has not suffered irreparable harm because he does not own a working interest in the oil and gas rights.

A. Denied. There has been no conversion because the plaintiff has never owned a working interest in the oil and gas. The oil and gas under the Luther Y. Dunlap property was never his to lease.

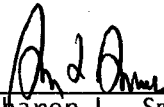
B. Denied. Financial compensation is the standard remedy for the loss. It is what the plaintiff is entitled to as an owner of a portion of the royalties.

C. Denied. Plaintiff does not own and has never owned the real estate or the oil and gas rights to it. Under both the Luther Y. Dunlap and Golda D. Bell wills, attached hereto as Exhibits A and B, he is entitled to a portion of the proceeds, which are personal property and represent a non-working interest. Plaintiff cannot be deprived of property that he does not own.

WHEREFORE, defendant, Mid-East Oil Company, requests Your Honorable Court to enter judgment in its favor by declaring the lease valid and by denying plaintiff costs.

Respectfully submitted by:

Date: 30 May 2002



Sharon L. Smith
Attorney for Defendant
Mid-East Oil Company

Be it Remembered

That I,

Luther J. Dunlap

Luther J. Dunlap

DOB 12-17-1969

Est. 70-27

170-14-3870 Ex. Austin H. Dunlap

being of sound and disposing mind, memory and understanding, and considering the uncertainty of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Execut hereinafter named, as soon as conveniently may be after my decease.

Second.—I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease.

I Choose for my Executors my
Glen Austin Dunlap and Norman Dunlap
& Will to my wife Alma Dunlap the use
of the House and all the Furniture as long
as she remains my Widow and to receive
one third of the income from the Farm.
I Will to my son Austin Dunlap my Farm
Also my 32 Winchester Rifle
& Will to my son Norman Dunlap my House
and two Lots in Glen Hope Borough
Also my 22 Marlin Rifle, also my Watch
And to my Grand son Barry Dunlap
my Shot gun over

And Lastly, I do make, constitute and appoint

to be the Execut

of this my last Will and

Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal,
the 23 day of November in the year of our Lord one thousand
nine hundred and 64

Signed, sealed, published and declared by the
testat above named, as and for his
last Will and Testament, in the presence of us,
who have hereunto, at his request, subscribed
our names in his presence, and in the pres-
ence of each other, as witnesses hereto.

C. Frederick Hall
R. P. Neal

Luther J. Dunlap

EXHIBIT A

NOTARY PUBLIC
L. J. Dunlap
12-17-1969
NOTARY PUBLIC
MY COMMISSION EXPIRES FIRST SUNDAY IN JAN. 1973

I request my Personal Property to be
appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisal

I Will to my Daughter Golda Bell

The sum of \$300.00

I Will to my Daughter Maxine Sandloch

The sum of \$300.00 and what money I have is to be

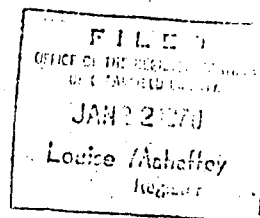
Equally divided among my Heirs
if there is Gas Oil or Fire Clay

or any other minerals found
on this Farm the Proceeds is to

be Equally Divided among

my Heirs

Will.



Proved & Approved
January 22, 1970

15
471 70-27

15
471

FILED
OFFICE OF THE REGISTER OF
WILLS OF CLEARFIELD COUNTY

NOV 24 1992

KAREN L. STARCK
Register

Last Will and Testament

OF
GOLDA D. BELL

I, GOLDA D. BELL, of Curwensville Borough, Clearfield County, Pennsylvania, declare this to be my Last Will and Testament, hereby revoking any and all Wills and/or Codicils heretofore by me made.

ITEM I: I direct that all my just debts and funeral expenses and all expenses of my last illness, shall be paid from the assets of my estate, as soon as practicable after my decease, as a part of the expense of the administration of my estate.

ITEM II: I give and bequeath my house and lot located at 514 Susquehanna Avenue, Curwensville, Pennsylvania, to my niece, LINDA GOSS, if she is living at the time of my death. In the event my niece, LINDA GOSS, shall predecease me or die simultaneously with me, I give, devise and bequeath the above described house and lot to the children of my niece, LINDA GOSS, in equal shares.

ITEM III: I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Dunlap Estate to my niece, LINDA GOSS, my niece, TAMMY SALTER, and my nephew, DAVID DUNLAP. In the event any of the above named beneficiaries should predecease me, the share of said decedent shall be distributed in equal shares to such of the above named beneficiaries as shall survive me.

ITEM IV: All the rest, residue and remainder of my estate, real, personal and mixed, of whatsoever nature and kind and wheresoever situate, of which I may die seized or possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath unto my niece, LINDA GOSS, and my niece, TAMMY SALTER, in equal one-half (1/2) shares. Should either of my nieces, LINDA GOSS or TAMMY SALTER, fail to survive me, then I direct that the share of said deceased niece be distributed in equal shares among her children who survive me, and in default of such children, said decedent's share shall be added to the share for my surviving niece, or her children, as the case may be.

ITEM V: I hereby nominate and appoint DENNIE GOSS, husband of my niece, LINDA GOSS, as Executor of this my Last Will. In the event that DENNIE GOSS should be unable or unwilling to so serve at anytime for any reason, I hereby nominate and appoint my nephew, JACK GARDLOCK, as Executor of this my Last Will and Testament.

EXHIBIT B

Golda D. Bell

MENDENHALL LAW OFFICES

P.O. Box 60277
Harrisburg, Pennsylvania 17106
Phone (717) 541-1661
Cellular Phone (717) 329-2144
Fax (717) 541-5426

Joyce Mendenhall, Esq.
email: joyce.mendenhall@att.net

October 20, 2000

Mr. John Sughrue
23 North Second Street
Clearfield, PA 16830

Re: Austin Dunlap tract, Knox Twp. Clearfield County
Tax Map Number 122-J12-2, 117 acres

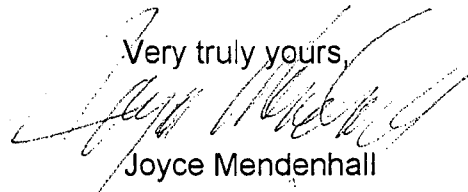
Dear Mr. Sughrue:

A copy of your letter was forwarded to me by my client, the Mid-East Oil Company. My abstractor is completing an examination of the title for my review. Pending the outcome of our title review, presently, I agree that the heirs of Luther Dunlap are entitled to a royalty interest in this tract. I will need to determine who the heirs are, given that the will does not specifically describe them.

In the interim, I have requested that the Mid-East Oil Company suspend any royalty payments until all heirs have signed a royalty division order. If you have any information or documents describing the heirs of Luther Dunlap, please forward it to my office at the above address.

If I can further answer any question please call. With best regards, I am,

Very truly yours,



Joyce Mendenhall

cc: Lance Casaday, Mid-East Oil Company

EXHIBIT C

MENDENHALL LAW OFFICES

P.O. Box 60277
Harrisburg, Pennsylvania 17106
Phone (717) 541-1661
Cellular Phone (717) 329-2144
Fax (717) 541-5426

Joyce Mendenhall, Esq.
email: joyce.mendenhall@att.net

December 7, 2000

Mr. John Sughrue
23 North Second Street
Clearfield, PA 16830

Re: Austin Dunlap Tract, Knox Twp. Clearfield County,
Tax Map No. 122-J12-2, 117 acres.

Dear Mr. Sughrue:

I have received and reviewed your December 6, 2000 letter. As I indicated during our phone conversation, I will handle this matter for Mid East Oil Company and Mr. Barry Dunlap as he is necessarily involved.

My position remains the same. This position is that you may take this matter into litigation if you chose to. We will fashion a response including but not limited to the ambiguity set forth in the Luther Dunlap will. I in no way make any admission regarding this matter. At most your client/clients have a claim to royalties but do not have title to this property. Mr. Barry Dunlap has at all times been responsible for maintenance of this property, including paying the real estate taxes. Again, I explain, that if all necessary parties will sign a ratification and royalty division order, we will immediately begin the proportionate shares of royalty payments. As a matter of practicality, please be advised that only one well on this property has been in production, and not for a complete year. There may not be the economic interest here you are imagining.

Thank you for your cooperation and I will wait to hear from you. With best regards, I am,

Very truly yours,


Joyce Mendenhall

EXHIBIT D

cc: Lance Casaday, Mid East Oil Company
Barry Dunlap

SHARON L. SMITH
ATTORNEY AT LAW

197 MAIN STREET
BROOKVILLE, PA 15825

814-849-6720

7 June 2001

John Sughrue, Esq.
23 North Second Street
Clearfield, Pa. 16830

Re: David L. Dunlap et al. v. Barry A. Dunlap & Mid East Oil
No. 01-168 C.D.

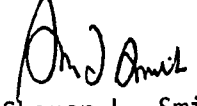
Dear Mr. Sughrue:

I enclose the Well Location Plats for Dunlap Wells 1 through 3, which you requested.

On the issue of back royalties due David L. Dunlap, Mid East is willing to pay Mr. Dunlap his one-twelfth (1/12th) of the back royalties. The amount as calculated from the Operating Statements that Barry Dunlap has provided you is \$628.37.

If you need anything further, please call me.

Very truly yours,


Sharon L. Smith

enc.

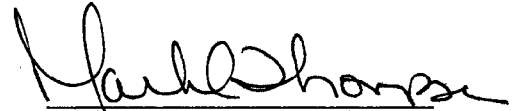
pc: Mid East Oil (w/enc.)

EXHIBIT E

VERIFICATION

I, Mark Thompson, President of Mid-East Oil Company, defendant herein, hereby affirm that the facts contained in the foregoing Answer are true and correct to the best of my knowledge, information, and belief. This statement is made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

Date: 5/28/02


Mark Thompson, President
Mid-East Oil Company
Defendant

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a corpora-
tion,
Defendants


CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing Answer on the following persons and at the following addresses, by first class mail, postage pre-paid On 30 May 2002:

John Sughrue, Esq.
23 North Second Street
Clearfield, Pa. 16830

R. Denning Gearhart, Esq.
215 E. Locust Street
Clearfield, Pa. 16830

Date: 30 May 2002


Sharon L. Smith
Attorney for Mid-East
Oil Company
Defendant

CA

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP, :
Plaintiff :
 :
v. :
 :
BARRY A. DUNLAP, an :
individual, and MID-EAST :
OIL COMPANY, a corpora- :
tion, :
Defendant :

CIVIL ACTION - LAW

No. 01-681- C.D.

TYPE OF CASE: Civil

TYPE OF PLEADING: Motion
for Summary Judgment

FILED ON BEHALF OF: Mid-East
Oil Company, Defendant

COUNSEL OF RECORD FOR THIS
PARTY: Sharon L. Smith
197 Main Street
Brookville, Pa. 15825
814-849-6720
Supreme Court No.: 28738

FILED

AUG 05 2002

m11045/1cc attySmith
William A. Shaw
Prothonotary
E
KES

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a corpora-
tion,
Defendants

No. 01-681 C.D.

MOTION FOR SUMMARY JUDGMENT

1. Movant is Mid-East Oil Company, a Pennsylvania corporation, with a mailing address of P.O. Box 1378, Indiana, Indiana County, Pennsylvania 15701. It is one of the defendants in the case cited above.

2. The Plaintiff/Respondent is David L. Dunlap, an adult individual, who resides at R.D.3, Box 289, Curwensville, Clearfield County, Pennsylvania 16833.

3. The other Defendant is Barry A. Dunlap, an adult individual, who resides 630 Thayer Rd., Santa Cruz, California 95060.

4. On 30 November 1998, Movant entered into an oil and gas lease with Austin Dunlap, et ux., whereby Movant was given the right to develop and sell the oil and/or gas on or under the 117.68 acre tract, situate in Knox Township, Clearfield County, that Dunlap had inherited from his father, Luther Y. Dunlap. See Exhibit A attached to Movant's Answer. Austin Dunlap, in turn, conveyed the real estate to his son, Barry A. Dunlap.

5. On 9 May 2001, Plaintiff/Respondent filed a complaint for the case captioned above, alleging that he owned an undivided one-twelfth (1/12th) interest in both the land and the oil and gas described in the preceding paragraph, by virtue of bequests in both the Luther Y. Dunlap and Golda Dunlap Bell wills.

6. In the complaint, Plaintiff/ Respondent alleged that by entering into the lease, Movant and its Co- Defendant had unlawfully, willfully, and intentionally converted the property thereby depriving Plaintiff of control, use, benefit, and proceeds of the property. In the alternative, Plaintiff averred that the foregoing had been done recklessly and/or negligently. Finally, Plaintiff/Respondent sought punitive damages for Movant's actions.

7. On 31 May 2002, Movant filed an answer, in which it denied all of the allegations, except that it admitted to owing Plaintiff/Respondent his

pro-rata share of the royalties. The basis for Movant's position is that the Luther Y. Dunlap will left the 117.68 acre farm that is under lease with Movant to his son, Austin Dunlap, and the proceeds of any oil and/or gas found thereon to his heirs, who were his wife, Alma Dunlap, and his children, Austin Dunlap, Norman Dunlap, Golda Dunlap, and Maxine Gardlock. Golda Dunlap Bell left her share of the proceeds to Plaintiff/Respondent and his two (2) sisters.

8. The dispute in this case centers on the legal rights of the heirs of inherited "proceeds" under the Luther Y. Dunlap will. Plaintiff/Respondent contends that the bequest gives him a working interest in the real estate and by extention, the oil and has rights. Movant's position is that the will conveys a non-working interest, which is personal property. The sole owner of the real estate and oil and gas rights is Austin Dunlap's successor in interest, Barry A. Dunlap.

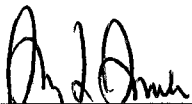
9. The law in Pennsylvania states that Plaintiff's right to receive a portion of the royalties is a personal property right only. He cannot control the real estate or the leasing thereof.

10. There is no issue that requires a trial. The parties do not dispute the facts, just the law, which the Plaintiff has misapprehended. The royalty payments may be calculated from the production records of the Movant. All royalty payments have either been escrowed or will be paid by Movant.

WHEREFORE, Movant requests that Your Honorable Court enter an order by granting Movant's Motion for Summary Judgment.

Respectfully submitted by:

Date: 5 August 2002



Sharon L. Smith
Attorney for Mid-East
Oil Company, Movant

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a corpora-
tion,
Defendant

No. 01-681-C.D..

CERTIFICATE OF SERVICE

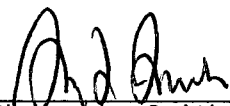
I hereby certify that I served the foregoing Motion for Summary Judgment and Affidavit on the following persons and at the following addresses by first class mail, postage prepaid on 5 August 2002:

R. Denning Gearhart, Esq.
215 E. Locust Street
Clearfield, Pa. 16830

John Sughrue, Esq.
23 North Second Street
Clearfield, Pa. 16830

By:

Date: 5 August 2002



Sharon L. Smith
Attorney for Mid-East Oil
Company, Defendant

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

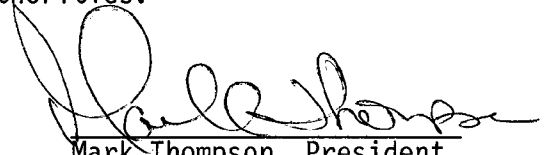
BARRY A. DUNLAP, an
individual, and MID-EAST
OIL COMPANY, a corpora-
tion,
Defendant

No. 01-681-C.D.

AFFIDAVIT

I, MARK THOMPSON, President of Mid-East Oil Company, defendant herein, affirm that the information provided in Production Records/Royalty Statements for Austin Dunlap Wells Numbers 1, 2, and 3, and attached hereto, is true and correct. This statement is made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

Date: 8-1-02


Mark Thompson, President
Mid-East Oil Company
Defendant

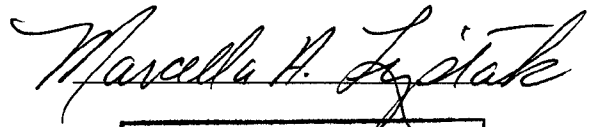
STATE OF PENNSYLVANIA :

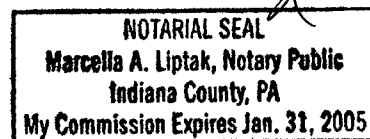
ss.

COUNTY OF INDIANA :

On this, the 1st day of August, 2002, before me a Notary Public, the undersigned officer, personally appeared MARK A. THOMPSON, who acknowledged himself to be the President of MID-EAST OIL COMPANY, a corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.





Austin Dunlap #1

| Distribution Month | Production Dates | Volume (DTH) | Rate | Gross Revenue | Royalty @ 12.5% |
|-----------------------|----------------------|-----------------|---------|------------------|--------------------|
| Feb-00 | 11/24/99 To 12/01/99 | 1264 | \$ 2.81 | \$ 3,551.84 | \$ 443.98 |
| Mar-00 | 12/02/99 To 01/03/00 | 4475 | \$ 2.58 | \$ 11,545.50 | \$ 1,443.19 |
| Apr-00 | 01/04/00 To 02/01/00 | 3083 | \$ 2.69 | \$ 8,293.27 | \$ 1,036.66 |
| May-00 | 02/01/00 To 03/01/00 | 2845 | \$ 2.72 | \$ 7,738.40 | \$ 967.30 |
| Jun-00 | 03/02/00 To 04/03/00 | 2642 | \$ 2.69 | \$ 7,106.98 | \$ 888.37 |
| Jul-00 | 04/04/00 To 05/01/00 | 2110 | \$ 2.70 | \$ 5,697.00 | \$ 712.13 |
| Aug-00 | 05/02/00 To 06/01/00 | 1902 | \$ 2.74 | \$ 5,211.48 | \$ 651.44 |
| Sep-00 | 06/02/00 To 07/03/00 | 1344 | \$ 2.81 | \$ 3,776.64 | \$ 472.08 |
| Oct-00 | 07/04/00 To 08/01/00 | 1566 | \$ 2.90 | \$ 4,541.40 | \$ 567.68 |
| Nov-00 | 08/02/00 To 09/01/00 | 1629 | \$ 2.85 | \$ 4,642.65 | \$ 580.33 |
| Dec-00 | 09/02/00 To 10/02/00 | 1482 | \$ 3.01 | \$ 4,460.82 | \$ 557.60 |
| Jan-01 | 10/03/00 To 11/01/00 | 1432 | \$ 3.85 | \$ 5,513.20 | \$ 689.15 |
| Feb-01 | 11/02/00 To 12/01/00 | 1131 | \$ 3.03 | \$ 3,426.93 | \$ 428.37 |
| Mar-01 | 12/02/00 To 01/02/01 | 1219 | \$ 3.01 | \$ 3,669.19 | \$ 458.65 |
| Apr-01 | 01/03/01 To 02/01/01 | 857 | \$ 3.08 | \$ 2,639.56 | \$ 329.95 |
| May-01 | 02/02/01 To 03/01/01 | 914 | \$ 3.07 | \$ 2,805.98 | \$ 350.75 |
| Jun-01 | 03/02/01 To 04/02/01 | 921 | \$ 3.02 | \$ 2,781.42 | \$ 347.68 |
| Jul-01 | 04/03/01 To 05/01/01 | 1011 | \$ 3.11 | \$ 3,144.21 | \$ 393.03 |
| | | 31827 | | \$ 90,546.47 | \$ 11,318.34 |

Austin Dunlap #2

| Distribution Month | Production Dates | Volume (DTH) | Rate | Gross Revenue | Royalty @ 12.5% |
|-----------------------|----------------------|-----------------|---------|------------------|--------------------|
| Jun-00 | 03/02/00 To 04/03/00 | 434 | \$ 2.69 | \$ 1,167.46 | \$ 145.93 |
| Jul-00 | 04/04/00 To 05/01/00 | 863 | \$ 2.70 | \$ 2,330.10 | \$ 291.26 |
| Aug-00 | 05/02/00 To 06/01/00 | 737 | \$ 2.74 | \$ 2,019.38 | \$ 252.42 |
| Sep-00 | 06/02/00 To 07/03/00 | 671 | \$ 2.81 | \$ 1,885.51 | \$ 235.69 |
| Oct-00 | 07/04/00 To 08/01/00 | 652 | \$ 2.90 | \$ 1,890.80 | \$ 236.35 |
| Nov-00 | 08/02/00 To 09/01/00 | 633 | \$ 2.85 | \$ 1,804.05 | \$ 225.51 |
| Dec-00 | 09/02/00 To 10/02/00 | 701 | \$ 3.01 | \$ 2,110.01 | \$ 263.75 |
| Jan-01 | 10/03/00 To 11/01/00 | 622 | \$ 3.85 | \$ 2,394.70 | \$ 299.34 |
| Feb-01 | 11/02/00 To 12/01/00 | 482 | \$ 3.03 | \$ 1,460.46 | \$ 182.56 |
| Mar-01 | 12/02/00 To 01/02/01 | 590 | \$ 3.01 | \$ 1,775.90 | \$ 221.99 |
| Apr-01 | 01/03/01 To 02/01/01 | 519 | \$ 3.08 | \$ 1,598.52 | \$ 199.82 |
| May-01 | 02/02/01 To 03/01/01 | 471 | \$ 3.07 | \$ 1,445.97 | \$ 180.75 |
| Jun-01 | 03/02/01 To 04/02/01 | 447 | \$ 3.02 | \$ 1,349.94 | \$ 168.74 |
| Jul-01 | 04/03/01 To 05/01/01 | 474 | \$ 3.11 | \$ 1,474.14 | \$ 184.27 |
| | | 8296 | | \$ 24,706.94 | \$ 3,088.38 |

Austin Dunlap #3

| Distribution Month | Production Dates | Volume (DTH) | Rate | Gross Revenue | Royalty @ 12.5% |
|-----------------------|----------------------|-----------------|---------|------------------|--------------------|
| Nov-00 | 08/02/00 To 09/01/00 | 288 | \$ 2.85 | \$ 820.80 | \$ 102.60 |
| Dec-00 | 09/02/00 To 10/02/00 | 3162 | \$ 3.01 | \$ 9,517.62 | \$ 1,189.70 |
| Jan-01 | 10/03/00 To 11/01/00 | 2838 | \$ 3.85 | \$ 10,926.30 | \$ 1,365.79 |
| Feb-01 | 11/02/00 To 12/01/00 | 2687 | \$ 3.03 | \$ 8,141.61 | \$ 1,017.70 |
| Mar-01 | 12/02/00 To 01/02/01 | 2158 | \$ 3.01 | \$ 6,495.58 | \$ 811.95 |
| Apr-01 | 01/03/01 To 02/01/01 | 1949 | \$ 3.08 | \$ 6,002.92 | \$ 750.37 |
| May-01 | 02/02/01 To 03/01/01 | 1512 | \$ 3.07 | \$ 4,641.84 | \$ 580.23 |
| Jun-01 | 03/02/01 To 04/02/01 | 1486 | \$ 3.02 | \$ 4,487.72 | \$ 560.97 |
| Jul-01 | 04/03/01 To 05/01/01 | 1539 | \$ 3.11 | \$ 4,786.29 | \$ 598.29 |
| | | 17619 | | \$ 55,820.68 | \$ 6,977.60 |

4 CENS to H+T7

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION-LAW**

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFF

Vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

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No. 01- 681 -C.D.

**PLAINTIFF'S RESPONSE TO MOTION FOR SUMMARY JUDGMENT FILED BY
CORPORATE DEFENDANT, MID EAST OIL COMPANY**

AND NOW, comes Plaintiffs, David L. Dunlap, Norman Dunlap and Tammy Salter and responds, pursuant to PaRCP 1035.3 to Motion for Summary Judgment filed by Corporate Defendant, Mid East Oil Co., (hereafter, "gas company") as follows:

1. Admitted.
2. Admitted. Further, Plaintiff class includes Norman Dunlap and Tammy Salter by David L. Dunlap, pursuant to Limited Power of Attorney filed in this matter.
3. Admitted.
4. Denied. Whether the oil and gas lease gave the gas company the right to develop and sell the oil and/or gas under the subject tract in Knox Township (the farm), is an issue to be determined in this case. Further, two such gas leases appear of record, neither of which is executed by the gas company. It is admitted that Austin Dunlap subsequently executed a deed transferring the surface of the farm to Barry A. Dunlap. It is denied that the deed conveyance included oil and gas. The deeded property was under and subject to the prior gas leases. It is averred that the oil and gas

ownership or partial ownership of the oil and gas was severed from the surface by the Will of Luther Y. Dunlap. These are issues to be determined in this case. There is no document of record whereby Austin Dunlap is alleged to have conveyed his interest in the oil and gas leases to his son, Barry A. Dunlap.

5. Plaintiff did not allege a 1/12 undivided interest in the land. On the contrary, Paragraph 4 of the Complaint clearly restricts the property giving rise to this litigation as all gas ... royalties and profit therefrom in, under and upon the 117-acre farm. It is admitted that Plaintiffs' claim an ownership interest in the oil and gas and royalties, proceeds and profits derived therefrom and whether or not they have such an ownership interest is an issue to be determined in this case. The Complaint further alleges that the gas/royalties/proceeds ownership interest is presently vested in seven individuals, David L. Dunlap, Norman Dunlap, Tammy Salter, Linda Goss, Jack Gardlock, Tim Gardlock and Barry A. Dunlap. The nature and extent of the individuals ownership interest in the gas/royalties/proceeds are issues to be determined in this action.

6. Denied as stated. The Complaint contains four separate counts including three counts in civil action seeking money damages. Plaintiffs clearly allege in the Complaint that the gas company could not lease the gas and remove it from the property without securing the consent of the Plaintiff and/or in the alternative, paying to Plaintiff a royalty. The record further indicates that Plaintiffs' ownership interest in the gas/royalties/proceeds was known by the gas company or should have been known by the gas company by virtue of actual knowledge secured from Barry A. Dunlap or constructive notice secured by a review of the title to the gas. Plaintiffs' interest in the gas/royalties/proceeds is of record in the Register of Wills Office of Clearfield County, PA in the Wills of Luther Y. Dunlap and Golda Dunlap-Bell. Whether the gas company knowingly, willfully and intentionally removed the gas without securing consent or paying the required proceeds are

issues of fact that must be determined at the trial of this case and require individuals to testify in order to have each witness's credibility and demeanor judged by a fact finder. Similarly, whether the gas company acted negligently or recklessly or under such other circumstances as to justify punitive damages are all facts and issues that must be determined at trial of this action.

7. It is admitted that the gas company filed an answer in which it denied all of the allegations. However, as a matter of law, the denial of the allegations does not, for purposes of determining a summary judgment motion, establish a defense. The moving party in this motion may not rely upon allegations contained in the pleadings to establish or eliminate a pertinent facts. **THE GAS COMPANY ADMITS, "TO OWING PLAINTIFFS A PRORATA SHARE OF THE ROYALTIES"**. This admission against interest in the pleading may be relied upon by the Court in considering the motion. Since the gas company admits owing Plaintiffs' royalties under the actions plead, and is therefore indebted to the Plaintiffs on the cause of action, it cannot, as a matter of law, have summary judgment entered on its behalf. It is admitted that the ownership of the gas, at least in part, is dependant upon the Court's interpretation of the language utilized by Luther Y. Dunlap in his handwritten Will. Plaintiffs contend that Dunlap's Will gave an ownership interest in the oil and gas to Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Gardlock, which has subsequently passed to the Plaintiffs and the six individuals referenced above. Luther Dunlap did so with the words, "If there is gas, oil or fire clay or any other minerals found on this farm, the proceeds are to be equally divided among my heirs." In another paragraph, Luther Dunlap devises the surface of the farm, "I will to my son, Austin Dunlap, my farm". Plaintiffs contend that the word "proceeds" refers to royalties, profits, benefits and other things of value related to or arising from the gas and oil, including the power to develop the gas and oil, lease it, market it, determine the royalties, profits and benefits to be received and most importantly, to determine if and when the gas and oil should be

developed or leased. However, notwithstanding this Court's interpretation of the entire or ultimate meaning of these words, it is admitted by all concerned that the proceeds would include receipt of the benefit commonly known as royalties, rentals and other consideration customarily paid by gas companies in the gas industry in exchange for the leasing of oil and gas.

8. Denied as stated. The cause of action in this case centers on the Defendants, gas company, and farm owner, Barry A. Dunlap, failure or refusal to pay money due the Plaintiffs upon the leasing, drilling and sale of the gas and oil. The first three counts are for money damages that arise out of the Plaintiffs' interest in the gas as specified in the Luther Y. Dunlap Will. The money was due and not paid whether the payment is construed by the Court as realty or personalty. The money is due whether the Court construes the gas and oil to have been severed from the surface or not. It is denied that the Will conveys a non-working interest, which is personal property. Plaintiffs contend that Barry A. Dunlap owns the surface of the farm only. There is no Will or Estate of record establishing Barry A. Dunlap as the heir of Austin Dunlap, nor is there any document of record transferring the Austin Dunlap gas lease interest to Barry A. Dunlap. Those facts have not been proven in the record.

9. The nature of Plaintiffs' ownership interest in the gas or the proceeds therefrom, under Pennsylvania Law, depends upon the Court's interpretation of the Luther Y. Dunlap Will. In order for the Plaintiffs to receive the full benefit of the "proceeds" from the gas, it is necessary and incidental thereto that the Plaintiffs determine if and when the gas will be developed and marketed and the nature and amount of the proceeds that they shall enjoy as a result of such marketing. The proceeds to be received from the gas is a matter that should be subject to negotiation between the parties having the right to receive the proceeds and the developer or gas company proposing the sell the gas.

10. Denied. There are several facts that are disputed. There are certain facts that are not in dispute. The gas company did not indicate in its motion whether it was seeking summary judgment in whole or in part, or with respect to one or more counts. In any event, under PaRule 1035.2, the gas company must establish either that there is 1. “no genuine issue of any material fact as to a necessary element of the causes of action or defense, which could be established by additional discovery or expert report, or 2. “after completion of discovery or expert report, the adverse party who will bear the burden of proof at trial has failed to produce evidence of facts essential to the cause of action or defense, which in a jury trial would require the issues to be submitted to a jury”. The motion must also be based on the evidentiary record. The record as defined in 1035.1 must show that the material facts are undisputed and therefore there is no issue to be submitted to a jury or that the record contains insufficient evidence of facts to make out a prima facie cause of action and therefore there is no issue to be submitted to a jury. See PaRCP 1035.2, Commentary Note. In any event, summary judgment may be granted only in cases where it is clear and free from doubt that the moving party is entitled to judgment as a matter of law. A trial court must resolve all doubts against the moving party and examine the record in a light most favorable to the non-moving party. See Electronic Laboratory Supply Co. v. Cullen, 712 A. 2D 304 (Pa Super. Ct. 1998). A motion for summary judgment must be denied where the proper measure of damages presents disputed factual issues concerning the meaning of the pertinent terms of the contract, or in this case the Will. Ragnar Benson, Inc. v. Bethal Mart Assoc., 454 A. 2D 599 (308 Pa Super Ct. 405- 1982). If there is a genuine issue of any material fact, the motion must be denied. Goodrich Amram 2D 1035.2: 1. On this motion, the Court’s sole function is to determine whether there is an issue of fact to be tried and not to decide the issues of fact. See Stratton v. Allstate Ins. Co. 590 A. 2D 383 (410 Pa Super. Ct. 664, 1991). The party who moves for a summary judgment has the burden of proving to the Court

that there is no genuine issue of material fact. Penn Center House, Inc. v. Hoffman 553 A. 2D 900

(1989). There are several disputed material facts in this case, including the following short list:

- A. What are the proceeds to which the Plaintiff is entitled? If it includes all consideration paid by the gas companies, delay rentals, rentals, royalties or other benefits under the gas lease, what is the amount of those benefits and how are they to be calculated?
- B. Were proceeds paid to the Plaintiffs prior to this litigation being instituted?
- C. Have proceeds been paid to the Plaintiffs since this litigation has been instituted?
- D. Did Barry A. Dunlap, co-proceeds owner, receive Plaintiffs proceeds to which he was not entitled and knowingly, willfully, intentionally, negligently and/or recklessly fail or refuse to pay them over to the Plaintiffs?
- E. Did the gas company take the gas, sell it and fail or refuse to pay the proceeds to Plaintiffs?
- F. Did the gas company willfully, intentionally, knowingly, negligently, and/or recklessly fail or refuse to pay the proceeds of the sale of the gas to the Plaintiffs?
- G. Did the gas company profit from its conduct to the detriment of the Plaintiffs?
- H. Did the gas company otherwise spend money due the Plaintiffs or did it escrow money due the Plaintiffs and if so in what amount and in whose control?
- I. Did the individual Defendant know that the proceeds received by him belonged to the Plaintiffs or by the exercise of due care should he have known that he was not entitled to retain the proceeds of the gas?
- J. Have the Plaintiffs been permanently deprived of a part of their proceeds from the gas or their ownership interest in the gas, the use, benefit and enjoyment to which they are entitled?
- K. Have the Plaintiffs suffered irreparable harm as a result of the conduct of the Defendants as alleged in Count IV?
- L. What compensatory damages have been sustained by the Plaintiffs as a result of Defendants' actions?

From the foregoing, it is clear that the moving party, the gas company, has not and cannot meet its burden with respect to summary judgment.

WHEREFORE, Plaintiffs respectfully move your Honorable Court to enter an order forthwith denying motion for summary judgment filed in this case by the Defendants.

Respectfully submitted:

Date: 10-11-02


John Sughrue
Attorney for Plaintiff

CERTIFICATE OF SERVICE

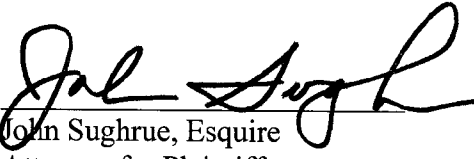
AND NOW, I do hereby certify that on October 14, 2002, I caused a true and correct copy of to be served on the following and in the manner indicated below:

By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Denning R. Gearhart, Esquire
215 E. Locust Street
Clearfield, PA 16830

Sharon L. Smith, Esq.
197 Main Street
Brookville, PA 15825

Date: October 14, 2002


John Sughrue, Esquire
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION-1AW

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly
situated, PLAINTIFF

Vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01-681-C.D.

Plaintiff's Response to Summary
Judgment Motion filed by
Corporate Defendant,
Mid East Oil Company

JOHN SUGHRUE
ATTORNEY AT LAW
23 North Second Street
CLEARFIELD, PA 16830
(814) 765-1704

FILED
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IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,
PLAINTIFF

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: Plaintiff's Motion
for Partial Summary Judgment

Filed on Behalf of: Plaintiff

Counsel of Record for this Party:

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Attorney at Law
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Clearfield, PA 16830
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Other Counsel of Record for

Barry A. Dunlap:

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Other Counsel of Record for

Mid East Oil Company:

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825
Phone/Fax (814) 849-6720

FILED

OCT 21 2002

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William A. Shaw
Prothonotary

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IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT

AND NOW, COMES DAVID L. DUNLAP, Plaintiff, on behalf of himself and NORMAN DUNLAP and TAMMY SALTER and moves pursuant to Pa.R.C.P. 1035.2 for summary judgment in his favor and against the Defendants on the issue of liability and in support thereof represents the following:

1. The Defendants admit that the property, which is the subject of this litigation, is all of the oil, gas, related hydrocarbons, royalties and profits therefrom (hereinafter, "Property") located in, under and upon the Luther Y. Dunlap Farm (hereinafter, "Farm") consisting of 117-130 acres and located in Knox Township, Clearfield County, Pennsylvania. **See paragraph 4 of answers.**
2. The Defendants admit that Luther Y. Dunlap owned the surface of the farm and the oil, gas and related hydrocarbons together with royalties and profit therefrom at the time of his death on December 17, 1969. **See paragraph 5 of answers.**
3. The Defendants admit that Luther Y. Dunlap died testate a domiciliary of Clearfield County. **See paragraph 6 of answers.**

4. The Defendants admit that at the time of Luther Dunlap's death, the oil and gas underlying the farm was not subject to any oil or gas lease.

5. The Defendants admit that Luther Dunlap's Last Will was authenticated and probated in Clearfield County being filed in Will Book Volume 15, Page 471. A certified copy of said Will is attached hereto as **Exhibit A** and incorporated herein by reference.

6. All parties agree that Luther Dunlap devised by his Last Will the farm together with all of the oil and gas, related hydrocarbons and all rights related thereto, including rights of beneficial enjoyment and legal and equitable title by his said Will.

7. Luther Dunlap's Last Will provides in pertinent part as follows:

A. "....my widow and (?) to receive one-third of the income from the farm";

B. "I will to my son, Austin Dunlap, my farm...";

C. **"....if there is gas, oil, fireclay or any other minerals found on this farm, the proceeds are to be equally divided among my heirs."** (All parties agree that Luther Dunlap's heirs were his wife, Alma Dunlap and his children, Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock and that Alma Dunlap died August 23, 1976, leaving the same four children as her heirs. See admissions in Complaint and Answers and certified copy of Petition for Letters Testamentary in Luther Dunlap Estate, attached hereto as **Exhibit B** and incorporated herein.)

8. Defendants admit that Austin Dunlap entered into a lease with corporate Defendant dated November 30, 1998, alleging to give corporate Defendant the right to remove the oil and gas from the farm and providing for the payment of a royalty to Austin Dunlap. Certified copies of relevant leases recorded in Clearfield County as Instrument Nos. 199900524 and 199900741 are attached hereto as **Exhibit C and D** and incorporated herein by reference. **See answers paragraph 11.**

9. The corporate Defendant admits that it did not secure gas leases from the other heirs of Luther Dunlap including the Plaintiff or otherwise secure the consent of the other heirs of Luther Dunlap to take the oil and gas from the farm and market it. **See Answers.**

10. The corporate Defendant admits that it removed gas from the farm, sold it and did not pay the proceeds of such sale or any part thereof to the Plaintiff. **See Answers and Motion for Summary Judgment.**

11. The corporate Defendant admits it received notice of Plaintiff's ownership interest in the gas prior to litigation being filed and ignored the same.

12. The corporate Defendant admits that it has not through the filing of this motion paid any money or other compensation to the Plaintiff in exchange for or settlement of Plaintiff's ownership interest in the gas.

13. The corporate Defendant alleges that the Plaintiff is entitled to a royalty on the gas and is therefore deemed for purposes of this motion to admit that it is indebted to the Plaintiff under the facts of this litigation. The amount of its indebtedness to Plaintiff is a matter that remains at issue.

14. The corporate Defendant admits that it paid compensation for the gas lease and the removal of the gas to Austin Dunlap and upon his death to Defendant Barry A. Dunlap, individual Defendants.

15. The individual Defendant admits receiving compensation and/or royalties for the gas that has been removed from the farm and further admits that he has not shared that compensation/royalties with the other heirs of Luther Dunlap through the filing of this motion.

16. The corporate Defendant admits that it has continued to remove gas from the farm subsequent to the filing of this litigation and continues to do so through the filing of this motion despite its knowledge of the issue of ownership with respect to the gas and/or the proceeds therefrom.

17. All parties agree that after inheriting the farm, Austin Dunlap by deed dated October 29, 1999, and recorded in Clearfield County as Instrument #199917954 conveyed the farm to his son Barry A. Dunlap. See certified copy of Deed attached hereto as **Exhibit E**.

18. As a matter of law, Austin Dunlap conveyed the farm under and subject to the prior leases dated November 30, 1998, which he had executed.

19. There is no document filed of record in Clearfield County assigning or transferring the Austin Dunlap interest in the gas leases to the individual Defendant.

20. All parties agree that as of the filing of this litigation, the rights or ownership and/or other rights and privileges acquired by the heirs of Luther Y. Dunlap under his Will are presently vested in his son, Norman Dunlap, Plaintiff Linda Goss and Tammy Salter as heirs of Golda Dunlap-Bell, the heirs of Austin Dunlap, deceased, including Barry Dunlap, and Jack Gardlock and Tim Gardlock, heirs of Maxine Dunlap-Gardlock, deceased. A certified copy of the Golda Dunlap-Bell Will is attached hereto as **Exhibit F** and incorporated herein by reference.

21. Based on the above-mentioned, admitted facts and law, the Plaintiff asks this Honorable Court to rule with respect to liability only as follows:

A. That under the Will of Luther Dunlap, Plaintiffs David L. Dunlap, Norman Dunlap and Tammy Salter and other heirs of Luther Dunlap not a party to this action, were vested with an ownership interest in the oil and gas located in, under and upon the farm.;

B. That the ownership with which Plaintiffs were vested was real property;

C. That in the alternative, the Plaintiff had interests, rights and privileges associated with the oil and gas under the farm to such an extent that it included the full beneficial enjoyment thereof and equitable title thereto;

D. That in order to remove the oil and gas from the farm, transport it, market it and sell it for profit, it was necessary for the corporate Defendant to secure the consent of the Plaintiffs;

E. That the corporate Defendant did not secure the consent of the Plaintiffs to remove and market the oil and gas for its profit;

F. That the corporate Defendant converted property of the Plaintiff without their consent and is therefore liable to them for damages to be determined at a trial of this matter restricted to damages only;

G. That an Order be entered forthwith directing the corporate Defendant to immediately cease removing gas from the farm and to shut down and secure all gas wells presently located on the farm;

H. That the individual Defendant received and retained royalties from the corporate Defendant arising from the sale of the gas and retained all of such compensation for his own benefit;

I. That the individual Defendant knew or by the exercise of due care, should have known, that he was not entitled to retain 100% of all such gas royalties and that 75% of such proceeds were the property of other individuals, including the Plaintiff;

J. That the individual Defendant knowingly converted the property of the Plaintiff to his own use and benefit and as such is liable to the Plaintiff for damages in an amount to be determined at trial of this action on the issue of damages only;

K. The corporate Defendant had likewise filed a motion for summary judgment in this case and Plaintiff has filed a response thereto in accordance with the rules;

L. That corporate Defendant in its answer (paragraph 16) and in Motion for Summary Judgment (paragraph 7) admits that it is indebted to the Defendant;

M. That corporate Defendant's admission of indebtedness is sufficient to support judgment in favor of the Plaintiff and against the corporate Defendant on the issue of liability with damages to be determined at trial of this action;

N. That the individual Defendant admits in his answer (paragraph 31) that he received property of the Plaintiff and is indebted to Plaintiff;

O. That the individual Defendant's admission as aforesaid is sufficient grounds for this court to enter judgment in favor of the Plaintiff and against the individual Defendant on the issue of liability with the issue of damages to be determined at trial of this action on damages only;

P. That the facts relied upon by the Plaintiff are all a matter of record and appropriate basis for the court to enter judgment in favor of the Plaintiff on the issue of liability only;

22. Plaintiff admits that the issue of damages remains to be proven and determined.

23. In support of this motion, the Plaintiff directs the court's attention to Plaintiff's Brief filed at this caption in opposition to Defendant's Motion for Summary Judgment.

WHEREFORE, Plaintiff moves this Honorable Court to forthwith enter the following:

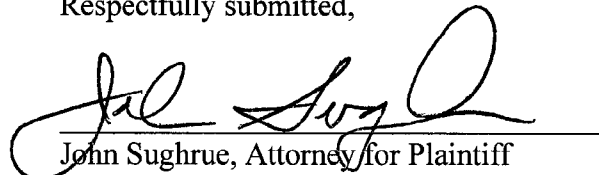
1. Judgment in favor of the Plaintiffs David L. Dunlap, Norman Dunlap, Tammy Salter, Linda Goss, Jack Gardlock and Tim Gardlock and against the corporate Defendant Mid-East Oil Company on the issue of liability only;

2. Judgment in favor of the aforementioned Plaintiffs and against Barry L. Dunlap on the issue of liability only;

3. An order directing corporate Defendant to immediately cease removing gas and related product from the Luther Y. Dunlap farm and to shut down all gas wells on the farm pending further order of this court; and,

4. Such other relief as the court deems appropriate and lawful under the circumstances of this case.

Respectfully submitted,


John Sughrue, Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

CERTIFICATE OF SERVICE

AND NOW, I do hereby certify that on October 21, 2002, I caused a true and correct copy of PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT to be served on the following and in the manner indicated below:

By United States Mail, First Class, Postage Prepaid
Addressed as Follows and by Facsimile Transmission:

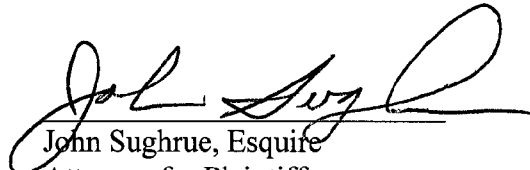
Denning R. Gearhart, Esquire
215 E. Locust Street
Clearfield, PA 16830
Fax: (814) 765-6745

Sharon L. Smith, Esq.
197 Main Street
Brookville, PA 15825
Fax: (814) 849-6720

By Person Service as follows:

The Honorable John K. Reilly, Jr., P.J.
1 North 2nd Street
CLEARFIELD COUNTY COURTHOUSE
Clearfield, PA 16830

Date: October 21, 2002


John Sughrue, Esquire
Attorney for Plaintiff

Be it Remembered

That I, *Luther Y Dunlap* 170-14-3870

being of sound and disposing mind, memory and understanding, and considering the uncertainty of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Execut hereinafter named, as soon as conveniently may be after my decease.

Second.—I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease.

I Choose for my Executors my
Sons Austin Dunlap and Norman Dunlap
 & Will to my wife *Alma Dunlap* the use
 of the House and all the Furniture as long
 as she remains my Widow and to receive
 one third of the income from the Farm
 I Will to my son *Austin Dunlap* my Farm
 also my 32 Winchester Rifle
 & Will to my son *Norman Dunlap* my House
 and two Lots in *Elgin Hope Borough*
 also my 22 Marlin Rifle, also my Watch
 and to my Grand son *Barry Dunlap*
 my Shot gun over

And Lastly. I do make, constitute and appoint

to be the Execut of this my last Will and Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal, the 23 day of November in the year of our Lord one thousand nine hundred and 64

Signed, sealed, published and declared by the testat above named, as and for his last Will and Testament, in the presence of us, who have hereunto, at his request, subscribed our names in his presence, and in the presence of each other, as witnesses hereto.

C. Frederick Hall
R. P. Tualsp

"A"

TESTED AND SUBSCRIBED BEFORE ME THIS 23
 DAY OF NOVEMBER 1964
 12-15-64
 JUSTICE OF THE PEACE
 MY COMMISSION EXPIRES FIRST MONDAY IN JAN. 1965

I request my Personal Property to be
Appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisalment

I Will to my Daughter Gerda Bell

The sum of \$300.00

I Will to my Daughter Ermine Cardlock

The sum of \$300.00 I have is to be
and what money I have is to be

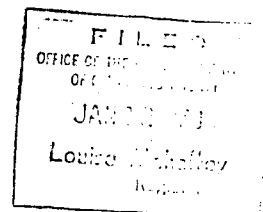
Equally divided among my Heirs
if there is Gas Oil or Fire Clay

or any other Minerals found
on this Farm the Proceeds is to

be Equally Divided among
my Heirs

Will.

15
471 70-27



Proved & Approved
January 22, 1970

I hereby certify this to be a true
and attested copy of the original
document.

OCT 21 2002



Handwritten signature
My Commission Expires

First Monday in January, 2004

Will Book 15 Page 471
Estate File # 70-27

'A'

My Commission Expires
First Monday in January, 2001

Herby
and attached
document

OCT 21 2002

IN THE ORPHANS' COURT OF CLEARFIELD COUNTY, PENNSYLVANIA

IN RE: Estate of LUTHER Y. DUNLAP, Late of
the Village of Olanta, Clearfield
County, Pennsylvania, deceased.

PETITION FOR LETTERS TESTAMENTARY

To The Honorable Louise Mahaffey, Register of Wills of Clearfield
County, Pennsylvania.

The Petition of Austin M. Dunlap respectfully represents:

1. That Luther Y. Dunlap died on December 17, 1969
at approximately 9:00 o'clock A. M. in the Village of Olanta,
Clearfield County, Pennsylvania and at the time of his death, he
was a resident and citizen of the Village of Olanta, County of
Clearfield, Pennsylvania.

2. The said Testator, Luther Y. Dunlap, leaves to sur-
vive him at the time of his death as his sole heirs, the following:

| | |
|----------------------------|----------------------------|
| Alma Dunlap (widow) | Olanta, Pennsylvania |
| Austin M. Dunlap (son) | Olanta, Pennsylvania |
| Norman Dunlap (son) | Houtzdale, Pennsylvania |
| Barry Dunlap (grandson) | Olanta, Pennsylvania |
| Golda Bell (daughter) | Curwensville, Pennsylvania |
| Maxine Gardlock (daughter) | Curwensville, Pennsylvania |

3. That your Petitioner, Austin M. Dunlap is the
Co-Executor named in the Last Will and Testament of the said Luther
Y. Dunlap dated November 23, 1964 and attached herein and made a
part hereof is a renunciation signed by the other Co-Executor named
in the Will, in which he renounces his right to act as Co-Executor.

4. That the said Testator, Luther Y. Dunlap, was possessed
of personal property in the approximate value of six thousand five
hundred (\$6,500.00) dollars and real estate in the approximate
value of four thousand (\$4,000.00) dollars.

WHEREFORE, your Petitioner respectfully request for the
probate of said last Will and Testament and the issuance of Letters
Testamentary to him.

LAW OFFICES OF
JOHN K. REILLY, JR.
KEYSTONE BLDG.
CLEARFIELD, PA.

"B"

Austin M. Dunlap
Austin M. Dunlap

John K. Reilly, Jr.
John K. Reilly, Jr., Attorney

AFFIDAVIT No. 30530

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-2
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
 19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and
 hereinafter called Lessee,
Mid-East Oil Co.
Box 1378
Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Todd Brothers
 On the East by lands of A. Dunlap
 On the South by lands of R. Rebon
 On the West by lands of D. Rowles

and containing, for the purpose of calculating rentals, 117.68 acres of land whether actually
 containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
 recorded in Book 1315, Page 55, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years
 from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
 (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of one thousand one hundred and seventeen DOLLARS (\$ 1,117.00) annually,
 commencing 60 days from date as a rental for 12 months

such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

I hereby certify this to be a true and attested copy of the original document filed in this office.

OCT 21 2002

Attest:

[Signature]
 Secy of WCL, Rec. of Deeds & Clk. of Common Pleas

My Commission Expires Nov 1999
 Just Monday in January, 2004

"C"

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessee, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

"C"

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Washington

SS.

On this, the 30th day of November, 1998, before
me a notary public, the undersigned officer,
personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument,
and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF _____

SS:

COUNTY OF _____

On this, the _____ day of _____, 19____, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, _____ he duly acknowledged to me
that _____ he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF _____

SS:

On this, the _____ day of _____, 19____, before
me _____, the undersigned officer,
personally appeared _____

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing _____

In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

Notary Public

"C"

AM DAY. 30508

Received for Recording _____ Lease # _____
Recorded _____ Map Ref. 122-J12-3
Book _____ Pg. _____ Renewal # _____
Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and
hereinafter called Lessee,

Mid-East Oil Co.
Box 1378
Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield

State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Stott

On the East by lands of _____

On the South by lands of _____

On the West by lands of A. Dunlap and R. Rebon

and containing, for the purpose of calculating rentals, 79.75 acres of land whether actually

containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
recorded in Book 723, Page 20, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of eight hundred and 0/00's DOLLARS (\$ 800.00) annually,

commencing 60 days from date as a rental for 12 months such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

I hereby certify this to be a true and attested copy of the original document filed in this office.

OCT 21 2002

Attest:

My Commission Expires
first Monday in January, 2004

"D" "D"

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

"D"

Inst.# 199900524 - Page 3

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Washington } SS.

On this, the 30th day of November, 1998, before
me a notary public, the undersigned officer,
personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument,
and acknowledged that they executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

OF

Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF _____ }
COUNTY OF _____ } SS:

On this, the _____ day of _____, 19____, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, _____ he duly acknowledged to me
that _____ he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF _____ } SS:

On this, the _____ day of _____, 19____, before
me _____, the undersigned officer,
personally appeared _____

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing _____

In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

Notary Public

"D"

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY
Pennsylvania

INSTRUMENT NUMBER
199917954

RECORDED ON

OCT 29, 1999
12:06:27 PM

RECORDING FEES - \$19.00
RL ER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER IMPROVEMENT FUND \$1.00
STATE WRIT TAX \$0.50
TOTAL \$21.50

B. Dunlap

AFFIDAVIT No: 32023

I hereby certify this to be a true
and correct copy of the original
document filed in this office.

THIS DEED (CORRECTION DEED)

MADE the 29th day of October, in the year nineteen hundred and
ninety-nine (1999) BETWEEN AUSTIN M. DUNLAP, a widower, of R.R. #1, Box 201,
Olanta, Clearfield County, Pennsylvania by and through his Attorney-in-Fact BARRY A.
DUNLAP, by Durable Power of Attorney dated October 27, 1999 and filed for record in the
Recorder's Office of Clearfield County October 27, 1999 to Instrument No. 199917799, party of
the first part, hereinafter referred to as the GRANTOR,

AND

BARRY A. DUNLAP, an adult individual, of 630 Thayer Road, Santa Cruz, California 95060,
party of the second part, hereinafter referred to as the GRANTEE,

WITNESSETH, That in consideration of One and 00/100 (\$1.00) Dollar, in hand paid, the
receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said
grantee, his heirs, successors and assigns,

ALL those certain lots or pieces of ground situate in Knox Township, Clearfield County,
Pennsylvania, bounded and described as follows:

PARCEL NO. 1: BEGINNING at an iron pin on the southern line of the right-of-way of
Legislative Route 17038, said iron pin being located three hundred twenty-six (326) feet in an
easterly direction from a point along the southern line of the right of way of Legislative Route 17038
on other land of prior Grantors and directly across the highway in the southeast corner of the Mt.
Zion Cemetery; thence from said iron pin along line of other lands of Austin Dunlap, of which this
parcel is a part, South 38 degrees East seven hundred seventy-five (775) feet to an iron pin; thence
still by the same North 52 degrees East two hundred (200) feet to an iron pin; thence still by the

"E"

OCT 21 2002

Attest:

My Commission Expires
First Monday in January, 2004

Inst # 199917954

same North 38 degrees West seven hundred seventy-five (775) feet to an iron pin on the southern line of the right-of-way of Legislative Route 17038; thence along the southern line of right-of-way of Legislative Route 17038 South 52 degrees West two hundred (200) feet to an iron pin and place of beginning. Being a rectangular parcel of land fronting two hundred (200) feet on Legislative Route 17038 and bounded by other lands of prior Grantors.

BEING the same premises as was conveyed to Austin M. Dunlap and Minnie Dunlap, husband and wife by Deed of D. Haley Gardlock and Maxine D. Gardlock, husband and wife, dated November 21, 1989 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1315, Page 051. The said Minnie Dunlap having passed away October 11, 1999 with title thereby vesting in her surviving spouse, Austin M. Dunlap, the Grantor herein.

A n d

PARCEL NO. 2: *BEGINNING* on the line now or formerly of David Rowles, bounded on the North by State Highway; thence following said State Highway, Westward 413 feet to a post; thence Southward 931 feet to a post, bounded by land of L.Y. Dunlap; thence Eastward 413 feet to a post, bounded by land of Austin Dunlap, and Robert Stott; thence Northward 931 feet to a post and place of beginning, bounded by land now or formerly of Glenn Rowles and David Rowles. This piece of land to contain 8 3/4 acres, more or less.

With reserving all minerals and the right to remove the same without liability for damages.

PARCEL NO. 3: *BEGINNING* at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less, to a hemlock; thence South 42 degrees, West 80 perches, more or less, to a post; thence North 25 degrees one hundred and fifty-four (54) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. Containing 101 acres and 72 perches, more or less.

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for, take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

"E"

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: THE FIRST THEREOF, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. THE SECOND THEREOF, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. THE THIRD THEREOF, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

A n d

PARCEL NO. 4: *BEGINNING* at a post corner of land now or formerly of L.Y. Dunlap, and Robert Rebon; thence South forty-four (44) degrees East, twenty-eight (28) perches to a post; thence South forty-five and one-half ($45 \frac{1}{2}$) degrees East, twenty and six-tenths (20.6) perches to a post, bounded by land of Glenn Rowles; thence along said line North thirty-two (32) degrees, East thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West, forty-one (41) perches to a post; thence South thirty-two (32) degrees West forty (40) perches to a post and place of beginning. Containing nine (9) acres and one hundred forty-seven (147) perches.

EXCEPTING and RESERVING, however, all the coal and other minerals in, under and upon above described land with the right of ingress, egress and regress. To mine and remove the same without liability, for any damages that may be done in so doing, together with privileges that are contained in former Deed conveying said premises.

The Second Part Thereof which joins, begins at a post on of land now or formerly of Glenn Rowles Estate and L.Y. Dunlap; thence South thirty-two (32) degrees West forty (40) perches to a maple stump; thence South forty-four (44) degrees, East forty-one (41) perches to a post corner of land now or formerly of Austin M. Dunlap; thence North thirty-two (32) degrees East, thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West forty-one (41) perches to a post and place of beginning. Containing ten (10) acres net.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie M. Dunlap, husband and wife, dated July 9, 1976 and entered for record in the Recorder's Office of Clearfield County to Deed Book Volume 723, Page 020. The said Minnie M. Dunlap having passed away October 11, 1999 with title thereby vesting in her surviving spouse, Austin M. Dunlap, the Grantor herein.

A n d

PARCEL NO. 5: *BEGINNING* at an iron pin on the southern line of the right-of-way of Legislative Route 17038, said iron pin being located three hundred twenty-six (326) feet in an

" E "

easterly direction from a point along the southern line of the right-of-way of Legislative Route 17038 on other land of Grantors and directly across the highway in the southeast corner of the Mt. Zion Cemetery; thence from said iron pin along line of lands now or formerly of Austin Dunlap, South thirty-eight (38) degrees East seven hundred seventy-five (775) feet to an iron pin; thence still by the same North fifty-two (52) degrees East one hundred (100) feet to an iron pin; thence by other lands of the Grantors of which this parcel is a part, North thirty-eight (38) degrees West seven hundred seventy-five (775) feet to an iron pin on the southern line of the right-of-way of Legislative Route 17038; thence along the souther line of the right-of-way of Legislative Route 17038 South fifty-two (52) degrees West one hundred (100) feet to an iron pin and place of beginning. Being a rectangular parcel of land fronting one hundred (100) feet on Legislative Route 17038 and being seven hundred seventy-five (775) feet in depth.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of the Small Business Administration, an Agency of the U.S. of America, dated January 14, 1987 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1135, Page 087. The said Minnie M. Dunlap having passed away October 11, 1999 with title thereby vesting in her surviving spouse, Austin M. Dunlap, the Grantor herein.

A n d

PARCEL NO. 6: On the North by Todd Bros. Heirs; on the East by Glen Rowles, Stott & Austin Dunlap; on the South by Robert Revon heirs; on the West by small tracts, Keller & K.L. Rowles. CONTAINING 117.68 acres, more or less, and being known on the tax assessment map of the County of Clearfield as #122-J12-2 and being assessed in the name of L.W. Dunlap.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie Dunlap, his wife, dated November 22, 1989 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1315, Page 055. The said Minnie M. Dunlap having passed away October 11, 1999 with title thereby vesting in her surviving spouse, Austin M. Dunlap, the Grantor herein.

THIS IS A TRANSFER FROM FATHER TO SON AND THEREFORE, TAX EXEMPT.

This is a corrective Deed to correct and omit the duplication of the parcel described in the prior Deed as "Parcel No. 1". Further, the parcel now described in this Deed as "Parcel No. 1" was erroneously omitted from the prior Deed.

" E "

TOGETHER with, all and singular, the ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, use, trust, property, possession, claim and demand whatsoever of Grantor in law, equity, or otherwise, howsoever, of, in, to, or out of the same.

TO HAVE AND TO HOLD the same together with all and singular, the said Grantor's hereditaments and premises hereby granted and released, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs, successors and assigns, to and for the only proper use and behoof of the said Grantee and assigns, forever.

BUYER ALSO UNDERSTANDS THAT THERE IS NO COMMUNITY OR PUBLIC SEWAGE SYSTEM AVAILABLE TO THE WITHIN PROPERTY. A PERMIT FOR ANY NEW INDIVIDUAL SEWAGE SYSTEM, OR ANY REPAIRS TO ANY EXISTING INDIVIDUAL SEWAGE SYSTEM, WILL HAVE TO BE OBTAINED FROM THE LOCAL AGENCY DESIGNATED AS PROVIDED IN THE PENNSYLVANIA SEWAGE FACILITIES ACT.

"E"

The said Grantor will SPECIALLY WARRANT the property hereby conveyed.

IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal, the day and year first above-written.

Sealed and delivered in
the presence of:

Barry A. Dunlap
AUSTIN M. DUNLAP by and through
his Attorney-in-Fact BARRY A. DUNLAP

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the grantee herein is as follows:
630 Thayer Road
Santa Cruz, California 95060

R. Denning Gephart
R. Denning Gephart, Esquire
NO TITLE SEARCH/CERTIFICATION

COMMONWEALTH OF PENNSYLVANIA :
: ss:
COUNTY OF CLEARFIELD :

On this, the 29th day of October, 1999, before me, the undersigned officer, a Notary Public, personally appeared AUSTIN M. DUNLAP by and through his Attorney-in-Fact, BARRY A. DUNLAP, known to me, or satisfactorily proven, to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires: _____

Jennifer A. Cutler
Notary Public

Notarial Seal
Jennifer A. Cutler, Notary Public
Clearfield Boro, Clearfield County
My Commission Expires June 17, 2003

"E"

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

Barry A. Dunlap
Barry A. Dunlap

This 29th Day of October, 1999

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

"E"

FILED
OFFICE OF THE REGISTER OF
WILLS OF CLEARFIELD COUNTY

NOV 24 1992

KAREN L. STARCK
Register

OCT 21 2002

Melbook
75 PG 573

Estate #93-543

Attest

My Commission Expires
First Monday in January, 2003

Last Will and Testament

OF
GOLDA D. BELL

I, GOLDA D. BELL, of Curwensville Borough, Clearfield County, Pennsylvania, declare this to be my Last Will and Testament, hereby revoking any and all Wills and/or Codicils heretofore by me made.

ITEM I: I direct that all my just debts and funeral expenses and all expenses of my last illness, shall be paid from the assets of my estate, as soon as practicable after my decease, as a part of the expense of the administration of my estate.

ITEM II: I give and bequeath my house and lot located at 514 Susquehanna Avenue, Curwensville, Pennsylvania, to my niece, LINDA GOSS, if she is living at the time of my death. In the event my niece, LINDA GOSS, shall predecease me or die simultaneously with me, I give, devise and bequeath the above described house and lot to the children of my niece, LINDA GOSS, in equal shares.

ITEM III: I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Dunlap Estate to my niece, LINDA GOSS, my niece, TAMMY SALTER, and my nephew, DAVID DUNLAP. In the event any of the above named beneficiaries should predecease me, the share of said decedent shall be distributed in equal shares to such of the above named beneficiaries as shall survive me.

ITEM IV: All the rest, residue and remainder of my estate, real, personal and mixed, of whatsoever nature and kind and wheresoever situate, of which I may die seized or possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath unto my niece, LINDA GOSS, and my niece, TAMMY SALTER, in equal one-half (1/2) shares. Should either of my nieces, LINDA GOSS or TAMMY SALTER, fail to survive me, then I direct that the share of said deceased niece be distributed in equal shares among her children who survive me, and in default of such children, said decedent's share shall be added to the share for my surviving niece, or her children, as the case may be.

ITEM V: I hereby nominate and appoint DENNIE GOSS, husband of my niece, LINDA GOSS, as Executor of this my Last Will. In the event that DENNIE GOSS should be unable or unwilling to so serve at anytime for any reason, I hereby nominate and appoint my nephew, JACK GARDLOCK, as Executor of this my Last Will and Testament.

"F"

Golda D. Bell

ITEM VI: I direct that my personal representative shall not be required to give bond in any jurisdiction in which he may serve.

IN WITNESS WHEREOF, I, GOLDA D. BELL, the Testatrix, have to this my Will, subscribed my name and affixed my seal this Aug 2 day of _____, 1983.

Golda D. Bell
Golda D. Bell

The preceding instrument, consisting of this and one other typewritten page, each identified by the signature of the Testatrix, was on the date thereof, signed, published and declared by GOLDA D. BELL, the Testatrix therein named, as and for her Last Will, in the presence of us, who, at her request, and in her presence, and in the presence of each other, have subscribed our names as witnesses hereto.

[Signature] residing at RD# 4
Box 68

[Signature] residing at Clearfield, Pa. 16830
23 W. 2nd ST
Clearfield, PA. 16830

COMMONWEALTH OF PENNSYLVANIA :
:SS:
COUNTY OF CLEARFIELD :

I, GOLDA D. BELL, the Testatrix, whose name is signed to the attached or foregoing instrument, having been duly qualified according to law, do hereby acknowledge that I signed and executed the instrument as my Last Will; that I signed it willingly; and that I signed it as my free and voluntary act for the purposes therein expressed.

Sworn or affirmed to and acknowledged before me, by GOLDA D. BELL, the Testatrix, this 2nd day of August, 1983.

Margaret B. Buzzanca

MARGARET B. BUZZANCA, Notary Public
Clearfield, Clearfield Co., Pa.
My Commission Expires Nov. 23, 1985

" F "

COMMONWEALTH OF PENNSYLVANIA :
 :SS:
 COUNTY OF CLEARFIELD :

We, DAVID S. AMMERMAN and FREDRIC J. AMMERMAN,
 the witnesses whose names are signed to the attached or foregoing
 instrument, being duly qualified according to law, do depose and
 say that we were present and saw the Testatrix sign and execute
 the instrument as his Last Will; that GOLDA D. BELL signed
 willingly and that GOLDA D. BELL executed as her free and volun-
 tary act for the purposes therein expressed; that each of us in
 the hearing and sight of the Testatrix signed the Will as witnes-
 ses; and that to the best of our knowledge the Testatrix was at
 that time eighteen (18) or more years of age, of sound mind and
 under no constraint or undue influence.

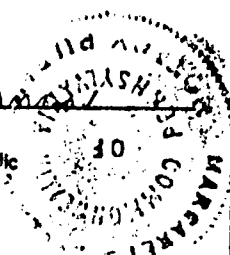
Sworn or affirmed to and subscribed to before me by
David S. Ammerman and Fredric J. Ammerman,
 witnesses, this 2nd day of August, 1983.

[Signature]
 Witness

[Signature]
 Witness

Margaret B. Buzzanca
 Notary Public

MARGARET B. BUZZANCA, Notary Public
 Clearfield, Clearfield Co., Pa.
 My Commission Expires Nov. 23, 1985



"F"

No. 01-681-C.D.

Plaintiff's Motion for
Partial Summary Judgment

JOHN SUGHRUE
ATTORNEY AT LAW
23 North Second Street
CLEARFIELD, PA 16830
(814) 765-1704

THE PLANKENHORN CO., WILLIAMSPORT, PA.

FILED

OCT 21 2002

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter, Linda
Goss, Jack Gardlock and Tim Gardlock,
Co-tenants similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation:

ORDER

NOW, this 23rd day of October, 2002, upon consideration of Motion for Summary Judgment filed on behalf of Defendant Mid East Oil Company, and Motion for Partial Summary Judgment filed on behalf of Plaintiff above-named, it is the ORDER of this Court that Plaintiff's Motion for Partial Summary Judgment shall be and is hereby granted to the extent that all gas royalties paid by Defendant Mid East Oil Company as a result of gas removed from the subject premises from the date of opening of gas wells to date shall be divided among those entitled thereto to the extent that Plaintiff shall receive their pro rata share thereof together with interest from the date of production to date of payment at the legal rate of 6%. It is the further ORDER of this Court that Defendant Mid East Oil Company's Motion for Summary Judgment shall be and is hereby dismissed. All other issues raised by Plaintiff shall be determined by further proceedings.

FILED

OCT 23 2002

William A. Shaw
Prothonotary

By the Court

President Judge

FILED

012:43B
OCT 23 2002

1 CC Sughrue

1 CC Gearhart

1 CC Sharon Smith

William A. Shaw
Prothonotary

[Handwritten signature]
RET

Copy from atty Sughrue
Original misfiled

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter, Linda
Goss, Jack Gardlock and Tim Gardlock,
Co-tenants similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation:

ORDER

NOW, this 23rd day of October, 2002, upon consideration of Motion for Summary Judgment filed on behalf of Defendant Mid East Oil Company, and Motion for Partial Summary Judgment filed on behalf of Plaintiff above-named, it is the ORDER of this Court that Plaintiff's Motion for Partial Summary Judgment shall be and is hereby granted to the extent that all gas royalties paid by Defendant Mid East Oil Company as a result of gas removed from the subject premises from the date of opening of gas wells to date shall be divided among those entitled thereto to the extent that Plaintiff shall receive their pro rata share thereof together with interest from the date of production to date of payment at the legal rate of 6%. It is the further ORDER of this Court that Defendant Mid East Oil Company's Motion for Summary Judgment shall be and is hereby dismissed. All other issues raised by Plaintiff shall be determined by further proceedings.

By the Court,

/s/ JOHN K. REILLY, JR.

hereby certify this to be a true
and attested copy of the original
statement filed in this case.

OCT 23 2002

Attest:

William H. Reilly
Prothonotary/
Clerk of Courts

President Judge

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter, Linda
Goss, Jack Gardlock and Tim Gardlock,
Co-tenants similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation:

ORDER

NOW, this 23rd day of October, 2002, upon consideration of Motion for Summary Judgment filed on behalf of Defendant Mid East Oil Company, and Motion for Partial Summary Judgment filed on behalf of Plaintiff above-named, it is the ORDER of this Court that Plaintiff's Motion for Partial Summary Judgment shall be and is hereby granted to the extent that all gas royalties paid by Defendant Mid East Oil Company as a result of gas removed from the subject premises from the date of opening of gas wells to date shall be divided among those entitled thereto to the extent that Plaintiff shall receive their pro rata share thereof together with interest from the date of production to date of payment at the legal rate of 6%. It is the further ORDER of this Court that Defendant Mid East Oil Company's Motion for Summary Judgment shall be and is hereby dismissed. All other issues raised by Plaintiff shall be determined by further proceedings.

By the Court,

/s/ JOHN K. REILLY, JR.

hereby certify this to be a true
and attested copy of the original
statement filed in this case.

OCT 23 2002

Attest:

William H. Shaw
Prothonotary/
Clerk of Courts

President Judge

6/17/03 Copy from Atty Sughrue's office
Original misfiled

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter, Linda
Goss, Jack Gardlock and Tim Gardlock,
Co-tenants similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation:

ORDER

NOW, this 23rd day of October, 2002, upon consideration of Motion for Summary Judgment filed on behalf of Defendant Mid East Oil Company, and Motion for Partial Summary Judgment filed on behalf of Plaintiff above-named, it is the ORDER of this Court that Plaintiff's Motion for Partial Summary Judgment shall be and is hereby granted to the extent that all gas royalties paid by Defendant Mid East Oil Company as a result of gas removed from the subject premises from the date of opening of gas wells to date shall be divided among those entitled thereto to the extent that Plaintiff shall receive their pro rata share thereof together with interest from the date of production to date of payment at the legal rate of 6%. It is the further ORDER of this Court that Defendant Mid East Oil Company's Motion for Summary Judgment shall be and is hereby dismissed. All other issues raised by Plaintiff shall be determined by further proceedings.

By the Court,

/s/ JOHN K. REILLY, JR.

hereby certify this to be a true
and attested copy of the original
statement filed in this case.

OCT 23 2002

Attest:

William H. Reilly
Prothonotary/
Clerk of Courts

President Judge

OCT 24 2002

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

BARRY DUNLAP and
MID-EAST OIL COMPANY,
Defendant

CIVIL ACTION – LAW

No. 01-681-CD

TYPE OF CASE: Civil

TYPE OF PLEADING:
Praecipe for Trial

FILED ON BEHALF OF:
Mid-East Oil Company,
Defendant

COUNSEL OF RECORD FOR
THIS PARTY: Sharon L. Smith
197 Main Street
Brookville, Pa. 15825
814-849-6720
Pa. I.D. No. 28738

FILED

APR 16 2003

William A. Shaw
Prothonotary

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
Plaintiff

v.

No. 01-681-CD

BARRY DUNLAP and
MID-EAST OIL COMPANY,
Defendants

PRAECIPE FOR TRIAL

To the Prothonotary:

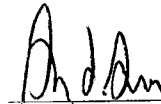
Please place the case on the trial list. There are no motions outstanding, and discovery has been completed. The case is ready for trial. The case is to be non-jury.

A copy of this notice has been sent by first class mail, postage prepaid to:

John Sughrue, Attorney for David L. Dunlap
23 North Second Street
Clearfield, Pa. 16830

R. Denning Gearhart, Attorney for
Barry Dunlap
215 East Locust Street
Clearfield, Pa 16830

Date: 15 April 2003



Sharon L. Smith
Attorney for Mid-East Oil Company
197 Main Street
Brookville, Pa. 15825

FILED

Nbce

11/11/19

copy to C/A

APR 16 2003

WAS
William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
individually and as Fiduciary for Norman
Dunlap, Tammy Salter, Linda Goss, Jack
Gardlock and Tim Gardlock, Co-tenants
similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a
Corporation

PRE-TRIAL ORDER

NOW, this 24th day of September, 2003, following pre-trial conference in the above-captioned matter, it is the ORDER of this Court that within two (2) weeks from date hereof counsel for Plaintiffs shall submit a Request for Admissions to counsel for Defendants and upon approval thereof, each party shall be granted thirty (30) days thereafter within which to file briefs on the legal issue framed by the Court. Following receipt of opposing counsel's brief, each party shall be granted five (5) days within which to file a reply.

By the Court,



President Judge

FILED

SEP 24 2003

013:30 W
William A. Shaw

Prothonotary/Clerk of Courts

SEP 24 2003
SUGARMAN
GEORGE
SMITH

FILED

SEP 24 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFF

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: Request for
Admission

Filed on Behalf of: Plaintiffs

Counsel of Record for this Party:

John Sughrue, Esquire
Attorney I. D. No. 01037
23 North Second Street
Clearfield, PA 16830
Phone: (814) 765-1704
Fax: (814) 765-6959

Other Counsel of Record for

Barry A. Dunlap:

R. Denning Gearhart, Esquire
Attorney I.D. No. 36540
215 East Locust St.
Clearfield, PA 16830
Phone: (814) 765-1581
Fax: (814) 765-6745

Other Counsel of Record for

Mid East Oil Company:

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825
Phone/Fax (814) 849-6720

FILED

OCT 14 2003

William A. Shaw

Prothonotary/Clerk of Courts

7 CENTS to ATT

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFF

V.

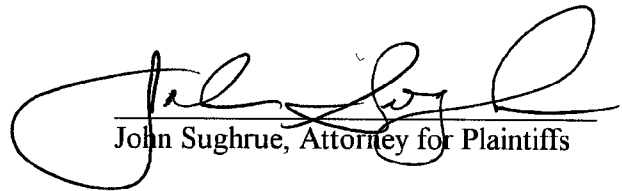
BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

NOTICE TO DEFENDANTS

Each of you are directed to file an answer to each of the requests for admissions set forth herein, in compliance with Pa.R.CIV.P.Rule 4014(b), within thirty (30) days after service of this request upon you.

Date: October 14, 2003



John Sughrue, Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFFS

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

REQUEST FOR ADMISSION UNDER Pa.R.CIV.P.Rule 4014(b)

To: Mid East Oil Company and Barry A. Dunlap, Defendants:

Each of you are hereby requested to admit, for purposes of this action only, pursuant to Pa.R.CIV.P.Rule 4014(b), each of the following matters:

1. That David L. Dunlap, Norman Dunlap and Tammy Salter, (hereafter individually and collectively, "Plaintiffs") are each adult individuals?

ANSWER:

2. That the individual Defendant, Barry A. Dunlap (hereafter, "Barry Dunlap") is an adult individual?

ANSWER:

3. That the Corporate Defendant, Mid East Oil Company (hereafter, "Mid East") is a corporation organized under the laws of the Commonwealth of Pennsylvania and it has its principle office at White Township, Indiana County, Pennsylvania?

ANSWER:

4. That the oil, gas and related hydrocarbons, that are the subject of this litigation, are located in Knox Township, Clearfield County, Pennsylvania (hereafter, "Property").

ANSWER:

5. That the Property is more particularly described as follows:

All of the oil, gas and related hydrocarbons in, under and upon that certain parcel of land situate Knox Township, Clearfield County, Pennsylvania described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church.

Being the same property which vested in Luther Y. Dunlap during his lifetime and of which he died seized.

ANSWER:

6. That Luther Y. Dunlap, late of Knox Township, Clearfield County, Pennsylvania, during his lifetime, acquired ownership and was seized at the time of his death, of real property located Knox Township, Clearfield County, Pennsylvania (hereafter referred to as the, "Dunlap Farm") and that the Dunlap Farm is more particularly described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church. Believed to consist of 117.68 acres?

ANSWER:

7. That Luther Y. Dunlap died testate on December 17, 1969, a resident and domiciliary of Clearfield County, Pennsylvania, and at the time of his death, was the sole owner of the Dunlap Farm and the property described above?

ANSWER:

8. That at the time of Luther Y. Dunlap's death, the oil, gas and related hydrocarbons, which constitute the property described above, was located, in, under and/or upon the Dunlap Farm described above?

ANSWER:

9. That Luther Y. Dunlap's Last Will and Testament is dated November 23, 1964 and is probated in the Register of Wills Office of Clearfield County, Pennsylvania in Will Book 15, Page 471?

ANSWER:

10. That the copy of the aforesaid Last Will of Luther Y. Dunlap, attached to this request as Exhibit C, is a true and correct copy of Luther Y. Dunlap's probated Will?

ANSWER:

11. That Luther Y. Dunlap was survived by his wife, Alma Dunlap, and all four of his children, specifically, Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER:

12. That Alma Dunlap, wife of Luther Y. Dunlap, died intestate August 23, 1976, a resident and domiciliary of the Commonwealth of Pennsylvania?

ANSWER:

13. That the intestate heirs of Alma Dunlap were her children born of the marriage of Luther Y. Dunlap, specifically the aforesaid Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER:

14. That the Luther Y. Dunlap Will is a holographic Will?

ANSWER:

15. That the Luther Y. Dunlap Will contains the following language:

- A. "I give devise and bequeath unto _____, all my estate, real, personal or mixed, of whatsoever nature or kind or wheresoever situate at the time of my decease."
- B. "I will to my son, Austin Dunlap, my farm"?
- C. "If there is gas, Oil or Fire Clay or any other Minerals found in this Farm, the Proceeds is to be Equally Divided among My Heirs"?

ANSWER:

A.

B.

C.

16. That the farm referenced twice in the Luther Y. Dunlap Will, as set forth above, refers to the same farm and is the Dunlap Farm described above in this Request for Admissions?

ANSWER:

17. That Alma Dunlap's interest in the Property, real and/or personal, acquired under the Luther Y. Dunlap Will passed upon her death, equally to her four children named above?

ANSWER:

18. That Golda Dunlap-Bell died testate a resident and domiciliary of Clearfield County and that her Last Will and Testament is recorded in the Register of Wills Office of Clearfield County in Will Book 75, Page 573 and that attached hereto as Exhibit D is a true and correct copy of the said Golda Dunlap-Bell Will?

ANSWER:

19. That the Golda Dunlap-Bell Will contains the following language:

"ITEM III I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Y. Dunlap Estate to my niece, Linda Goss, my niece, Tammy Salter and my nephew, David Dunlap"?

ANSWER:

20. That Maxine Dunlap-Gardlock died intestate, that her sole equal heirs were her two sons, Jack Gardlock and Tim Gardlock, and that both of said heirs are presently living?

ANSWER:

21. That Minnie Dunlap, wife of Austin Dunlap, died October 11, 1999 survived by her husband Austin Dunlap?

ANSWER:

22. That Austin Dunlap died June 3, 2000 a resident and domiciliary of Clearfield County, Pennsylvania?

ANSWER:

23. That no Will of Austin Dunlap has been probated in Clearfield County, Pennsylvania?

ANSWER:

24. That Barry Dunlap, Defendant, is the sole heir of Austin Dunlap and is presently living?

ANSWER:

25. That Austin Dunlap and his wife, Minnie Dunlap, during their lifetime, entered into two separate Oil and Gas Leases with Mid East, both dated November 30, 1998 for oil and gas located on two tracts of land in Knox Township, Clearfield County, Pennsylvania, one described as 79.75 acres and the other described as 117.68 acres; that the aforesaid Oil and Gas Leases are recorded in the Clearfield County Recorder's Office as Instrument Numbers 199900524 and 199900741 respectively;

and that copies of said leases attached hereto as Exhibit A and B are true and correct copies of said Oil and Lease Agreements?

ANSWER:

26. That the Oil and Gas Lease attached hereto as Exhibit B (hereafter, "Dunlap Lease") relates to the 117.68 acres described above as the Dunlap Farm?

ANSWER:

27. That there is no assignment, will, conveyance or instrument of any nature filed of record in Clearfield County, Pennsylvania transferring the interest of Minnie and Austin Dunlap in the gas leases to any person or entity?

ANSWER:

28. Does Mid East admit that, following the execution of the Dunlap Lease, it, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER:

29. Does Mid East admit that since it first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER:

30. Does Barry Dunlap admit that Mid East, following the execution of the Dunlap Lease, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER:

31. Does Barry Dunlap admit that since Mid East first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER:

32. That Austin Dunlap and Minnie Dunlap, his wife, by Deed dated June 24, 1999, Parcel No. 6 and recorded in the Recorder's Office of Clearfield County, Pennsylvania as Instrument No. 199910703 conveyed his interest and ownership in the Dunlap Farm to his son, Barry Dunlap and that the Deed attached hereto as Exhibit E is a true and correct copy of said Deed?

ANSWER:

33. That the current heirs of Luther Y. Dunlap, or in the alternative, the current successors to the heirs of Luther Y. Dunlap and their undivided interest in the subject matter of this litigation, whatever the nature and extent, as the Court may ultimately determine, is as follows:

- A. Norman Dunlap, a one-fourth (1/4) undivided interest in the whole;
- B. Barry Dunlap, successor to Austin Dunlap, a one-fourth (1/4) undivided interest in the whole;
- C. David Dunlap, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- D. Tammy Salter, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- E. Linda Goss, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- F. Jack Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole; and
- G. Tim Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole.

ANSWER:

34. Does Mid East admit that it, at all times pertinent to this action, acted by and through its duly authorized officers, employees, servants, agents and/or contractors, who were at all times acting on behalf of Mid East in the course of and within the scope of their employment and authority?

ANSWER:

35. That the Dunlap Lease is only executed by Austin Dunlap and Minnie Dunlap, his wife?

ANSWER:

36. That the Dunlap Lease provides in Paragraph 4 for all payments under the Dunlap Lease to be paid to the order of Austin Dunlap and/or Minnie Dunlap?

ANSWER:

37. Does Mid East admit that it made payments under the Dunlap Lease and that all payments made under the Dunlap Lease, including all rentals, royalties or otherwise, were paid to Austin Dunlap, and/or Minnie Dunlap, and/or Barry Dunlap?

ANSWER:

38. Does Mid East admit that it did not secure the joinder, consent or approval of the Plaintiffs to the Dunlap Lease by any means, including oral expression or writing of any kind?

ANSWER:

39. Does the Mid East admit that it did not secure the joinder consent, approval or authorization of the Plaintiffs, written, oral or otherwise, to the drilling, removal, transporting and marketing of the oil and gas from the Dunlap Farm at any time prior to such removal and marketing or at any time thereafter?

ANSWER:

40. Does Mid East admit that the Plaintiffs did not agree in writing, orally or otherwise, to the amount of the rentals or the royalties specified in the Dunlap Lease?

ANSWER:

41. Does Mid East admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER:

42. Does Mid East admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER:

43. Does Barry Dunlap admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER:

44. Does Barry Dunlap admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER:

45. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to drill for, remove and market the oil and gas from the Dunlap Farm?

ANSWER:

46. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to the sale of the oil and gas removed from the Dunlap Farm?

ANSWER:

47. Does Mid East admit that prior to the sale of the oil and gas from the Dunlap Farm, that it was required to secure the joinder, consent or approval of the Plaintiffs to the amount of rentals, royalties and/or payments of any kind that would be made by Mid East in exchange for the removal and marketing of the oil and gas under the Dunlap Farm?

ANSWER:

48. Does Barry Dunlap admit that all payments made under the Dunlap Lease by Mid East were made either to his parents or to himself?

ANSWER:

49. Does Barry Dunlap admit that he knew at the time he received payments from Mid East, that the Plaintiffs were entitled to share in such payments?

ANSWER:

50. Does Barry Dunlap admit that he has not given to the Plaintiffs, any part of the payments that he is received from Mid East under the Dunlap Lease?

ANSWER:

51. Does Mid East admit that it knew, prior to removing and selling the gas from the Dunlap Farm that the Plaintiffs were entitled to receive a part of the proceeds from the sale of the Gas?

ANSWER:

52. If the answer to the foregoing question is no, does Mid East admit that it should have known that Plaintiffs were entitled to a part of all such payments as a result of the Luther Y. Dunlap Will being probated at the Clearfield County Courthouse, as aforesaid?

ANSWER:

53. Does Barry Dunlap admit that he knew prior to receiving payments from Mid East the provisions of the Luther Y. Dunlap Will and that the Plaintiffs were entitled to share in payments being received by him?

ANSWER:

54. Does Mid East admit that it received, on October 4, 2000, by certified mail, a letter from John Sughrue, Attorney for Plaintiffs, dated October 3, 2000, and that Exhibit F attached hereto is a true and correct copy of the letter received, as well as the certified mail, mailing and return receipts?

ANSWER:

55. Does Mid East admit that after receiving said letter of October 3, 2000, it communicated the facts of Plaintiffs' claim to Barry Dunlap?

ANSWER:

56. Does Barry Dunlap admit that after October 3, 2000 and prior to the institution of this lawsuit, that Mid East advised him of Plaintiffs' claim?

ANSWER:

57. Does Mid East admit that after receiving notice of Plaintiffs' claim as aforesaid, it continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER:

58. Does Barry Dunlap admit that after receiving notice of Plaintiffs' claim, he continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER:

59. That there is no reference in the Luther Y. Dunlap Will to the oil and gas on the Dunlap Farm other than the language cited above?

ANSWER:

60. That each of the Plaintiffs has the right to receive a part of the Proceeds derived from all gas and oil located on the Dunlap Farm?

ANSWER:

61. That the word "Proceeds" includes all rentals, fees, royalties, profits and payments of any kind related to arising from the gas, oil, and related hydrocarbons located on the Dunlap Farm?

ANSWER:

62. That each of the Plaintiffs has an ownership interest in the proceeds related to or arising from the oil and gas located on the Dunlap Farm?

ANSWER:

63. Does Barry Dunlap admit that his right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER:

64. Does Mid East admit that Barry Dunlap's right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER:

65. Does Barry Dunlap admit that neither his parents, Austin and Minnie Dunlap, or himself derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER:

66. Does Mid East admit that neither Austin and Minnie Dunlap, or Barry Dunlap derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER:

67. Does Mid East admit that as of the filing of this request, it has not made any payments to any of the Plaintiffs, related to or arising out of the oil, gas and related hydrocarbons on the Dunlap Farm and/or the Dunlap Lease?

ANSWER:

68. Does Mid East admit that it received total revenue on the sale of the oil and gas from the Dunlap Farm in excess of the amount of payments that it has made to Defendant, Barry Dunlap or his predecessors, Austin and Minnie Dunlap?

ANSWER:

69. Does Mid East admit that it is liable to each of the Plaintiffs for a sum of money to be determined by the court, as a result of Mid East removing and selling the oil and gas under the Dunlap Farm?

ANSWER:

70. That the oil, gas and related hydrocarbons removed from the Dunlap Farm cannot be returned or replaced?

ANSWER:

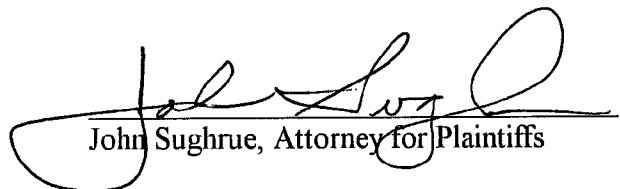
71. Does Mid East admit that financial compensation alone is not an adequate remedy under the law for the Plaintiffs?

ANSWER:

YOU ARE DIRECTED TO FILE AN ANSWER TO THESE REQUESTS, IN COMPLIANCE WITH Pa.R.CIV. P. Rule 4014(b), WITHIN THIRTY (30) DAYS AFTER SERVICE OF THIS REQUEST UPON YOU.

Respectfully submitted:

Date: October 14, 2003


John Sughrue, Attorney for Plaintiffs

AMIDAY, P. 30508

Received for Recording _____ Lease # _____
Recorded _____ Map Ref. 122-J12-3
Book _____ Pg. _____ Renewal # _____
Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Stott

On the East by lands of _____

On the South by lands of _____

On the West by lands of A. Dunlap and R. Rebon

and containing, for the purpose of calculating rentals, 79.75 acres of land whether actually
containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
recorded in Book 723, Page 20, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years
from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth ($\frac{1}{8}$) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth ($\frac{1}{8}$) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of eight hundred and 0/00's DOLLARS (\$ 800.00) annually,

commencing 60 days from date as a rental for 12 months
such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

Exhibit A

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit A

Exhibit A

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

Washington

SS.

On this, the 30th day of November, 1998, before

me a notary public, the undersigned officer,

personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

OF

Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the _____ day of _____, 19____, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, _____ he duly acknowledged to me that _____ he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the _____ day of _____, 19____, before

me _____, the undersigned officer,

personally appeared _____

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing _____

In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

Notary Public

Exhibit A

AFFIDAVIT No.

30530

Received for Recording

Lease #

122-J12-2

Recorded

Map Ref.

Book

Pg.

Renewal #

Expires

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wifehereinafter called Lessor (whether one or more), and
hereinafter called Lessee,Mid-East Oil Co.
Box 1378
Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and jointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Todd BrothersOn the East by lands of A. DunlapOn the South by lands of R. RebonOn the West by lands of D. Rowles

and containing, for the purpose of calculating rentals, 117.68 acres of land whether actually
containing more or less; and part of all said land is described in that certain deed to Lessor from

dated _____
recorded in Book 1315, Page 55, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years
from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth ($\frac{1}{8}$) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth ($\frac{1}{8}$) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of
one thousand one hundred and seventeen DOLLARS (\$ 1,117.00) annually,

commencing 60 days from date as a rental for 12 months
such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

E. A. Lit B

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

E. Whit B

Exhibit B

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

Washington

SS.

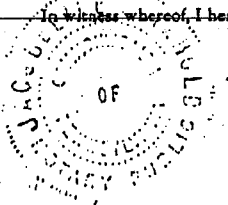
On this, the 30th day of November, 1998, before

me a notary public, the undersigned officer,

personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the day of 19, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, he duly acknowledged to me that he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the day of 19, before

me, the undersigned officer,

personally appeared

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing

In witness whereof, I hereunto set my hand and official seal.

My commission expires:

Notary Public

Exhibit B

Be it Remembered

That I, Luther J. Dunlap 170-14-3870

being of sound and disposing mind, memory and understanding, and considering the uncertainty of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Execut hereinafter named, as soon as conveniently may be after my decease.

Second.—I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease. I Choose for my Executors my

Sons Austin Dunlap and Norman Dunlap
 & Will to my wife Alma Dunlap the use
 of the House and all the Furniture as long
 as she remains my Widow and to receive
 one third of the income from the House
 & Will to my son Austin Dunlap my Farm
 Also my 32 Winchester Rifle
 & Will to my son Norman Dunlap my House
 and two Lots in Glen Hope Borough
 Also my 22 Marlin Rifle, also my Watch
 And to my Grand son Barry Dunlap
 my Shot gun over

And Lastly. I do make, constitute and appoint

to be the Execut

of this my last Will and

Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal, the 23 day of November in the year of our Lord one thousand nine hundred and 64

Signed, sealed, published and declared by the testat above named, as and for his last Will and Testament, in the presence of us, who have hereunto, at his request, subscribed our names in his presence, and in the presence of each other, as witnesses hereto.

C. Frederick Hall
 R. P. Hall Jr.

Luther J. Dunlap

("EXB. C")

STORY AND SUBSCRIBED BEFORE ME THIS 23
 DAY OF NOVEMBER 1964
 12 P. M.
 JUSTICE OF THE PEACE
 MY COMMISSION EXPIRES FIRST MONDAY IN JAN. 1965

I request my Personal Property to be
Appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisalment

& Will to my Daughter Golda Bell

The sum of \$300.00

& Will to my Daughter Maxine Goodlock

The sum of \$300.00 I have is to be
and what money I have is to be

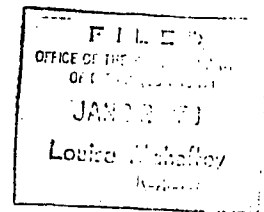
Equally divided among my Heirs
if there is Gas Oil or Fire Clay

or any other Minerals found
on this Farm the Proceeds is to

be Equally Divided among
my Heirs

Will.

15/471 70-27



Proved & Approved
January 22, 1970

15/471

Exb. C

FILED
OFFICE OF THE REGISTER OF
WILLS OF CLEARFIELD COUNTY

NOV 24 1992

KAREN L. STARCK
Register

Last Will and Testament

OF
GOLDA D. BELL

I, GOLDA D. BELL, of Curwensville Borough, Clearfield County, Pennsylvania, declare this to be my Last Will and Testament, hereby revoking any and all Wills and/or Codicils heretofore by me made.

ITEM I: I direct that all my just debts and funeral expenses and all expenses of my last illness, shall be paid from the assets of my estate, as soon as practicable after my decease, as a part of the expense of the administration of my estate.

ITEM II: I give and bequeath my house and lot located at 514 Susquehanna Avenue, Curwensville, Pennsylvania, to my niece, LINDA GOSS, if she is living at the time of my death. In the event my niece, LINDA GOSS, shall predecease me or die simultaneously with me, I give, devise and bequeath the above described house and lot to the children of my niece, LINDA GOSS, in equal shares.

ITEM III: I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Dunlap Estate to my niece, LINDA GOSS, my niece, TAMMY SALTER, and my nephew, DAVID DUNLAP. In the event any of the above named beneficiaries should predecease me, the share of said decedent shall be distributed in equal shares to such of the above named beneficiaries as shall survive me.

ITEM IV: All the rest, residue and remainder of my estate, real, personal and mixed, of whatsoever nature and kind and wheresoever situate, of which I may die seized or possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath unto my niece, LINDA GOSS, and my niece, TAMMY SALTER, in equal one-half (1/2) shares. Should either of my nieces, LINDA GOSS or TAMMY SALTER, fail to survive me, then I direct that the share of said deceased niece be distributed in equal shares among her children who survive me, and in default of such children, said decedent's share shall be added to the share for my surviving niece, or her children, as the case may be.

ITEM V: I hereby nominate and appoint DENNIE GOSS, husband of my niece, LINDA GOSS, as Executor of this my Last Will. In the event that DENNIE GOSS should be unable or unwilling to so serve at anytime for any reason, I hereby nominate and appoint my nephew, JACK GARDLOCK, as Executor of this my Last Will and Testament.

("Ex. D")

Golda D. Bell

ITEM VI: I direct that my personal representative shall not be required to give bond in any jurisdiction in which he may serve.

IN WITNESS WHEREOF, I, GOLDA D. BELL, the Testatrix, have to this my Will, subscribed my name and affixed my seal this Aug 2 day of _____, 1983.

Golda D. Bell
Golda D. Bell

The preceding instrument, consisting of this and one other typewritten page, each identified by the signature of the Testatrix, was on the date thereof, signed, published and declared by GOLDA D. BELL, the Testatrix therein named, as and for her Last Will, in the presence of us, who, at her request, and in her presence, and in the presence of each other, have subscribed our names as witnesses hereto.

[Signature] RD# 4
residing at Box 68
Clearfield, Pa 16830

[Signature] residing at 23 W. 2nd ST
Clearfield, Pa. 16830

COMMONWEALTH OF PENNSYLVANIA :
:SS:
COUNTY OF CLEARFIELD :

I, GOLDA D. BELL, the Testatrix, whose name is signed to the attached or foregoing instrument, having been duly qualified according to law, do hereby acknowledge that I signed and executed the instrument as my Last Will; that I signed it willingly; and that I signed it as my free and voluntary act for the purposes therein expressed.

Sworn or affirmed to and acknowledged before me, by GOLDA D. BELL, the Testatrix, this 2nd day of August, 1983.

Margaret B. Buzzanca

MARGARET B. BUZZANCA, Notary Public
Clearfield, Clearfield Co., Pa.
My Commission Expires Nov. 23, 1985

Exp. D

COMMONWEALTH OF PENNSYLVANIA :
 :SS:
 COUNTY OF CLEARFIELD :

We, David S. Ammerman and Frederic J. Ammerman,
 the witnesses whose names are signed to the attached or foregoing
 instrument, being duly qualified according to law, do depose and
 say that we were present and saw the Testatrix sign and execute
 the instrument as his Last Will; that GOLDA D. BELL signed
 willingly and that GOLDA D. BELL executed as her free and volun-
 tary act for the purposes therein expressed; that each of us in
 the hearing and sight of the Testatrix signed the Will as witnes-
 ses; and that to the best of our knowledge the Testatrix was at
 that time eighteen (18) or more years of age, of sound mind and
 under no constraint or undue influence.

Sworn or affirmed to and subscribed to before me by
David S. Ammerman and Frederic J. Ammerman,
 witnesses, this 2nd day of August, 1983.

[Signature]
 Witness

[Signature]
 Witness

Margaret B. Buzzanca
 Notary Public

MARGARET B. BUZZANCA, Notary Public
 Clearfield, Clearfield Co., Pa.
 My Commission Expires Nov. 23, 1985



Exp. D

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$17.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER IMPROVEMENT FUND \$1.00
STATE MUIT TAX \$0.50
TOTAL \$19.50

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$19.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER IMPROVEMENT FUND \$1.00
STATE MUIT TAX \$0.50
TOTAL \$21.50

Handwritten signature

THIS DEED

MADE the 24th day of June, in the year nineteen hundred and ninety-nine

(1999) BETWEEN AUSTIN M. DUNLAP, and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, of Box 201, Olanta, Clearfield County, Pennsylvania, parties of the first part, hereinafter referred to as the GRANTORS,

AND

BARRY A. DUNLAP, an adult individual, of 133 Laguna Street, Santa Cruz, California 95060, party of the second part, hereinafter referred to as the GRANTEE,

WITNESSETH, That in consideration of One and 00/100 (\$1.00) Dollar, in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said grantee, his heirs, successors and assigns,

ALL those certain lots or pieces of ground situate in Knox Township, Clearfield County, Pennsylvania, bounded and described as follows:

PARCEL NO. 1: BEGINNING at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less to a Hemlock; thence South 42 degrees West 80 perches, mor or less to a post; thence North 45 degrees one hundred and fifty-four (154) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. CONTAINING 101 acres and 72 perches, more or less

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for, take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or

Exb. E

beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

BEING the same premises as was conveyed to Austin M. Dunlap by Deed of Samuel M. Crisman and Ora Crisman, his wife, dated March 29, 1946 and entered for record in the Recorder's Office of Clearfield County in Deed Book Volume 377, Page 248.

And

PARCEL NO. 2: *BEGINNING* on the line now or formerly of David Rowles, bounded on the North by State Highway; thence following said State Highway, Westward 413 feet to a post; thence Southward 931 feet to a post, bounded by land of L.Y. Dunlap; thence Eastward 413 feet to a post, bounded by land of Austin Dunlap, and Robert Stott; thence Northward 931 feet to a post and place of beginning, bounded by land now or formerly of Glenn Rowles and David Rowles. This piece of land to contain 8 3/4 acres, more or less.

With reserving all minerals and the right to remove the same without liability for damages.

PARCEL NO. 3: *BEGINNING* at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less, to a hemlock; thence South 42 degrees, West 80 perches, more or less, to a post; thence North 25 degrees one hundred and fifty-four (54) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. Containing 101 acres and 72 perches, more or less.

EXCEPTING and RESERVING, however, all the coal, fire clay, and other mincrals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for,

Exp. E

take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

A n d

PARCEL NO. 4: BEGINNING at a post corner of land now or formerly of L.Y. Dunlap, and Robert Rebon; thence South forty-four (44) degrees East, twenty-eight (28) perches to a post; thence South forty-five and one-half ($45 \frac{1}{2}$) degrees East, twenty and six-tenths (20.6) perches to a post, bounded by land of Glenn Rowles; thence along said line North thirty-two (32) degrees, East thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West, forty-one (41) perches to a post; thence South thirty-two (32) degrees West forty (40) perches to a post and place of beginning. Containing nine (9) acres and one hundred forty-seven (147) perches.

EXCEPTING and RESERVING, however, all the coal and other minerals in, under and upon above described land with the right of ingress, egress and regress. To mine and remove the same without liability, for any damages that may be done in so ding, together with privileges that are contained in former Deed conveying said premises.

The Second Part Thereof which joins, begins at a post on of land now or formerly of Glenn Rowles Estate and L.Y. Dunlap; thence South thirty-two (32) degrees West forty (40) perches to a maple stump; thence South forty-four (44) degrees, East forty-one (41) perches to a post corner of land now or formerly of Austin M. Dunlap; thence North thirty-two (32) degrees East, thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West forty-one (41) perches to a post and place of beginning. Containing ten (10) acres net.

Exb. E

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie M. Dunlap, husband and wife, dated July 9, 1976 and entered for record in the Recorder's Office of Clearfield County to Deed Book Volume 723, Page 020.

A n d

PARCEL NO. 5: *BEGINNING* at an iron pin on the southern line of the right-of-way of Legislative Route 17038, said iron pin being located three hundred twenty-six (326) feet in an easterly direction from a point along the southern line of the right-of-way of Legislative Route 17038 on other land of Grantors and directly across the highway in the southeast corner of the Mt. Zion Cemetery; thence from said iron pin along line of lands now or formerly of Austin Dunlap, South thirty-eight (38) degrees East seven hundred seventy-five (775) feet to an iron pin; thence still by the same North fifty-two (52) degrees East one hundred (100) feet to an iron pin; thence by other lands of the Grantors of which this parcel is a part, North thirty-eight (38) degrees West seven hundred seventy-five (775) feet to an iron pin on the southern line of the right-of-way of Legislative Route 17038; thence along the souther line of the right-of-way of Legislative Route 17038 South fifty-two (52) degrees West one hundred (100) feet to an iron pin and place of beginning. Being a rectangular parcel of land fronting one hundred (100) feet on Legislative Route 17038 and being seven hundred seventy-five (775) feet in depth.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of the Small Business Administration, an Agency of the U.S. of America, dated January 14, 1987 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1135, Page 087.

A n d

PARCEL NO. 6: On the North by Todd Bros. Heirs; on the East by Glen Rowles, Stott & Austin Dunlap; on the South by Robert Revon heirs; on the West by small tracts, Keller & K.L. Rowles. CONTAINING 117.68 acres, more or less, and being known on the tax assessment map of the County of Clearfield as #122-J12-2 and being assessed in the name of L.W. Dunlap.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie Dunlap, his wife, dated November 22, 1989 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1315, Page 055.

THIS IS A TRANSFER FROM PARENTS TO SON AND THEREFORE, TAX EXEMPT.

Exb. E

TOGETHER with, all and singular, the ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, use, trust, property, possession, claim and demand whatsoever of Grantors in law, equity, or otherwise, howsoever, of, in, to, or out of the same.

TO HAVE AND TO HOLD the same together with all and singular, the said Grantors' hereditaments and premises hereby granted and released, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs, successors and assigns, to and for the only proper use and behoof of the said Grantee and assigns, forever.

BUYER ALSO UNDERSTANDS THAT THERE IS NO COMMUNITY OR PUBLIC SEWAGE SYSTEM AVAILABLE TO THE WITHIN PROPERTY. A PERMIT FOR ANY NEW INDIVIDUAL SEWAGE SYSTEM, OR ANY REPAIRS TO ANY EXISTING INDIVIDUAL SEWAGE SYSTEM, WILL HAVE TO BE OBTAINED FROM THE LOCAL AGENCY DESIGNATED AS PROVIDED IN THE PENNSYLVANIA SEWAGE FACILITIES ACT.

Exb. E

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

Barry A. Dwyer

This 24th Day of June, 1999

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

Exb. E

The said Grantors will SPECIALLY WARRANT the property hereby conveyed.

IN WITNESS WHEREOF, said grantors have hereunto set their hands and seals, the day
and year first above-written.

Sealed and delivered in
the presence of:

Austin M. Dunlap

AUSTIN M. DUNLAP

Minnie M. Dunlap
Minnie Dunlap

MINNIE M. DUNLAP a/k/a

MINNIE DUNLAP

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the grantee herein is as follows:

133 Laguna Street
Santa Cruz, California 95060

R. Denning Gearhart
R. Denning Gearhart, Esquire

NO TITLE SEARCH/CERTIFICATION

COMMONWEALTH OF PENNSYLVANIA :

: ss:

COUNTY OF CLEARFIELD :

On this, the 24th day of June, 1999, before me, the undersigned officer, a Notary Public, personally appeared AUSTIN M. DUNLAP and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, known to me, or satisfactorily proven, to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires: _____

Jennifer A. Cutler
Notary Public

Notarial Seal
Jennifer A. Cutler, Notary Public
Clearfield Boro, Clearfield County
My Commission Expires June 17, 2003

Exb. E

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

October 3, 2000

~~VIA CERTIFIED, RETURN RECEIPT~~
REQUESTED & FIRST CLASS MAIL

Mid-East Oil Company
PO Box 1378
Indiana, PA 15701

ATT: Mr. Mark Thompson, President

RE: David L. Dunlap; claim of ownership to gas and oil
underlying Austin M. Dunlap Farm, formerly Luther Y.
Dunlap Farm, Knox Township, Clearfield County, PA.

Dear Mark,

This will confirm and follow up my phone conversation with your office. I have been retained by David L. Dunlap to represent him with respect to the above matter.

I understand that your company drilled and is operating wells on the above-mentioned property.

My client has consulted with me regarding his belief that he is an owner by inheritance of an interest in the oil and gas underlying the above referenced property. As a result of my preliminary review, I am likewise of the opinion that he has an interest through Luther Dunlap and Golda Bell. Accordingly, it appears that your company is converting his property without his permission and without compensation.

As I indicated in my phone conversation, I would like to meet with a representative of your company and review the matter informally. I recognize that I could be missing something, you could have missed something or there could be an issue as to interpretation of relevant documents.

In any event, please accept this letter as notice to you of the conduct referenced. I ask that the wells in question be taken out of production while the matter is reviewed.

Exb. F

My client is interested in amicably resolving this matter in the next thirty (30) days. At the requested meeting, I ask that you have available your title search, maps and leases. Thank you for your prompt attention to this request.

Very truly yours,

John Sughrue

JS/kg

cc: Mr. & Mrs. David L. Dunlap

7000 0600 0022 6401 221

| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) | |
|---|---------------|
| Article Sent To: MID EAST OIL CO., MARK THOMPSON | |
| Postage | \$ 33 |
| Certified Fee | 1.40 |
| Return Receipt Fee (Endorsement Required) | 1.25 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ 298 |

Postmark Here: **CLEARFIELD PA 15701**

Name (Please Print Clearly) (to be completed by mailer)
John Sughrue (Done i Burda)

Street, Apt. No., or PO Box No.
23 N 2nd St.

City, State, ZIP+4
Clearfield, PA 16830

PS Form 3800, July 1999 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MID EAST OIL COMPANY
PO BOX 1378
INDIANA, PA 15701

ATT: MR. MARK THOMPSON,
PRESIDNET

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) **Betty Pauline** B. Date of Delivery **4 OCT 2000**
- C. Signature **Betty Pauline** ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Exb. F

CERTIFICATE OF SERVICE

AND NOW, I do hereby certify that on October 14, 2003, I caused a true and correct copy of Plaintiff's, REQUEST FOR ADMISSION UNDER Pa.R.CIV.P. Rule 4014(b), to be served on the following and in the manner indicated below:

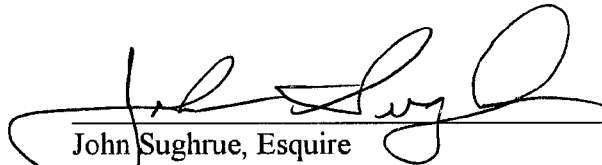
By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Sharon L. Smith, Esquire
197 Main St.
Brookville, PA 15825

By Personal Service as Follows:

Denning R. Gearhart, Esquire
215 E. Locust Street
Clearfield, PA 16830

Date: October 14, 2003


John Sughrue, Esquire
Attorney for Plaintiffs

FILED

OCT 14 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for Norman
Dunlap, Tammy Salter, Linda Goss, Jack
Gardlock and Tim Gardlock, Co-tenants
similarly situated,

Plaintiff

VS.

No. 01-681-CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY,
an Corporation,

Defendants

CASE NUMBER:

No. 01-681-CD

TYPE OF CASE:

Civil

TYPE OF PLEADING:

ANSWER TO REQUEST FOR ADMISSION

FILED ON BEHALF OF:

Defendant, Barry A. Dunlap

COUNSEL OF RECORD FOR THIS PARTY:

R. DENNING GEARHART, ESQUIRE

Supreme Court I.D. #26540

215 East Locust Street

Clearfield, PA 16830

(814) 765-1581

FILED

NOV 03 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFF

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: Request for
Admission

Filed on Behalf of: Plaintiffs

Counsel of Record for this Party:

John Sughrue, Esquire
Attorney I. D. No. 01037
23 North Second Street
Clearfield, PA 16830
Phone: (814) 765-1704
Fax: (814) 765-6959

**Other Counsel of Record for
Barry A. Dunlap:**

R. Denning Gearhart, Esquire
Attorney I.D. No. 36540
215 East Locust St.
Clearfield, PA 16830
Phone: (814) 765-1581
Fax: (814) 765-6745

**Other Counsel of Record for
Mid East Oil Company:**

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825
Phone/Fax (814) 849-6720

I hereby certify this to be a true
and attested copy of the original
statement filed in this case.

OCT 14 2003

Attest.

William L. Shaw
Prothonotary/
Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFF

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

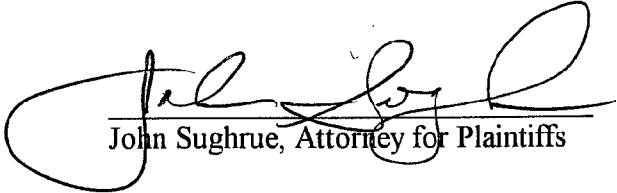
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No. 01- 681 -C.D.

NOTICE TO DEFENDANTS

Each of you are directed to file an answer to each of the requests for admissions set forth herein, in compliance with Pa.R.CIV.P.Rule 4014(b), within thirty (30) days after service of this request upon you.

Date: October 14, 2003


John Sughrue, Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFFS

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

REQUEST FOR ADMISSION UNDER Pa.R.CIV.P.Rule 4014(b)

To: Mid East Oil Company and Barry A. Dunlap, Defendants:

Each of you are hereby requested to admit, for purposes of this action only, pursuant to Pa.R.CIV.P.Rule 4014(b), each of the following matters:

1. That David L. Dunlap, Norman Dunlap and Tammy Salter, (hereafter individually and collectively, "Plaintiffs") are each adult individuals?

ANSWER: Admitted

2. That the individual Defendant, Barry A. Dunlap (hereafter, "Barry Dunlap") is an adult individual?

ANSWER: Admitted

3. That the Corporate Defendant, Mid East Oil Company (hereafter, "Mid East") is a corporation organized under the laws of the Commonwealth of Pennsylvania and it has its principle office at White Township, Indiana County, Pennsylvania?

ANSWER: Not certain

4. That the oil, gas and related hydrocarbons, that are the subject of this litigation, are located in Knox Township, Clearfield County, Pennsylvania (hereafter, "Property").

ANSWER: Admitted

5. That the Property is more particularly described as follows:

All of the oil, gas and related hydrocarbons in, under and upon that certain parcel of land situate Knox Township, Clearfield County, Pennsylvania described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church.

Being the same property which vested in Luther Y. Dunlap during his lifetime and of which he died seized.

ANSWER: Admitted

6. That Luther Y. Dunlap, late of Knox Township, Clearfield County, Pennsylvania, during his lifetime, acquired ownership and was seized at the time of his death, of real property located Knox Township, Clearfield County, Pennsylvania (hereafter referred to as the, "Dunlap Farm") and that the Dunlap Farm is more particularly described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church. Believed to consist of 117.68 acres?

ANSWER: Admitted

7. That Luther Y. Dunlap died testate on December 17, 1969, a resident and domiciliary of Clearfield County, Pennsylvania, and at the time of his death, was the sole owner of the Dunlap Farm and the property described above?

ANSWER: Admitted

8. That at the time of Luther Y. Dunlap's death, the oil, gas and related hydrocarbons, which constitute the property described above, was located, in, under and/or upon the Dunlap Farm described above?

ANSWER: Admitted

9. That Luther Y. Dunlap's Last Will and Testament is dated November 23, 1964 and is probated in the Register of Wills Office of Clearfield County, Pennsylvania in Will Book 15, Page 471?

ANSWER: Admitted

10. That the copy of the aforesaid Last Will of Luther Y. Dunlap, attached to this request as Exhibit C, is a true and correct copy of Luther Y. Dunlap's probated Will?

ANSWER: Admitted

11. That Luther Y. Dunlap was survived by his wife, Alma Dunlap, and all four of his children, specifically, Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER: Admitted

12. That Alma Dunlap, wife of Luther Y. Dunlap, died intestate August 23, 1976, a resident and domiciliary of the Commonwealth of Pennsylvania?

ANSWER: Admitted

13. That the intestate heirs of Alma Dunlap were her children born of the marriage of Luther Y. Dunlap, specifically the aforesaid Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER: Admitted

14. That the Luther Y. Dunlap Will is a holographic Will?

ANSWER: Admitted

15. That the Luther Y. Dunlap Will contains the following language:

- A. "I give devise and bequeath unto _____, all my estate, real, personal or mixed, of whatsoever nature or kind or wheresoever situate at the time of my decease."
- B. "I will to my son, Austin Dunlap, my farm"?
- C. "If there is gas, Oil or Fire Clay or any other Minerals found in this Farm, the Proceeds is to be Equally Divided among My Heirs"?

ANSWER: Admitted

A. Admitted

B. Admitted

C. Admitted

16. That the farm referenced twice in the Luther Y. Dunlap Will, as set forth above, refers to the same farm and is the Dunlap Farm described above in this Request for Admissions?

ANSWER: Admitted

17. That Alma Dunlap's interest in the Property, real and/or personal, acquired under the Luther Y. Dunlap Will passed upon her death, equally to her four children named above?

ANSWER: Admitted

18. That Golda Dunlap-Bell died testate a resident and domiciliary of Clearfield County and that her Last Will and Testament is recorded in the Register of Wills Office of Clearfield County in Will Book 75, Page 573 and that attached hereto as Exhibit D is a true and correct copy of the said Golda Dunlap-Bell Will?

ANSWER: Admitted

19. That the Golda Dunlap-Bell Will contains the following language:

"ITEM III I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Y. Dunlap Estate to my niece, Linda Goss, my niece, Tammy Salter and my nephew, David Dunlap"?

ANSWER: Admitted

20. That Maxine Dunlap-Gardlock died intestate, that her sole equal heirs were her two sons, Jack Gardlock and Tim Gardlock, and that both of said heirs are presently living?

ANSWER: Admitted

21. That Minnie Dunlap, wife of Austin Dunlap, died October 11, 1999 survived by her husband Austin Dunlap?

ANSWER: Admitted

22. That Austin Dunlap died June 3, 2000 a resident and domiciliary of Clearfield County, Pennsylvania?

ANSWER: Admitted

23. That no Will of Austin Dunlap has been probated in Clearfield County, Pennsylvania?

ANSWER: Admitted

24. That Barry Dunlap, Defendant, is the sole heir of Austin Dunlap and is presently living?

ANSWER: Admitted

25. That Austin Dunlap and his wife, Minnie Dunlap, during their lifetime, entered into two separate Oil and Gas Leases with Mid East, both dated November 30, 1998 for oil and gas located on two tracts of land in Knox Township, Clearfield County, Pennsylvania, one described as 79.75 acres and the other described as 117.68 acres; that the aforesaid Oil and Gas Leases are recorded in the Clearfield County Recorder's Office as Instrument Numbers 199900524 and 199900741 respectively;

and that copies of said leases attached hereto as Exhibit A and B are true and correct copies of said Oil and Lease Agreements?

ANSWER: Admitted

26. That the Oil and Gas Lease attached hereto as Exhibit B (hereafter, "Dunlap Lease") relates to the 117.68 acres described above as the Dunlap Farm?

ANSWER: Admitted

27. That there is no assignment, will, conveyance or instrument of any nature filed of record in Clearfield County, Pennsylvania transferring the interest of Minnie and Austin Dunlap in the gas leases to any person or entity?

ANSWER: Admitted

28. Does Mid East admit that, following the execution of the Dunlap Lease, it, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER: Not applicable

29. Does Mid East admit that since it first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER: Not applicable

30. Does Barry Dunlap admit that Mid East, following the execution of the Dunlap Lease, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER: Admitted

31. Does Barry Dunlap admit that since Mid East first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER: Admitted

32. That Austin Dunlap and Minnie Dunlap, his wife, by Deed dated June 24, 1999, Parcel No. 6 and recorded in the Recorder's Office of Clearfield County, Pennsylvania as Instrument No. 199910703 conveyed his interest and ownership in the Dunlap Farm to his son, Barry Dunlap and that the Deed attached hereto as Exhibit E is a true and correct copy of said Deed?

ANSWER: Admitted

33. That the current heirs of Luther Y. Dunlap, or in the alternative, the current successors to the heirs of Luther Y. Dunlap and their undivided interest in the subject matter of this litigation, whatever the nature and extent, as the Court may ultimately determine, is as follows:

- A. Norman Dunlap, a one-fourth (1/4) undivided interest in the whole;
- B. Barry Dunlap, successor to Austin Dunlap, a one-fourth (1/4) undivided interest in the whole;
- C. David Dunlap, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- D. Tammy Salter, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- E. Linda Goss, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- F. Jack Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole; and
- G. Tim Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole.

ANSWER: Admitted, except for F and G.

Inasmuch as Maxine Dunlap-Gardlock owned 1/4, her heirs, listed at "F" and "G" each get 1/2 of 1/4 which is 1/8 not 1/2.

34. Does Mid East admit that it, at all times pertinent to this action, acted by and through its duly authorized officers, employees, servants, agents and/or contractors, who were at all times acting on behalf of Mid East in the course of and within the scope of their employment and authority?

ANSWER: Not applicable

35. That the Dunlap Lease is only executed by Austin Dunlap and Minnie Dunlap, his wife?

ANSWER: Admitted

36. That the Dunlap Lease provides in Paragraph 4 for all payments under the Dunlap Lease to be paid to the order of Austin Dunlap and/or Minnie Dunlap?

ANSWER: Admitted

37. Does Mid East admit that it made payments under the Dunlap Lease and that all payments made under the Dunlap Lease, including all rentals, royalties or otherwise, were paid to Austin Dunlap, and/or Minnie Dunlap, and/or Barry Dunlap?

ANSWER: Not applicable

38. Does Mid East admit that it did not secure the joinder, consent or approval of the Plaintiffs to the Dunlap Lease by any means, including oral expression or writing of any kind?

ANSWER: Not applicable

39. Does the Mid East admit that it did not secure the joinder consent, approval or authorization of the Plaintiffs, written, oral or otherwise, to the drilling, removal, transporting and marketing of the oil and gas from the Dunlap Farm at any time prior to such removal and marketing or at any time thereafter?

ANSWER: Not applicable

40. Does Mid East admit that the Plaintiffs did not agree in writing, orally or otherwise, to the amount of the rentals or the royalties specified in the Dunlap Lease?

ANSWER: Not applicable

41. Does Mid East admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER: Not applicable

42. Does Mid East admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER: Not applicable

43. Does Barry Dunlap admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER: No. Plaintiff's right is only to the royalties

44. Does Barry Dunlap admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER: Plaintiff's right is to the royalties

45. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to drill for, remove and market the oil and gas from the Dunlap Farm?

ANSWER: Not applicable

46. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to the sale of the oil and gas removed from the Dunlap Farm?

ANSWER: Not applicable

47. Does Mid East admit that prior to the sale of the oil and gas from the Dunlap Farm, that it was required to secure the joinder, consent or approval of the Plaintiffs to the amount of rentals, royalties and/or payments of any kind that would be made by Mid East in exchange for the removal and marketing of the oil and gas under the Dunlap Farm?

ANSWER: Not applicable

48. Does Barry Dunlap admit that all payments made under the Dunlap Lease by Mid East were made either to his parents or to himself?

ANSWER: Yes, until this controversy arose, at which time the royalties were escrowed by Mid East.

49. Does Barry Dunlap admit that he knew at the time he received payments from Mid East, that the Plaintiffs were entitled to share in such payments?

ANSWER: No. He had never read his Grandfather's Will.

50. Does Barry Dunlap admit that he has not given to the Plaintiffs, any part of the payments that he is received from Mid East under the Dunlap Lease?

ANSWER: Yes

51. Does Mid East admit that it knew, prior to removing and selling the gas from the Dunlap Farm that the Plaintiffs were entitled to receive a part of the proceeds from the sale of the Gas?

ANSWER: Not applicable

52. If the answer to the foregoing question is no, does Mid East admit that it should have known that Plaintiffs were entitled to a part of all such payments as a result of the Luther Y. Dunlap Will being probated at the Clearfield County Courthouse, as aforesaid?

ANSWER: Not applicable

53. Does Barry Dunlap admit that he knew prior to receiving payments from Mid East the provisions of the Luther Y. Dunlap Will and that the Plaintiffs were entitled to share in payments being received by him?

ANSWER: No, he never read his Grandfather's Will.

54. Does Mid East admit that it received, on October 4, 2000, by certified mail, a letter from John Sughrue, Attorney for Plaintiffs, dated October 3, 2000, and that Exhibit F attached hereto is a true and correct copy of the letter received, as well as the certified mail, mailing and return receipts?

ANSWER: Not applicable

55. Does Mid East admit that after receiving said letter of October 3, 2000, it communicated the facts of Plaintiffs' claim to Barry Dunlap?

ANSWER: Not applicable

56. Does Barry Dunlap admit that after October 3, 2000 and prior to the institution of this lawsuit, that Mid East advised him of Plaintiffs' claim? _____

ANSWER: Yes

57. Does Mid East admit that after receiving notice of Plaintiffs' claim as aforesaid, it continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER: Not applicable

58. Does Barry Dunlap admit that after receiving notice of Plaintiffs' claim, he continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER: No. (It is believed that this question was meant for Mid East, in which case it is not applicable.

59. That there is no reference in the Luther Y. Dunlap Will to the oil and gas on the Dunlap Farm other than the language cited above?

ANSWER: Yes

60. That each of the Plaintiffs has the right to receive a part of the Proceeds derived from all gas and oil located on the Dunlap Farm?

ANSWER: Yes, as do the three remaining Plaintiffs.

61. That the word "Proceeds" includes all rentals, fees, royalties, profits and payments of any kind related to arising from the gas, oil, and related hydrocarbons located on the Dunlap Farm?

ANSWER: It refers to the royalties.

62. That each of the Plaintiffs has an ownership interest in the proceeds related to or arising from the oil and gas located on the Dunlap Farm?

ANSWER: Yes

63. Does Barry Dunlap admit that his right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER: Yes

64. Does Mid East admit that Barry Dunlap's right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER: Not applicable

65. Does Barry Dunlap admit that neither his parents, Austin and Minnie Dunlap, or himself derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER: Yes

66. Does Mid East admit that neither Austin and Minnie Dunlap, or Barry Dunlap derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER: Not applicable

67. Does Mid East admit that as of the filing of this request, it has not made any payments to any of the Plaintiffs, related to or arising out of the oil, gas and related hydrocarbons on the Dunlap Farm and/or the Dunlap Lease?

ANSWER: Not applicable

68. Does Mid East admit that it received total revenue on the sale of the oil and gas from the Dunlap Farm in excess of the amount of payments that it has made to Defendant, Barry Dunlap or his predecessors, Austin and Minnie Dunlap?

ANSWER: Not applicable

69. Does Mid East admit that it is liable to each of the Plaintiffs for a sum of money to be determined by the court, as a result of Mid East removing and selling the oil and gas under the Dunlap Farm?

ANSWER: Not applicable

70. That the oil, gas and related hydrocarbons removed from the Dunlap Farm cannot be returned or replaced?

ANSWER: Yes

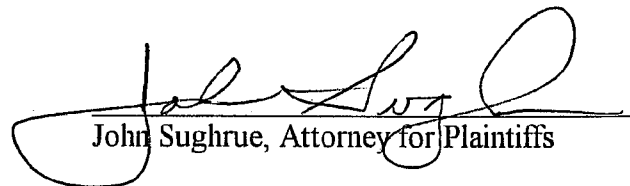
71. Does Mid East admit that financial compensation alone is not an adequate remedy under the law for the Plaintiffs?

ANSWER: Not applicable

YOU ARE DIRECTED TO FILE AN ANSWER TO THESE REQUESTS, IN COMPLIANCE WITH Pa.R.CIV. P. Rule 4014(b), WITHIN THIRTY (30) DAYS AFTER SERVICE OF THIS REQUEST UPON YOU.


Respectfully submitted:

Date: October 14, 2003


John Sughrue, Attorney for Plaintiffs

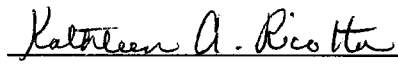
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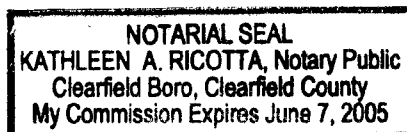
R. DENNING GEARHART, being duly sworn according to law, deposes and says that he is the agent of the Defendant, BARRY A. DUNLAP, that said Defendant cannot make the verification to the foregoing Answer because he was not present on the day and date this Answer was filed, and further, that the Defendant would not be available until after the day of the filing of this Answer, and that the facts set forth in the foregoing Answer are based on information provided to Counsel by the Defendant and based partially upon personal knowledge of the Defendant's Attorney. However, the Defendant verified this information to R. DENNING GEARHART, his counsel, fully aware of the penalties of false statements under 18 Pa. C.S.A., section 4904, relating to unsworn falsification to authorities.


R. Denning Gearhart

Sworn to and subscribed

before me this 31 day
of October, 2003.


Notary Public



ANDAY, P. 30508

Received for Recording _____ Lease # _____
Recorded _____ Map Ref. 122-J12-3
Book _____ Pg. _____ Renewal # _____
Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Stott

On the East by lands of _____

On the South by lands of _____

On the West by lands of A. Dunlap and R. Rebon

and containing, for the purpose of calculating rentals, 79.75 acres of land whether actually

containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____

recorded in Book 723, Page 20, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of eight hundred and 0/00's DOLLARS (\$ 800.00) annually,

commencing 60 days from date as a rental for 12 months such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

Exhibit A

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit A

Exhibit A

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

Washington

SS.

On this, the

30th

day of

November

, 1998, before

me

a notary public

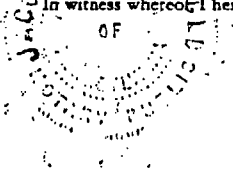
, the undersigned officer,

personally appeared

Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the

day of

, 19

, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, he duly acknowledged to me that he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the

day of

, 19

, before

me

, the undersigned officer,

personally appeared

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing

In witness whereof, I hereunto set my hand and official seal.

My commission expires:

Notary Public

Exhibit A

AFFIDAVIT No. 30530

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-2
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this 30th day of November
 19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
 hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Todd Brothers
 On the East by lands of A. Dunlap
 On the South by lands of R. Rebon
 On the West by lands of D. Rowles

and containing, for the purpose of calculating rentals, 117.68 acres of land whether actually
 containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
 recorded in Book 1315, Page 55, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years
 from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth ($\frac{1}{8}$) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth ($\frac{1}{8}$) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of one thousand one hundred and seventeen DOLLARS (\$ 1,117.00) annually,

commencing 60 days from date as a rental for 12 months
 such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

PLT B

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessors, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit B

19. Lessee is hereby granted the right to pool and unitize all or any part of the land described above with any other lease or leases, land or lands, mineral estates, or any of them whether owned by the Lessee or others, so as to create one or more drilling or production units. Such drilling or production units shall not exceed 640 acres in extent and shall conform to the rules and regulations of any lawful government authority having jurisdiction of the premises, and with good drilling or production practice in the area in which the land is located. In the event of the unitization of the whole or any part of the land covered by this lease, Lessee shall before or after the completion of a well, record a copy of its unit operation designation in the County wherein the leased premises are located, and mail a copy thereof to the Lessor. In order to give effect to the known limits of the oil and gas pool, as such limits may be determined from available geological or scientific information or drilling operations, Lessee may at any time increase or decrease that portion of the acreage covered by this lease which is included in any drilling or production unit, or exclude it altogether, provided that written notice thereof shall be given to Lessor promptly. As to each drilling or production unit designated by the Lessee, the Lessor agrees to accept and shall receive out of the production or the proceeds from the production from such unit, such proportion of the royalties specified herein, as the number of acres out of the lands covered by this lease which may be included from time to time in any such unit bears to the total number of acres included in such unit rather than the full amount of the royalty stated in section 2 above. The commencement, drilling, completion of or producing from a well on any portion of the unit created under the terms of this paragraph shall have the same effect upon the terms of this lease as if a well were commenced, drilled, completed or producing on the land described herein. In the event, however, that a portion only of the land described in this lease is included from time to time in such a unit, Lessees may at its option continue or extend the effectiveness of this lease as to the remaining acreage by the payment of the proportionate part of the delay rental attributable thereto. The free gas herein referred to shall be used only by the Lessor upon whose property the well is located.

20. Lessee, in its sole discretion, may plug and abandon any well which it has drilled on the leased premises.

21. Lessee shall be entitled during the term of this lease to lay and maintain pipelines on and across Lessor's premises to transport, without any fee payable therefor to Lessor, natural gas produced on the said tract of land and/or on other lands whether or not adjacent to the tract of land described herein.

Beyond the term of this lease, Lessees shall not be entitled to lay and maintain additional pipelines across Lessor's premises without specific written consent of Lessor, however any pipelines laid during the term of this lease shall continue to be operative at the Lessee's option without any fee payable to Lessor.

22. Lessee shall sell the production of the well on such terms and conditions as Lessee, in its sole discretion may deem appropriate. Lessee shall have no duty to obtain production sales terms which maximize the royalties payable to Lessee hereunder.

All the terms, conditions, limitations and covenants herein contained shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, successors, personal representatives and assigns, but no representations other than those herein contained shall be binding on either party.

IN WITNESS WHEREOF, the parties to this agreement have hereunto set their hands and seals the day and year first above written.

/s/ Austin M Dunlap (Seal)
 SS. # 204-07-5567A

/s/ M. Dunlap (Seal)
 SS. # 205-18-1989

 _____ (Seal)

KAREN L. STARCK
 REGISTER AND RECORDER
 DEARBORO COUNTY, PA
 Pennsylvania
 INSTRUMENT NUMBER
 199900741
 RECORDED ON
 JAN 19, 1999
 12:13:31 PM
 CORDING FEES - \$13.00
 CORDER \$1.00
 UNITY IMPROVEMENT \$1.00
 NO \$1.00
 CORDER \$1.00
 PROVENT FUND \$0.50
 ATE WRIT TAX \$15.50
 TAL

Exhibit B

COMMONWEALTH OF PENNSYLVANIA

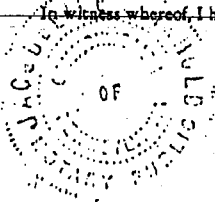
COUNTY OF Washington

SS.

On this, the 30th day of November, 1998, before
me a notary public, the undersigned officer,
personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument,
and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF _____

SS:

COUNTY OF _____

On this, the _____ day of _____, 19____, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, _____ he duly acknowledged to me
that _____ he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF _____

SS:

On this, the _____ day of _____, 19____, before
me _____, the undersigned officer,
personally appeared _____

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing _____

In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

Notary Public

Exhibit B

Be it Remembered

That I. *Luther J Dunlap* 170-14-3870

being of sound and disposing mind, memory and understanding, and considering the uncertainty of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Execut hereinafter named, as soon as conveniently may be after my decease.

Second. I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease.

I Choose for my Executors my
Sons Austin Dunlap and Norman Dunlap
 & will to my wife *Alma Dunlap* the use
 of the House and all the Furniture as long
 as she remains my Widow and to receive
 one third of the income from the Farm.
 I will to my son *Austin Dunlap* my Farm
 also my 32 Winchester Rifle
 & will to my son *Norman Dunlap* my House
 and two Lots in *Glenn Hope Borough*
 also my 22 Marlin Rifle, also my Watch
 and to my Grand son *Barry Dunlap*
 my Shot gun over

And Lastly. I do make, constitute and appoint

to be the Execut

of this my last Will and

Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal, the 23 day of November in the year of our Lord one thousand nine hundred and 64

Signed, sealed, published and declared by the testat above named, as and for his last Will and Testament, in the presence of us, who have hereunto, at his request, subscribed our names in his presence, and in the presence of each other, as witnesses hereto.

C. Frederick Hall
R. P. Neal Jr.

Luther J Dunlap

("EXB. C")

STORY AND SUBSCRIBED BEFORE ME THIS 23
 DAY OF November 1964
 12 12 12
 JUSTICE OF THE PEACE
 MY COMMISSION EXPIRES FIRST MONDAY IN JAN. 1965

I request my Personal Property to be
Appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisalment

& Will to my Daughter Golda Bell

The sum of \$300.00

& Will to my Daughter Maxine Sandlock

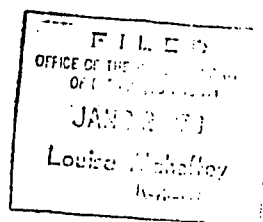
The sum of \$300.00 & have is to be
and what money I have is to be

Equally divided among my Heirs
if there is Gas Oil or Fire Clay
or any other Minerals found
on this Farm the Proceeds is to
be Equally Divided among

My Heirs

Will.

15
471 70-27



Proved & Approved
January 22, 1970

15
471

Exb. C

FILED
OFFICE OF THE REGISTER OF
WILLS OF CLEARFIELD COUNTY

NOV 24 1992

KAREN L. STARCK
Register

Last Will and Testament

OF
GOLDA D. BELL

I, GOLDA D. BELL, of Curwensville Borough, Clearfield County, Pennsylvania, declare this to be my Last Will and Testament, hereby revoking any and all Wills and/or Codicils heretofore by me made.

ITEM I: I direct that all my just debts and funeral expenses and all expenses of my last illness, shall be paid from the assets of my estate, as soon as practicable after my decease, as a part of the expense of the administration of my estate.

ITEM II: I give and bequeath my house and lot located at 514 Susquehanna Avenue, Curwensville, Pennsylvania, to my niece, LINDA GOSS, if she is living at the time of my death. In the event my niece, LINDA GOSS, shall predecease me or die simultaneously with me, I give, devise and bequeath the above described house and lot to the children of my niece, LINDA GOSS, in equal shares.

ITEM III: I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Dunlap Estate to my niece, LINDA GOSS, my niece, TAMMY SALTER, and my nephew, DAVID DUNLAP. In the event any of the above named beneficiaries should predecease me, the share of said decedent shall be distributed in equal shares to such of the above named beneficiaries as shall survive me.

ITEM IV: All the rest, residue and remainder of my estate, real, personal and mixed, of whatsoever nature and kind and wheresoever situate, of which I may die seized or possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath unto my niece, LINDA GOSS, and my niece, TAMMY SALTER, in equal one-half (1/2) shares. Should either of my nieces, LINDA GOSS or TAMMY SALTER, fail to survive me, then I direct that the share of said deceased niece be distributed in equal shares among her children who survive me, and in default of such children, said decedent's share shall be added to the share for my surviving niece, or her children, as the case may be.

ITEM V: I hereby nominate and appoint DENNIE GOSS, husband of my niece, LINDA GOSS, as Executor of this my Last Will. In the event that DENNIE GOSS should be unable or unwilling to so serve at anytime for any reason, I hereby nominate and appoint my nephew, JACK GARDLOCK, as Executor of this my Last Will and Testament.

("ExB. D")

Golda D. Bell

ITEM VI: I direct that my personal representative shall not be required to give bond in any jurisdiction in which he may serve.

IN WITNESS WHEREOF, I, GOLDA D. BELL, the Testatrix, have to this my Will, subscribed my name and affixed my seal this Aug 2 day of _____, 1983.

Golda D. Bell
Golda D. Bell

The preceding instrument, consisting of this and one other typewritten page, each identified by the signature of the Testatrix, was on the date thereof, signed, published and declared by GOLDA D. BELL, the Testatrix therein named, as and for her Last Will, in the presence of us, who, at her request, and in her presence, and in the presence of each other, have subscribed our names as witnesses hereto.

[Signature] residing at RD# 4
Box 68

[Signature] residing at Clearfield, Pa. 16830
23 W. 2nd ST
Clearfield, PA. 16836

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF CLEARFIELD :SS:
:

I, GOLDA D. BELL, the Testatrix, whose name is signed to the attached or foregoing instrument, having been duly qualified according to law, do hereby acknowledge that I signed and executed the instrument as my Last Will; that I signed it willingly; and that I signed it as my free and voluntary act for the purposes therein expressed.

Sworn or affirmed to and acknowledged before me, by GOLDA D. BELL, the Testatrix, this 2nd day of August 1983.

Margaret B. Buzzanca

MARGARET B. BUZZANCA, Notary Public
Clearfield, Clearfield Co., Pa.
My Commission Expires Nov. 23, 1985

Exp. D

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF CLEARFIELD :SS:
:

We, DAVID S. AMMERMAN and FREDRIC J. AMMERMAN,
the witnesses whose names are signed to the attached or foregoing
instrument, being duly qualified according to law, do depose and
say that we were present and saw the Testatrix sign and execute
the instrument as his Last Will; that GOLDA D. BELL signed
willingly and that GOLDA D. BELL executed as her free and volun-
tary act for the purposes therein expressed; that each of us in
the hearing and sight of the Testatrix signed the Will as witnes-
ses; and that to the best of our knowledge the Testatrix was at
that time eighteen (18) or more years of age, of sound mind and
under no constraint or undue influence.

Sworn or affirmed to and subscribed to before me by
David S. Ammerman and Fredric J. Ammerman,
witnesses, this 2nd day of August, 1983.

[Signature]
Witness

[Signature]
Witness

Margaret B. Buzzanca
Notary Public

MARGARET B. BUZZANCA, Notary Public
Clearfield, Clearfield Co., Pa.
My Commission Expires Nov. 23, 1985

Exp. D

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
PENNsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$17.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER
IMPROVEMENT FUND \$1.00
STATE WRIT TAX \$0.50
TOTAL \$19.50

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
PENNsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$19.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER
IMPROVEMENT FUND \$1.00
STATE WRIT TAX \$0.50
TOTAL \$21.50

Handwritten signature: *Handwritten signature*

THIS DEED

MADE the 24th day of June, in the year nineteen hundred and ninety-nine

(1999) BETWEEN AUSTIN M. DUNLAP, and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, of Box 201, Olanta, Clearfield County, Pennsylvania, parties of the first part, hereinafter referred to as the GRANTORS,

AND

BARRY A. DUNLAP, an adult individual, of 133 Laguna Street, Santa Cruz, California 95060, party of the second part, hereinafter referred to as the GRANTEE,

WITNESSETH, That in consideration of One and 00/100 (\$1.00) Dollar, in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said grantee, his heirs, successors and assigns,

ALL those certain lots or pieces of ground situate in Knox Township, Clearfield County, Pennsylvania, bounded and described as follows:

PARCEL NO. 1: BEGINNING at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less to a Hemlock; thence South 42 degrees West 80 perches, mor or less to a post; thence North 45 degrees one hundred and fifty-four (154) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. CONTAINING 101 acres and 72 perches, more or less

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for, take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or

Exb. E

beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the hercin above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

BEING the same premises as was conveyed to Austin M. Dunlap by Deed of Samuel M. Crisman and Ora Crisman, his wife, dated March 29, 1946 and entered for record in the Recorder's Office of Clearfield County in Deed Book Volume 377, Page 248.

A n d

PARCEL NO. 2: *BEGINNING* on the line now or formerly of David Rowles, bounded on the North by State Highway; thence following said State Highway, Westward 413 feet to a post; thence Southward 931 feet to a post, bounded by land of L.Y. Dunlap; thence Eastward 413 feet to a post, bounded by land of Austin Dunlap, and Robert Stott; thence Northward 931 feet to a post and place of beginning, bounded by land now or formerly of Glenn Rowles and David Rowles. This piece of land to contain 8 3/4 acres, more or less.

With reserving all minerals and the right to remove the same without liability for damages.

PARCEL NO. 3: *BEGINNING* at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less, to a hemlock; thence South 42 degrees, West 80 perches, more or less, to a post; thence North 25 degrees one hundred and fifty-four (54) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. Containing 101 acres and 72 perches, more or less.

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for,

Exp. E

take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

A n d

PARCEL NO. 4: **BEGINNING** at a post corner of land now or formerly of L.Y. Dunlap, and Robert Rebon; thence South forty-four (44) degrees East, twenty-eight (28) perches to a post; thence South forty-five and one-half (45 ½) degrees East, twenty and six-tenths (20.6) perches to a post, bounded by land of Glenn Rowles; thence along said line North thirty-two (32) degrees, East thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West, forty-one (41) perches to a post; thence South thirty-two (32) degrees West forty (40) perches to a post and place of beginning. Containing nine (9) acres and one hundred forty-seven (147) perches.

EXCEPTING and RESERVING, however, all the coal and other minerals in, under and upon above described land with the right of ingress, egress and regress. To mine and remove the same without liability, for any damages that may be done in so ding, together with privileges that are contained in former Deed conveying said premises.

The Second Part Thereof which joins, begins at a post on of land now or formerly of Glenn Rowles Estate and L.Y. Dunlap; thence South thirty-two (32) degrees West forty (40) perches to a maple stump; thence South forty-four (44) degrees, East forty-one (41) perches to a post corner of land now or formerly of Austin M. Dunlap; thence North thirty-two (32) degrees East, thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West forty-one (41) perches to a post and place of beginning. Containing ten (10) acres net.

Exb. E

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie M. Dunlap, husband and wife, dated July 9, 1976 and entered for record in the Recorder's Office of Clearfield County to Deed Book Volume 723, Page 020.

A n d

PARCEL NO. 5: *BEGINNING* at an iron pin on the southern line of the right-of-way of Legislative Route 17038, said iron pin being located three hundred twenty-six (326) feet in an easterly direction from a point along the southern line of the right-of-way of Legislative Route 17038 on other land of Grantors and directly across the highway in the southeast corner of the Mt. Zion Cemetery; thence from said iron pin along line of lands now or formerly of Austin Dunlap, South thirty-eight (38) degrees East seven hundred seventy-five (775) feet to an iron pin; thence still by the same North fifty-two (52) degrees East one hundred (100) feet to an iron pin; thence by other lands of the Grantors of which this parcel is a part, North thirty-eight (38) degrees West seven hundred seventy-five (775) feet to an iron pin on the southern line of the right-of-way of Legislative Route 17038; thence along the souther line of the right-of-way of Legislative Route 17038 South fifty-two (52) degrees West one hundred (100) feet to an iron pin and place of beginning. Being a rectangular parcel of land fronting one hundred (100) feet on Legislative Route 17038 and being seven hundred seventy-five (775) feet in depth.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of the Small Business Administration, an Agency of the U.S. of America, dated January 14, 1987 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1135, Page 087.

A n d

PARCEL NO. 6: On the North by Todd Bros. Heirs; on the East by Glen Rowles, Stott & Austin Dunlap; on the South by Robert Revon heirs; on the West by small tracts, Keller & K.L. Rowles. CONTAINING 117.68 acres, more or less, and being known on the tax assessment map of the County of Clearfield as #122-J12-2 and being assessed in the name of L.W. Dunlap.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie Dunlap, his wife, dated November 22, 1989 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1315, Page 055.

THIS IS A TRANSFER FROM PARENTS TO SON AND THEREFORE, TAX EXEMPT.

Exb. E

TOGETHER with, all and singular, the ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, use, trust, property, possession, claim and demand whatsoever of Grantors in law, equity, or otherwise, howsoever, of, in, to, or out of the same.

TO HAVE AND TO HOLD the same together with all and singular, the said Grantors' hereditaments and premises hereby granted and released, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs, successors and assigns, to and for the only proper use and behoof of the said Grantee and assigns, forever.

BUYER ALSO UNDERSTANDS THAT THERE IS NO COMMUNITY OR PUBLIC SEWAGE SYSTEM AVAILABLE TO THE WITHIN PROPERTY. A PERMIT FOR ANY NEW INDIVIDUAL SEWAGE SYSTEM, OR ANY REPAIRS TO ANY EXISTING INDIVIDUAL SEWAGE SYSTEM, WILL HAVE TO BE OBTAINED FROM THE LOCAL AGENCY DESIGNATED AS PROVIDED IN THE PENNSYLVANIA SEWAGE FACILITIES ACT.

Exb. E

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

Barry A. Dunlop

This 24th Day of June, 1999

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

Exb. E

The said Grantors will SPECIALLY WARRANT the property hereby conveyed.

IN WITNESS WHEREOF, said grantors have hereunto set their hands and seals, the day
and year first above-written.

Sealed and delivered in
the presence of:

Austin M. Dunlap

AUSTIN M. DUNLAP

Minnie M. Dunlap
Minnie Dunlap

MINNIE M. DUNLAP a/k/a

MINNIE DUNLAP

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the grantee herein is as follows:

133 Laguna Street
Santa Cruz, California 95060

R. Denning Gearhart
R. Denning Gearhart, Esquire

NO TITLE SEARCH/CERTIFICATION

COMMONWEALTH OF PENNSYLVANIA :

: ss:

COUNTY OF CLEARFIELD :

On this, the 24th day of June, 1999, before me, the undersigned officer, a Notary Public, personally appeared AUSTIN M. DUNLAP and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, known to me, or satisfactorily proven, to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires: _____

Jennifer A. Cutler
Notary Public

Notarial Seal
Jennifer A. Cutler, Notary Public
Clearfield Boro, Clearfield County
My Commission Expires June 17, 2003

Exb. E

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

October 3, 2000

~~VIA CERTIFIED, RETURN RECEIPT~~
REQUESTED & FIRST CLASS MAIL

Mid-East Oil Company
PO Box 1378
Indiana, PA 15701

ATT: Mr. Mark Thompson, President

RE: David L. Dunlap; claim of ownership to gas and oil
underlying Austin M. Dunlap Farm, formerly Luther Y.
Dunlap Farm, Knox Township, Clearfield County, PA.

Dear Mark,

This will confirm and follow up my phone conversation with your office. I have been retained by David L. Dunlap to represent him with respect to the above matter.

I understand that your company drilled and is operating wells on the above-mentioned property.

My client has consulted with me regarding his belief that he is an owner by inheritance of an interest in the oil and gas underlying the above referenced property. As a result of my preliminary review, I am likewise of the opinion that he has an interest through Luther Dunlap and Golda Bell. Accordingly, it appears that your company is converting his property without his permission and without compensation.

As I indicated in my phone conversation, I would like to meet with a representative of your company and review the matter informally. I recognize that I could be missing something, you could have missed something or there could be an issue as to interpretation of relevant documents.

In any event, please accept this letter as notice to you of the conduct referenced. I ask that the wells in question be taken out of production while the matter is reviewed.

Exb. F

My client is interested in amicably resolving this matter in the next thirty (30) days. At the requested meeting, I ask that you have available your title search, maps and leases. Thank you for your prompt attention to this request.

Very truly yours,

John Sughrue

JS/kg

cc: Mr. & Mrs. David L. Dunlap

7000 0090 0000 0200 6409 122

| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) | |
|---|----------------|
| Article Sent To: MID EAST OIL CO. Mark Thompson | |
| Postage | \$ 3.33 |
| Certified Fee | 1.40 |
| Return Receipt Fee (Endorsement Required) | 1.25 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ 299 |

Name (Please Print Clearly) (to be completed by mailer)
John Sughrue (Done & Brenda Dunlap)
Street, Apt. No., or PO Box No.
23 N 2nd St.
City, State, ZIP+4
Clearfield, PA 16830

PS Form 3800, July 1999 See Reverse for Instructions

CLEARFIELD PA 16830
Postmark Here
SEP 4 2000
USPS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MID EAST OIL COMPANY
PO BOX 1378
INDIANA, PA 15701

ATT: MR. MARK THOMPSON,
PRESIDNET

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **B. Date of Delivery**
SEP 4 2000
USPS

C. Signature
X Betty Pauline
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Exp. F

CERTIFICATE OF SERVICE

AND NOW, I do hereby certify that on October 14, 2003, I caused a true and correct copy of Plaintiff's, REQUEST FOR ADMISSION UNDER Pa.R.CIV.P. Rule 4014(b), to be served on the following and in the manner indicated below:

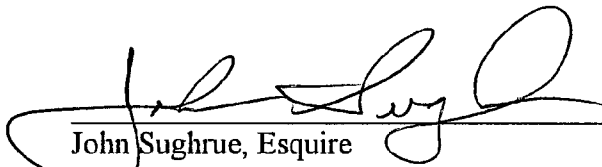
By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Sharon L. Smith, Esquire
197 Main St.
Brookville, PA 15825

By Personal Service as Follows:

Denning R. Gearhart, Esquire
215 E. Locust Street
Clearfield, PA 16830

Date: October 14, 2003



John Sughrue, Esquire
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

ANSWER FOR REQUEST FOR ADMISSION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants
similarly situated,

Plaintiff
VS.

BARRY A. DUNLAP, an individual
and MID EAST OIL COMPANY, an
Corporation,
Defendants

R. DENNING GEARHART
ATTORNEY AT LAW
CLEARFIELD, PA. 16830

FILED
1CC
8/21/8-24
Nov 03 2003
My Gearhart

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant, :
individually and as Fiduciary for Norman :
Dunlap, Tammy Salter, Linda Goss, Jack :
Gardlock and Tim Gardlock, Co-tenants :
similarly situated, :
Plaintiff :
vs. : No. 01-681-CD
BARRY A. DUNLAP, an individual and :
MID EAST OIL COMPANY, :
an Corporation, :
Defendants :

CASE NUMBER: No. 01-681-CD
TYPE OF CASE: Civil
TYPE OF PLEADING: CERTIFICATE OF SERVICE
FILED ON BEHALF OF: Defendant, Barry A. Dunlap

COUNSEL OF RECORD FOR THIS PARTY: R. DENNING GEARHART, ESQUIRE
Supreme Court I. D. #26540
215 East Locust Street
Clearfield, PA 16830
(814) 765-1581

FILED

NOV 04 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant, :
individually and as Fiduciary for Norman :
Dunlap, Tammy Salter, Linda Goss, Jack :
Gardlock and Tim Gardlock, Co-tenants :
similarly situated, :
Plaintiff :

vs.

: No. 01-681-CD
:

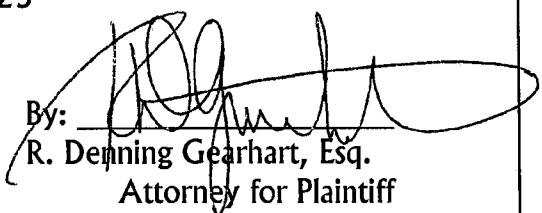
BARRY A. DUNLAP, an individual and :
MID EAST OIL COMPANY, :
an Corporation, :
Defendants :

CERTIFICATE OF SERVICE

This is to certify that the undersigned has on this date served a certified copy
of the ANSWER TO REQUEST FOR ADMISSION filed in the above captioned matter on
the Defendant, Barry A. Dunlap through Defendant's attorney by depositing such documents
in the United States Mail postage pre-paid and addressed as follows:

John Sughrue, Esquire
23 North Second Street
Clearfield, PA 16830

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825

By: 
R. Denning Gearhart, Esq.
Attorney for Plaintiff

Dated: November 3, 2003

FILED
NOV 04 2003
10:33 AM
cc

William A. Shaw
Prothonotary/Clerk of Courts

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP, NORMAN
DUNLAP, & TAMMY SALTER,
Plaintiffs

CIVIL ACTION – LAW

v.

No. 01-681-C.D.

BARRY A. DUNLAP and
MID-EAST OIL COMPANY,
Defendants

TYPE OF CASE: Civil

TYPE OF PLEADING: Answer
To Request for Admissions

FILED ON BEHALF OF:
Mid-East Oil Company
Defendant

COUNSEL OF RECORD FOR
THIS PARTY: Sharon L. Smith
Pa. I.D. 28738
197 Main Street
Brookville, Pa. 15825
814-849-6720

FILED

NOV 07 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFFS

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

REQUEST FOR ADMISSION UNDER Pa.R.CIV.P.Rule 4014(b)

To: Mid East Oil Company and Barry A. Dunlap, Defendants:

Each of you are hereby requested to admit, for purposes of this action only, pursuant to Pa.R.CIV.P.Rule 4014(b), each of the following matters:

1. That David L. Dunlap, Norman Dunlap and Tammy Salter, (hereafter individually and collectively, "Plaintiffs") are each adult individuals?

ANSWER: Admitted

2. That the individual Defendant, Barry A. Dunlap (hereafter, "Barry Dunlap") is an adult individual?

ANSWER: Admitted

3. That the Corporate Defendant, Mid East Oil Company (hereafter, "Mid East") is a corporation organized under the laws of the Commonwealth of Pennsylvania and it has its principle office at White Township, Indiana County, Pennsylvania?

ANSWER: Admitted

4. That the oil, gas and related hydrocarbons, that are the subject of this litigation, are located in Knox Township, Clearfield County, Pennsylvania (hereafter, "Property").

ANSWER: Admitted

5. That the Property is more particularly described as follows:

All of the oil, gas and related hydrocarbons in, under and upon that certain parcel of land situate Knox Township, Clearfield County, Pennsylvania described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church.

Being the same property which vested in Luther Y. Dunlap during his lifetime and of which he died seized.

ANSWER: Admitted

6. That Luther Y. Dunlap, late of Knox Township, Clearfield County, Pennsylvania, during his lifetime, acquired ownership and was seized at the time of his death, of real property located Knox Township, Clearfield County, Pennsylvania (hereafter referred to as the, "Dunlap Farm") and that the Dunlap Farm is more particularly described as follows:

Bounded on the North by land now or formerly of Todd Brothers; bounded on the East by land now or formerly of Witherow, Dennis Rowles, and Dunlap; bounded on the South by land now or formerly of Rebon; and bounded on the West by lands now or formerly of Mahon, Terry Rowles, Condon and Mt. Zion U.M. Church. Believed to consist of 117.68 acres?

ANSWER: Admitted

7. That Luther Y. Dunlap died testate on December 17, 1969, a resident and domiciliary of Clearfield County, Pennsylvania, and at the time of his death, was the sole owner of the Dunlap Farm and the property described above?

ANSWER: Admitted

8. That at the time of Luther Y. Dunlap's death, the oil, gas and related hydrocarbons, which constitute the property described above, was located, in, under and/or upon the Dunlap Farm described above?

ANSWER: Admitted

9. That Luther Y. Dunlap's Last Will and Testament is dated November 23, 1964 and is probated in the Register of Wills Office of Clearfield County, Pennsylvania in Will Book 15, Page 471?

ANSWER: Admitted

10. That the copy of the aforesaid Last Will of Luther Y. Dunlap, attached to this request as Exhibit C, is a true and correct copy of Luther Y. Dunlap's probated Will?

ANSWER: Admitted

11. That Luther Y. Dunlap was survived by his wife, Alma Dunlap, and all four of his children, specifically, Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER: Admitted

12. That Alma Dunlap, wife of Luther Y. Dunlap, died intestate August 23, 1976, a resident _____ and domiciliary of the Commonwealth of Pennsylvania? _____

ANSWER: Admitted

13. That the intestate heirs of Alma Dunlap were her children born of the marriage of Luther Y. Dunlap, specifically the aforesaid Austin Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock?

ANSWER: Admitted

14. That the Luther Y. Dunlap Will is a holographic Will?

ANSWER: Admitted

15. That the Luther Y. Dunlap Will contains the following language:

- A. "I give devise and bequeath unto _____, all my estate, real, personal or mixed, of whatsoever nature or kind or wheresoever situate at the time of my decease."
- B. "I will to my son, Austin Dunlap, my farm"?
- C. "If there is gas, Oil or Fire Clay or any other Minerals found in this Farm, the Proceeds is to be Equally Divided among My Heirs"?

ANSWER:

A. Admitted

B. Admitted

C. Admitted

16. That the farm referenced twice in the Luther Y. Dunlap Will, as set forth above, refers to the same farm and is the Dunlap Farm described above in this Request for Admissions?

ANSWER: Admitted

17. That Alma Dunlap's interest in the Property, real and/or personal, acquired under the Luther Y. Dunlap Will passed upon her death, equally to her four children named above?

~~ANSWER: Denied. Alma Dunlap's life estate in the farm and her claim~~
one-third of the farm income ended at her death.

18. That Golda Dunlap-Bell died testate a resident and domiciliary of Clearfield County and that her Last Will and Testament is recorded in the Register of Wills Office of Clearfield County in Will Book 75, Page 573 and that attached hereto as Exhibit D is a true and correct copy of the said Golda Dunlap-Bell Will?

ANSWER: Admitted

19. That the Golda Dunlap-Bell Will contains the following language:

"ITEM III I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Y. Dunlap Estate to my niece, Linda Goss, my niece, Tammy Salter and my nephew, David Dunlap"?

ANSWER: Admitted

20. That Maxine Dunlap-Gardlock died intestate, that her sole equal heirs were her two sons, Jack Gardlock and Tim Gardlock, and that both of said heirs are presently living?

ANSWER: Admitted

21. That Minnie Dunlap, wife of Austin Dunlap, died October 11, 1999 survived by her husband Austin Dunlap?

ANSWER: Admitted

22. That Austin Dunlap died June 3, 2000 a resident and domiciliary of Clearfield County, Pennsylvania?

ANSWER: Admitted

23. That no Will of Austin Dunlap has been probated in Clearfield County, Pennsylvania?

ANSWER: Admitted

24. That Barry Dunlap, Defendant, is the sole heir of Austin Dunlap and is presently living?

ANSWER: Admitted

25. That Austin Dunlap and his wife, Minnie Dunlap, during their lifetime, entered into two separate Oil and Gas Leases with Mid East, both dated November 30, 1998 for oil and gas located on two tracts of land in Knox Township, Clearfield County, Pennsylvania, one described as 79.75 acres and the other described as 117.68 acres; that the aforesaid Oil and Gas Leases are recorded in the Clearfield County Recorder's Office as Instrument Numbers 199900524 and 199900741 respectively;

and that copies of said leases attached hereto as Exhibit A and B are true and correct copies of said Oil and Lease Agreements?

ANSWER: Admitted but the only lease at issue here is for the Luther Dunlap farm, which contains 117.68 acres.

26. That the Oil and Gas Lease attached hereto as Exhibit B (hereafter, "Dunlap Lease") relates to the 117.68 acres described above as the Dunlap Farm?

ANSWER: Admitted

27. That there is no assignment, will, conveyance or instrument of any nature filed of record in Clearfield County, Pennsylvania transferring the interest of Minnie and Austin Dunlap in the gas leases to any person or entity?

ANSWER: Admitted

28. Does Mid East admit that, following the execution of the Dunlap Lease, it, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER: Admitted

29. Does Mid East admit that since it first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER: Admitted

30. Does Barry Dunlap admit that Mid East, following the execution of the Dunlap Lease, by its duly authorized agents or successors, entered the Dunlap Farm, drilled for gas wells, removed the gas and related hydrocarbons, transported the same from the Dunlap Farm and sold the same?

ANSWER: Not Applicable

31. Does Barry Dunlap admit that since Mid East first drilled a well on the Dunlap Farm, that it has drilled additional wells and continues through the present time to operate gas wells on the Dunlap Farm, remove the oil and gas and related hydrocarbons from the Dunlap Farm and sell the same?

ANSWER: Not Applicable

32. That Austin Dunlap and Minnie Dunlap, his wife, by Deed dated June 24, 1999, Parcel No. 6 and recorded in the Recorder's Office of Clearfield County, Pennsylvania as Instrument No. 199910703 conveyed his interest and ownership in the Dunlap Farm to his son, Barry Dunlap and that the Deed attached hereto as Exhibit E is a true and correct copy of said Deed?

ANSWER: Admitted

33. That the current heirs of Luther Y. Dunlap, or in the alternative, the current successors to the heirs of Luther Y. Dunlap and their undivided interest in the subject matter of this litigation, whatever the nature and extent, as the Court may ultimately determine, is as follows:

- A. Norman Dunlap, a one-fourth (1/4) undivided interest in the whole;
- B. Barry Dunlap, successor to Austin Dunlap, a one-fourth (1/4) undivided interest in the whole;
- C. David Dunlap, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- D. Tammy Salter, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- E. Linda Goss, successor to Golda Dunlap-Bell, a one-twelfth (1/12) undivided interest in the whole;
- F. Jack Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole; and
- G. Tim Gardlock, successor to Maxine Dunlap-Gardlock, a one-twelfth (1/12) undivided interest in the whole.

ANSWER: Admitted as to A through E. F and G should be one-eighth each.

34. Does Mid East admit that it, at all times pertinent to this action, acted by and through its duly authorized officers, employees, servants, agents and/or contractors, who were at all times acting on behalf of Mid East in the course of and within the scope of their employment and authority?

ANSWER: Admitted

35. That the Dunlap Lease is only executed by Austin Dunlap and Minnie Dunlap, his wife?

ANSWER: Admitted

36. That the Dunlap Lease provides in Paragraph 4 for all payments under the Dunlap Lease to be paid to the order of Austin Dunlap and/or Minnie Dunlap?

ANSWER: Admitted

37. Does Mid East admit that it made payments under the Dunlap Lease and that all payments made under the Dunlap Lease, including all rentals, royalties or otherwise, were paid to Austin Dunlap, and/or Minnie Dunlap, and/or Barry Dunlap?

ANSWER: Denied. As of 20 October 2000, the money has been held in escrow.

38. Does Mid East admit that it did not secure the joinder, consent or approval of the Plaintiffs to the Dunlap Lease by any means, including oral expression or writing of any kind?

ANSWER: It did not need the approval, joinder, or consent of the plaintiffs. Denied.

39. Does the Mid East admit that it did not secure the joinder consent, approval or authorization of the Plaintiffs, written, oral or otherwise, to the drilling, removal, transporting and marketing of the oil and gas from the Dunlap Farm at any time prior to such removal and marketing or at any time thereafter?

ANSWER: It did not need the approval, consent, or joinder of the plaintiffs. Denied.

40. Does Mid East admit that the Plaintiffs did not agree in writing, orally or otherwise, to the amount of the rentals or the royalties specified in the Dunlap Lease?

ANSWER: Admitted in part and denied in part. The plaintiffs did not agree to the amount, but their interest does not entitle them to determine royalties

41. Does Mid East admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER: No. The plaintiffs' interest is limited to personal property, i.e., proceeds.

42. Does Mid East admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER: The plaintiffs have an interest in the proceeds as specified in the Luther Y. Dunlap will.

43. Does Barry Dunlap admit that Plaintiffs have an ownership interest, title or right in the oil, gas and related hydrocarbons located on the Dunlap Farm?

ANSWER: Not Applicable.

44. Does Barry Dunlap admit that the Plaintiffs have a title, right or interest in the proceeds, including all rentals, royalties and/or payments that are paid related to or arising out of the drilling, removal and marketing of oil and gas located on the Dunlap Farm?

ANSWER: Not Applicable.

45. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to drill for, remove and market the oil and gas from the Dunlap Farm?

ANSWER: No. Mid-East Oil Company is only required to get approval of the owner of the real property interest, Austin Dunlap and his successor, Barry Dunlap.

46. Does Mid East admit that it was required under the law to secure the joinder, consent or approval of the Plaintiffs to the sale of the oil and gas removed from the Dunlap Farm?

ANSWER: No. Mid-East was only required to get the consent of the real property owner, Austin Dunlap and his successor, Barry Dunlap.

47. Does Mid East admit that prior to the sale of the oil and gas from the Dunlap Farm, that it was required to secure the joinder, consent or approval of the Plaintiffs to the amount of rentals, royalties and/or payments of any kind that would be made by Mid East in exchange for the removal and marketing of the oil and gas under the Dunlap Farm?

ANSWER: No. It only need the joinder, consent, or approval of Austin Dunlap and his successor Barry Dunlap.

48. Does Barry Dunlap admit that all payments made under the Dunlap Lease by Mid East were made either to his parents or to himself?

ANSWER: Not Applicable

49. Does Barry Dunlap admit that he knew at the time he received payments from Mid East, that the Plaintiffs were entitled to share in such payments?

ANSWER: Not Applicable

50. Does Barry Dunlap admit that he has not given to the Plaintiffs, any part of the payments that he is received from Mid East under the Dunlap Lease?

ANSWER: Not Applicable

51. Does Mid East admit that it knew, prior to removing and selling the gas from the Dunlap Farm that the Plaintiffs were entitled to receive a part of the proceeds from the sale of the Gas?

ANSWER: No. Mid-East has escrowed the payments due plaintiffs after learning of plaintiffs' interest.

52. If the answer to the foregoing question is no, does Mid East admit that it should have known that Plaintiffs were entitled to a part of all such payments as a result of the Luther Y. Dunlap Will being probated at the Clearfield County Courthouse, as aforesaid?

ANSWER: Yes. Mid-East has previously admitted as much and has escrowed the plaintiffs' share of the royalties.

53. Does Barry Dunlap admit that he knew prior to receiving payments from Mid East the provisions of the Luther Y. Dunlap Will and that the Plaintiffs were entitled to share in payments being received by him?

ANSWER: Not Applicable.

54. Does Mid East admit that it received, on October 4, 2000, by certified mail, a letter from John Sughrue, Attorney for Plaintiffs, dated October 3, 2000, and that Exhibit F attached hereto is a true and correct copy of the letter received, as well as the certified mail, mailing and return receipts?

ANSWER: Yes

55. Does Mid East admit that after receiving said letter of October 3, 2000, it communicated the facts of Plaintiffs' claim to Barry Dunlap?

ANSWER: Admitted in part and denied in part. Mid-East's attorney, Joyce Mendenhall, communicated the claim to Barry Dunlap.

56. Does Barry Dunlap admit that after October 3, 2000 and prior to the institution of this lawsuit, that Mid East advised him of Plaintiffs' claim?

ANSWER: Not Applicable

57. Does Mid East admit that after receiving notice of Plaintiffs' claim as aforesaid, it continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER: Admitted in part and denied in part. Mid-East has continued to operate the wells. The plaintiffs' money has been in escrow pending resolution of the litigation.

58. Does Barry Dunlap admit that after receiving notice of Plaintiffs' claim, he continued to remove and market the oil and gas from the Dunlap Farm and did not make any payments to the Plaintiffs and has not made any payments to the Plaintiffs through the filing of these Requests?

ANSWER: Not Applicable

59. That there is no reference in the Luther Y. Dunlap Will to the oil and gas on the Dunlap Farm other than the language cited above?

ANSWER: Admitted

60. That each of the Plaintiffs has the right to receive a part of the Proceeds derived from all gas and oil located on the Dunlap Farm?

ANSWER: Admitted

61. That the word "Proceeds" includes all rentals, fees, royalties, profits and payments of any kind related to arising from the gas, oil, and related hydrocarbons located on the Dunlap Farm?

ANSWER: Proceeds means royalties.

62. That each of the Plaintiffs has an ownership interest in the proceeds related to or arising from the oil and gas located on the Dunlap Farm?

ANSWER: Admitted to the extent that the proceeds is limited to royalties, which is a personal property interest.

63. Does Barry Dunlap admit that his right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER: Not Applicable

64. Does Mid East admit that Barry Dunlap's right to receive payments from Mid East under the Dunlap Lease arises out of the language contained on Page 2 of the Luther Y. Dunlap Will set forth in Paragraph 15C above, relating to proceeds from oil and gas?

ANSWER: Admitted in part and denied in part. Barry Dunlap is also entitled to receive payments because he is the real property owner of the oil and gas.

65. Does Barry Dunlap admit that neither his parents, Austin and Minnie Dunlap, or himself derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER:
Not Applicable

66. Does Mid East admit that neither Austin and Minnie Dunlap, or Barry Dunlap derive any right to payments under the Dunlap Lease by virtue of being the owner of the Dunlap Farm?

ANSWER: No. They have the right to royalties by virtue of being the owners of the Dunlap Farm.

67. Does Mid East admit that as of the filing of this request, it has not made any payments to any of the Plaintiffs, related to or arising out of the oil, gas and related hydrocarbons on the Dunlap Farm and/or the Dunlap Lease?

ANSWER: Admitted.

68. Does Mid East admit that it received total revenue on the sale of the oil and gas from the Dunlap Farm in excess of the amount of payments that it has made to Defendant, Barry Dunlap or his predecessors, Austin and Minnie Dunlap?

ANSWER: Admitted.

69. Does Mid East admit that it is liable to each of the Plaintiffs for a sum of money to be determined by the court, as a result of Mid East removing and selling the oil and gas under the Dunlap Farm?

ANSWER: Admitted in part and denied in part. Mid-East owes the plaintiffs' money. The court, by order of 23 October 2002, has already determined this issue.

70. That the oil, gas and related hydrocarbons removed from the Dunlap Farm cannot be returned or replaced?

ANSWER: Admitted.

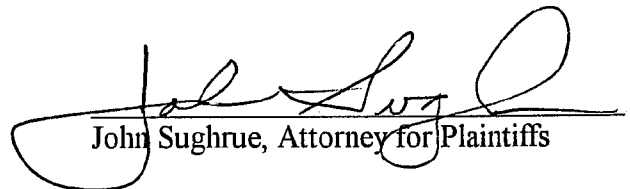
71. Does Mid East admit that financial compensation alone is not an adequate remedy under the law for the Plaintiffs?

ANSWER: No.

YOU ARE DIRECTED TO FILE AN ANSWER TO THESE REQUESTS, IN COMPLIANCE WITH Pa.R.CIV. P. Rule 4014(b), WITHIN THIRTY (30) DAYS AFTER SERVICE OF THIS REQUEST UPON YOU.

Respectfully submitted:

Date: October 14, 2003



John Sughrue, Attorney for Plaintiffs

AMDAY

P. 50508

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-3
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
 19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
 hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and conjointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Stott

On the East by lands of _____

On the South by lands of _____

On the West by lands of A. Dunlap and R. Rebon

and containing, for the purpose of calculating rentals, 79.75 acres of land whether actually

containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____

recorded in Book 723, Page 20, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.

(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of eight hundred and 0/00's DOLLARS (\$ 800.00) annually,

commencing 60 days from date as a rental for 12 months such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

Exhibit A

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

Exhibit A

Exhibit A

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

Washington

SS.

On this, the

30th

day of

November

, 1998, before

me

a notary public

, the undersigned officer,

personally appeared

Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument,

and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

OF

Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the

day of

, 19

, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, he duly acknowledged to me that he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the

day of

, 19

, before

me

, the undersigned officer,

personally appeared

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing

In witness whereof, I hereunto set my hand and official seal.

My commission expires:

Notary Public

Exhibit A

AFFIDAVIT No. 30530

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. 122-J12-2
 Book _____ Pg. _____ Renewal # _____
 Expires _____

OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 30th day of November
19 98, by and between Austin M. Dunlap and Minnie Dunlap, his wife

hereinafter called Lessor (whether one or more), and Mid-East Oil Co.
Box 1378
 hereinafter called Lessee, Indiana, PA 15701

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulars and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and cojointly with neighboring lands, all that certain tract of land situate in the

Township of Knox, County of Clearfield,
 State of Pennsylvania, and bounded substantially as follows:

On the North by lands of Todd Brothers
 On the East by lands of A. Dunlap
 On the South by lands of R. Rebon
 On the West by lands of D. Rowles

and containing, for the purpose of calculating rentals, 117.68 acres of land whether actually containing more or less; and part of all said land is described in that certain deed to Lessor from _____

dated _____
 recorded in Book 1315, Page 55, in the Recorder's Office of said County.

1. It is agreed that this lease shall remain in force for a primary term of two (2) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil and gas.

2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth ($\frac{1}{8}$) of native oil produced and saved from the leased premises.
 (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth ($\frac{1}{8}$) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. If Lessee shall not have either begun operations for the commencement of a well on the premises or on the premises pooled or unitized herewith within 60 days from the date hereof Lessee agrees to pay to the Lessor the sum of one thousand one hundred and seventeen DOLLARS (\$ 1,117.00) annually,

commencing 60 days from date as a rental for 12 months such commencement is delayed, subject however to the right of cancellation hereinafter granted to Lessee, and it is understood and agreed that the rental as hereinbefore provided for is the chief consideration until commencement of a well. The commencement of a well, shall, however, be and operate as a full liquidation of all rentals thereafter accruing under this provision of this lease during the remainder of the term hereof. In the event of completion of a commercially unproductive well on the Premises the Lessee shall be under no obligation to make delay rental payments for a period of one year following the completion of such well. At the expiration of this rental free period, Lessee may continue to hold this lease for such further terms as it may desire, not to exceed the primary term thereof, upon the payment of the rentals above mentioned. Lessee may, at its option, pay rentals quarterly or annually.

4. All payments under this lease shall be made by check or voucher to the order of Austin Dunlap and or Minnie Dunlap, mailed to RR1 Box 201 Olanta, PA 16863

until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments or royalty are to be made according to Lessor's respective interest therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

E. A. Pitt B

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease. This privilege is granted upon condition that the Lessor shall use said gas in safe and proper pipes and appliances and shall subscribe to and be bound by the reasonable rules and regulations of the Lessee.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgement of Lessees, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If and when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the terms of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest therein and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth though cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.

F. Whit B

Exhibit B

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

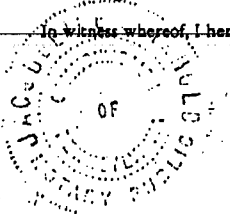
Washington

SS.

On this, the 30th day of November, 1998, before me a notary public, personally appeared Austin M. Dunlap and Minnie Dunlap

satisfactory proven to me to be the person S whose name S are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Jacqueline Weinhold
Notary Public

Notarial Seal
Jacqueline Weinhold, Notary Public
Peters Twp., Washington County
My Commission Expires Dec. 20, 1999
Member, Pennsylvania Association of Notaries

ACKNOWLEDGEMENT

STATE OF

SS:

COUNTY OF

On this, the day of 19, before me personally appeared

to me known to be the person described in, and who executed the foregoing instrument, and, he duly acknowledged to me that he executed the same.

Notary Public

My commission expires:

STATE OF WEST VIRGINIA

COUNTY OF

SS:

On this, the day of 19, before me, the undersigned officer, personally appeared

being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing

In witness whereof, I hereunto set my hand and official seal.

My commission expires:

Notary Public

Exhibit B

Be it Remembered

That I, Luther J. Dunlap 170-14-3870

being of sound and disposing mind, memory and understanding, and considering the uncertainty of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Execut hereinafter named, as soon as conveniently may be after my decease.

~~Second.~~—I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease.

I Choose for my Executors my
 Sons Austin Dunlap and Norman Dunlap
 & Will to my wife Alma Dunlap the use
 of the House and all the Furniture as long
 as she remains my Widow and to receive
 one third of the income from the Farms
 I Will to my son Austin Dunlap my Farm
 also my 32 Winchester Rifle
 & Will to my son Norman Dunlap my House
 and two Lots in Glen Hope Borough
 also my 22 Marlin Rifle, also my Watch
 and to my Grand son Barry Dunlap
 my Shot gun over

And Lastly. I do make, constitute and appoint

to be the Execut

of this my last Will and

Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal,
 the 23 day of November in the year of our Lord one thousand
 nine hundred and 64

Signed, sealed, published and declared by the
 testat above named, as and for his
 last Will and Testament, in the presence of us,
 who have hereunto, at his request, subscribed
 our names in his presence, and in the pres-
 ence of each other, as witnesses hereto.

C. Frederick Hall
 R. P. Hall

Luther J. Dunlap

("EXB. C")

STORY AND SUBSCRIBED BEFORE ME THIS 11
 DAY OF NOVEMBER 1964
 12 10 J. Hall
 JUSTICE OF THE PEACE
 MY COMMISSION EXPIRES FIRST MONDAY IN JULY 1965

I request my Personal Property to be
Appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisalment

& Well to my Daughter Golda Bell

The sum of \$300.00

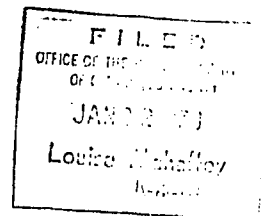
& Well to my Daughter Maxine Lordloch

The sum of \$300.00 & have is to be
and what money I have is to be

Equally divided among my Heirs
if there is Gas Oil or Fire Clay
or any other minerals found
on this Farm the Proceeds is to
be Equally Divided among
my Heirs

Will.

15
471 70-27



Proved & Approved
January 22, 1970

15
471

Exb. C

FILED
OFFICE OF THE REGISTER OF
WILLS OF CLEARFIELD COUNTY

NOV 24 1992

KAREN L. STARCK
Register

Last Will and Testament

OF
GOLDA D. BELL

I, GOLDA D. BELL, of Curwensville Borough, Clearfield County, Pennsylvania, declare this to be my Last Will and Testament, hereby revoking any and all Wills and/or Codicils heretofore by me made.

ITEM I: I direct that all my just debts and funeral expenses and all expenses of my last illness, shall be paid from the assets of my estate, as soon as practicable after my decease, as a part of the expense of the administration of my estate.

ITEM II: I give and bequeath my house and lot located at 514 Susquehanna Avenue, Curwensville, Pennsylvania, to my niece, LINDA GOSS, if she is living at the time of my death. In the event my niece, LINDA GOSS, shall predecease me or die simultaneously with me, I give, devise and bequeath the above described house and lot to the children of my niece, LINDA GOSS, in equal shares.

ITEM III: I give and bequeath my interest in the minerals, oil and gas in the property known as the Luther Dunlap Estate to my niece, LINDA GOSS, my niece, TAMMY SALTER, and my nephew, DAVID DUNLAP. In the event any of the above named beneficiaries should predecease me, the share of said decedent shall be distributed in equal shares to such of the above named beneficiaries as shall survive me.

ITEM IV: All the rest, residue and remainder of my estate, real, personal and mixed, of whatsoever nature and kind and wheresoever situate, of which I may die seized or possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath unto my niece, LINDA GOSS, and my niece, TAMMY SALTER, in equal one-half (1/2) shares. Should either of my nieces, LINDA GOSS or TAMMY SALTER, fail to survive me, then I direct that the share of said deceased niece be distributed in equal shares among her children who survive me, and in default of such children, said decedent's share shall be added to the share for my surviving niece, or her children, as the case may be.

ITEM V: I hereby nominate and appoint DENNIE GOSS, husband of my niece, LINDA GOSS, as Executor of this my Last Will. In the event that DENNIE GOSS should be unable or unwilling to so serve at anytime for any reason, I hereby nominate and appoint my nephew, JACK GARDLOCK, as Executor of this my Last Will and Testament.

("Ex. D")

Golda D. Bell

ITEM VI: I direct that my personal representative shall not be required to give bond in any jurisdiction in which he may serve.

IN WITNESS WHEREOF, I, GOLDA D. BELL, the Testatrix, have to this my Will, subscribed my name and affixed my seal this Aug 2 day of August, 1983.

Golda D. Bell
Golda D. Bell

The preceding instrument, consisting of this and one other typewritten page, each identified by the signature of the Testatrix, was on the date thereof, signed, published and declared by GOLDA D. BELL, the Testatrix therein named, as and for her Last Will, in the presence of us, who, at her request, and in her presence, and in the presence of each other, have subscribed our names as witnesses hereto.

[Signature] residing at RD# 4
Box 68

[Signature] residing at Clearfield, Pa. 16830
23 W. 2nd ST
Clearfield, Pa. 16836

COMMONWEALTH OF PENNSYLVANIA :
:SS:
COUNTY OF CLEARFIELD :

I, GOLDA D. BELL, the Testatrix, whose name is signed to the attached or foregoing instrument, having been duly qualified according to law, do hereby acknowledge that I signed and executed the instrument as my Last Will; that I signed it willingly; and that I signed it as my free and voluntary act for the purposes therein expressed.

Sworn or affirmed to and acknowledged before me, by GOLDA D. BELL, the Testatrix, this 2nd day of August, 1983.

Margaret B. Buzzanca

MARGARET B. BUZZANCA, Notary Public
Clearfield, Clearfield Co., Pa.
My Commission Expires Nov. 23, 1985

Exp. D

COMMONWEALTH OF PENNSYLVANIA :
 :SS:
 COUNTY OF CLEARFIELD :

We, David S. Ammerman and Frederic J. Ammerman,
 the witnesses whose names are signed to the attached or foregoing
 instrument, being duly qualified according to law, do depose and
 say that we were present and saw the Testatrix sign and execute
 the instrument as his Last Will; that GOLDA D. BELL signed
 willingly and that GOLDA D. BELL executed as her free and volun-
 tary act for the purposes therein expressed; that each of us in
 the hearing and sight of the Testatrix signed the Will as witnes-
 ses; and that to the best of our knowledge the Testatrix was at
 that time eighteen (18) or more years of age, of sound mind and
 under no constraint or undue influence.

Sworn or affirmed to and subscribed to before me by
David S. Ammerman and Frederic J. Ammerman,
 witnesses, this 2nd day of August, 1983.

[Signature]
 Witness

[Signature]
 Witness

Margaret B. Buzzanca
 Notary Public
 MARGARET B. BUZZANCA, Notary Public
 Clearfield, Clearfield Co., Pa.
 My Commission Expires Nov. 23, 1985



Exp. D

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$17.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER
IMPROVEMENT FUND \$1.00
STATE MILE TAX \$0.50
TOTAL \$19.50

KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199910703
RECORDED ON
Jun 28, 1999
2:10:44 PM

RECORDING FEES - \$19.00
RECORDER
COUNTY IMPROVEMENT \$1.00
FUND
RECORDER
IMPROVEMENT FUND \$1.00
STATE MILE TAX \$0.50
TOTAL \$21.50

THIS DEED

MADE the 24th day of June, in the year nineteen hundred and ninety-nine

(1999) BETWEEN AUSTIN M. DUNLAP, and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, of Box 201, Olanta, Clearfield County, Pennsylvania, parties of the first part, hereinafter referred to as the GRANTORS,

AND

BARRY A. DUNLAP, an adult individual, of 133 Laguna Street, Santa Cruz, California 95060, party of the second part, hereinafter referred to as the GRANTEE,

WITNESSETH, That in consideration of One and 00/100 (\$1.00) Dollar, in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said grantee, his heirs, successors and assigns,

ALL those certain lots or pieces of ground situate in Knox Township, Clearfield County, Pennsylvania, bounded and described as follows:

PARCEL NO. 1: BEGINNING at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less to a Hemlock; thence South 42 degrees West 80 perches, mor or less to a post; thence North 45 degrees one hundred and fifty-four (154) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. CONTAINING 101 acres and 72 perches, more or less

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for, take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or

Exb. E

beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

BEING the same premises as was conveyed to Austin M. Dunlap by Deed of Samuel M. Crisman and Ora Crisman, his wife, dated March 29, 1946 and entered for record in the Recorder's Office of Clearfield County in Deed Book Volume 377, Page 248.

A n d

PARCEL NO. 2: *BEGINNING* on the line now or formerly of David Rowles, bounded on the North by State Highway; thence following said State Highway, Westward 413 feet to a post; thence Southward 931 feet to a post, bounded by land of L.Y. Dunlap; thence Eastward 413 feet to a post, bounded by land of Austin Dunlap, and Robert Stott; thence Northward 931 feet to a post and place of beginning, bounded by land now or formerly of Glenn Rowles and David Rowles. This piece of land to contain 8 3/4 acres, more or less.

With reserving all minerals and the right to remove the same without liability for damages.

PARCEL NO. 3: *BEGINNING* at a Sugar on the line formerly of J. Bauman; thence South 32 1/2 degrees East one hundred and seventy-nine (179) perches, more or less, to a hemlock; thence South 42 degrees, West 80 perches, more or less, to a post; thence North 25 degrees one hundred and fifty-four (54) perches to a post; thence North 35 1/4 degrees West one hundred and twenty-three (123) perches, more or less, to Sugar and place of beginning. Containing 101 acres and 72 perches, more or less.

EXCEPTING and RESERVING, however, all the coal, fire clay, and other minerals, underlying the above described tract of land, together with the right of ingress, egress and regress, to prospect for,

Exb. E

take mine and remove all the coal, fireclay and other minerals and for such purposes, with the right to build and construct such shafts, chutes, tipples, opening drains, shafts and railroads, upon or beneath, of the said premises, as may be neath, or upon the surface of said premises as may be necessary for the mining and removal of said coal, fireclay or other minerals, together with the right to dump waste or refuse of any mine upon the surface of said premises adjacent to the said mines and with the right to remove all the said coal, fireclay and other minerals in and underlying said premises without leaving support for the surface and without liability for damages caused to any waters, or streams upon or underneath the surface of the land by the mining and removing the coal, fireclay or other minerals.

EXCEPTING and RESERVING also, the following pieces of land sold and conveyed out of the herein above described as follows: **THE FIRST THEREOF**, containing Nine acres 147 perches, conveyed to Philip Erhard, Administrator of Peter Erhard to Harmon Bowles, bearing date the 8th day of June, 1908 and recorded at Clearfield, PA in the Register and Recorder's Office on Deed Book No. 170, Page 431. **THE SECOND THEREOF**, containing ten acres conveyed by Philip Erhard, Administrator of Peter Erhard, by deed dated the eighth day of June, 1908 and recorded at Clearfield, Pennsylvania, to Louisa Dunlap, in Deed Book No. 190, Page 441. **THE THIRD THEREOF**, containing twenty acres, more or less, conveyed to Ida T. Stott, by H.F. Rowles, by deed bearing date October 10, 1906 and recorded at Clearfield, PA in Deed Book No. 162, Page 108.

A n d

PARCEL NO. 4: **BEGINNING** at a post corner of land now or formerly of L.Y. Dunlap, and Robert Rebon; thence South forty-four (44) degrees East, twenty-eight (28) perches to a post; thence South forty-five and one-half ($45 \frac{1}{2}$) degrees East, twenty and six-tenths (20.6) perches to a post, bounded by land of Glenn Rowles; thence along said line North thirty-two (32) degrees, East thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West, forty-one (41) perches to a post; thence South thirty-two (32) degrees West forty (40) perches to a post and place of beginning. Containing nine (9) acres and one hundred forty-seven (147) perches.

EXCEPTING and RESERVING, however, all the coal and other minerals in, under and upon above described land with the right of ingress, egress and regress. To mine and remove the same without liability, for any damages that may be done in so ding, together with privileges that are contained in former Deed conveying said premises.

The Second Part Thereof which joins, begins at a post on of land now or formerly of Glenn Rowles Estate and L.Y. Dunlap; thence South thirty-two (32) degrees West forty (40) perches to a maple stump; thence South forty-four (44) degrees, East forty-one (41) perches to a post corner of land now or formerly of Austin M. Dunlap; thence North thirty-two (32) degrees East, thirty-nine and seven-tenths (39.7) perches to a post; thence North forty-four (44) degrees West forty-one (41) perches to a post and place of beginning. Containing ten (10) acres net.

Exb. E

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie M. Dunlap, husband and wife, dated July 9, 1976 and entered for record in the Recorder's Office of Clearfield County to Deed Book Volume 723, Page 020.

A n d

PARCEL NO. 5: *BEGINNING* at an iron pin on the southern line of the right-of-way of Legislative Route 17038, said iron pin being located three hundred twenty-six (326) feet in an easterly direction from a point along the southern line of the right-of-way of Legislative Route 17038 on other land of Grantors and directly across the highway in the southeast corner of the Mt. Zion Cemetery; thence from said iron pin along line of lands now or formerly of Austin Dunlap, South thirty-eight (38) degrees East seven hundred seventy-five (775) feet to an iron pin; thence still by the same North fifty-two (52) degrees East one hundred (100) feet to an iron pin; thence by other lands of the Grantors of which this parcel is a part, North thirty-eight (38) degrees West seven hundred seventy-five (775) feet to an iron pin on the southern line of the right-of-way of Legislative Route 17038; thence along the souther line of the right-of-way of Legislative Route 17038 South fifty-two (52) degrees West one hundred (100) feet to an iron pin and place of beginning. Being a rectangular parcel of land fronting one hundred (100) feet on Legislative Route 17038 and being seven hundred seventy-five (775) feet in depth.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie M. Dunlap, husband and wife, by Deed of the Small Business Administration, an Agency of the U.S. of America, dated January 14, 1987 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1135, Page 087.

A n d

PARCEL NO. 6: On the North by Todd Bros. Heirs; on the East by Glen Rowles, Stott & Austin Dunlap; on the South by Robert Revon heirs; on the West by small tracts, Keller & K.L. Rowles. CONTAINING 117.68 acres, more or less, and being known on the tax assessment map of the County of Clearfield as #122-J12-2 and being assessed in the name of L.W. Dunlap.

BEING the same premises as were conveyed to Austin M. Dunlap and Minnie Dunlap, husband and wife, by Deed of Austin M. Dunlap and Minnie Dunlap, his wife, dated November 22, 1989 and entered for record in the Recorder's Office of Clearfield County in Deeds & Records Book Volume 1315, Page 055.

THIS IS A TRANSFER FROM PARENTS TO SON AND THEREFORE, TAX EXEMPT.

Exb. E

TOGETHER with, all and singular, the ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, use, trust, property, possession, claim and demand whatsoever of Grantors in law, equity, or otherwise, howsoever, of, in, to, or out of the same.

TO HAVE AND TO HOLD the same together with all and singular, the said Grantors' hereditaments and premises hereby granted and released, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs, successors and assigns, to and for the only proper use and behoof of the said Grantee and assigns, forever.

BUYER ALSO UNDERSTANDS THAT THERE IS NO COMMUNITY OR PUBLIC SEWAGE SYSTEM AVAILABLE TO THE WITHIN PROPERTY. A PERMIT FOR ANY NEW INDIVIDUAL SEWAGE SYSTEM, OR ANY REPAIRS TO ANY EXISTING INDIVIDUAL SEWAGE SYSTEM, WILL HAVE TO BE OBTAINED FROM THE LOCAL AGENCY DESIGNATED AS PROVIDED IN THE PENNSYLVANIA SEWAGE FACILITIES ACT.

Exb. E

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

Barry A. Dwyer

This 24th Day of June, 1999

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

Exb. E

The said Grantors will SPECIALLY WARRANT the property hereby conveyed.

IN WITNESS WHEREOF, said grantors have hereunto set their hands and seals, the day
and year first above-written.

Sealed and delivered in
the presence of:

Austin M. Dunlap

AUSTIN M. DUNLAP

Minnie M. Dunlap
Minnie Dunlap

MINNIE M. DUNLAP a/k/a

MINNIE DUNLAP

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the grantee herein is as follows:

133 Laguna Street
Santa Cruz, California 95060

R. Denning Gearhart
R. Denning Gearhart, Esquire

NO TITLE SEARCH/CERTIFICATION

COMMONWEALTH OF PENNSYLVANIA :

: ss:

COUNTY OF CLEARFIELD :

On this, the 24th day of June, 1999, before me, the undersigned officer, a Notary Public, personally appeared AUSTIN M. DUNLAP and MINNIE M. DUNLAP a/k/a MINNIE DUNLAP, husband and wife, known to me, or satisfactorily proven, to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires: _____

Jennifer A. Cutler
Notary Public

Notarial Seal
Jennifer A. Cutler, Notary Public
Clearfield Boro, Clearfield County
My Commission Expires June 17, 2003

Exb. E

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

October 3, 2000

~~VIA CERTIFIED, RETURN RECEIPT~~
REQUESTED & FIRST CLASS MAIL

Mid-East Oil Company
PO Box 1378
Indiana, PA 15701

ATT: Mr. Mark Thompson, President

RE: David L. Dunlap; claim of ownership to gas and oil
underlying Austin M. Dunlap Farm, formerly Luther Y.
Dunlap Farm, Knox Township, Clearfield County, PA.

Dear Mark,

This will confirm and follow up my phone conversation with your office. I have been retained by David L. Dunlap to represent him with respect to the above matter.

I understand that your company drilled and is operating wells on the above-mentioned property.

My client has consulted with me regarding his belief that he is an owner by inheritance of an interest in the oil and gas underlying the above referenced property. As a result of my preliminary review, I am likewise of the opinion that he has an interest through Luther Dunlap and Golda Bell. Accordingly, it appears that your company is converting his property without his permission and without compensation.

As I indicated in my phone conversation, I would like to meet with a representative of your company and review the matter informally. I recognize that I could be missing something, you could have missed something or there could be an issue as to interpretation of relevant documents.

In any event, please accept this letter as notice to you of the conduct referenced. I ask that the wells in question be taken out of production while the matter is reviewed.

Exb. F

My client is interested in amicably resolving this matter in the next thirty (30) days. At the requested meeting, I ask that you have available your title search, maps and leases. Thank you for your prompt attention to this request.

Very truly yours,

John Sughrue

JS/kg

cc: Mr. & Mrs. David L. Dunlap

7000 0600 0023 6401 221

| U.S. Postal Service | |
|--|--------|
| CERTIFIED MAIL RECEIPT | |
| (Domestic Mail Only; No Insurance Coverage Provided) | |
| Article Sent To: | |
| MID EAST OIL CO. MARK THOMPSON | |
| Postage | \$ 33 |
| Certified Fee | 1.40 |
| Return Receipt Fee (Endorsement Required) | 1.25 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ 298 |

Postmark Here: CLEARFIELD PA 16830

Name (Please Print Clearly) (to be completed by mailer)
John Sughrue (Done: Burdette)

Street, Apt. No., or PO Box No.
23 N 2nd St.

City, State, ZIP+4
Clearfield, PA 16830

PS Form 3800, July 1999 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MID EAST OIL COMPANY
PO BOX 1378
INDIANA, PA 15701

ATT: MR. MARK THOMPSON,
PRESIDENT

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
- C. Signature
- X Betty Pauline
- D. Is delivery address different from item 1? ☐ Yes ☐ No
- If YES, enter delivery address below:

3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

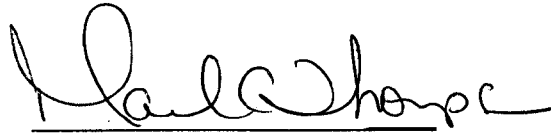
☐ Yes

Exp. F

VERIFICATION

I, MARK THOMPSON, President of Mid-East Oil Company, defendant herein, hereby affirm that the answers contained in the foregoing Request for Admission are true and correct to the best of my knowledge, information, and belief. This statement is made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

Date: 11/4/03

A handwritten signature in black ink, appearing to read "Mark Thompson", written over a horizontal line.

Mark Thompson, President
Mid-East Oil Company
Defendant

FILED *NO*
NOV 07 2003 *cc*

William A. Shaw
Prothonotary/Clerk of Courts

GA

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, al

vs.


BARRY DUNLAP, al

:
:
: No. 01-681-CD
:
:

ORDER

AND NOW, this 8th day of October, 2004, it is the Order of the Court that a status conference in the above-captioned matter has been scheduled for **Monday, November 22, 2004 at 9:30 A.M.** in Courtroom No. 1, Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:



FREDRIC J. AMMERMAN
President Judge

FILED EOK
O 11:00 BH 1cc atty Laghree
1cc atty Shearhart
1cc atty S Smith
OCT 08 2004

William A. Shaw
Prothonotary

GA

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

v.

BARRY A. DUNLAP, an individual,
and MID-EAST OIL COMPANY, a
corporation,
Defendants

CIVIL ACTION – LAW

No. 01-681-C.D.

TYPE OF CASE: Civil

TYPE OF PLEADING: Motion for
Partial Summary Judgment

FILED ON BEHALF OF: Mid-East
Oil Company, Defendant

COUNSEL OF RECORD FOR THIS
PARTY: Sharon L. Smith
197 Main Street
Brookville, Pa. 15825
814-849-6720
Pa. I. D. 28738

FILED

NOV 29 2004

WAS 11/18/04
William A. Shaw
Prothonotary/Clerk of Courts

1 sent to Att

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an individual,
and MID-EAST OIL COMPANY, a corporation
Defendants

MOTION FOR PARTIAL
SUMMARY JUDGMENT

1. Movant is Mid-East Oil Company, a Pennsylvania corporation, with a mailing address of P.O. Box 1378, Indiana, Indiana County, Pennsylvania 15701. It is one of the defendants in the case cited above.

2. Plaintiffs are David L. Dunlap, an adult individual, of R.D.3 Box 289, Curwensville, Pennsylvania 16833; Norman L. Dunlap, an adult individual, of 222 Leavey Avenue, Apt. 2, Clearfield, Pennsylvania 16830; and Tammy Salter, 17 North 3rd Street, Phillipsburg, Pennsylvania 16866.

3. The other Defendant is Barry A. Dunlap, an adult individual, whose resides at 630 Thayer Rd., Santa Cruz, California 95060.

4. On 30 November 1998, Movant entered into an oil and gas lease with Austin Dunlap, et ux., whereby Movant was given the right to develop and sell the oil and gas on or under the 117.68 acre tract, situate in Knox Township, Clearfield County that Dunlap had inherited from his father Luther Y. Dunlap. The will is attached hereto as Exhibit A. Austin Dunlap, in turn, conveyed the real estate to his son, Barry A. Dunlap.

5. On 9 May 2001, Plaintiffs/Respondents filed the complaint for the case captioned above, alleging that they owned an undivided one-twelfth (1/12th) interest as to David L. Dunlap, an undivided one-quarter (1/4th) interest as to Norman Dunlap, and an undivided one-twelfth (1/12th) interest as to Tammy Salter in both the land and the oil and gas described in the preceding paragraph, by virtue of bequests in both the Luther Y. Dunlap and Golda Bell Dunlap wills.

6. In the complaint, Plaintiffs/Respondents alleged that by entering into the lease, Movant and its co-defendant had unlawfully, willfully, and intentionally converted the property thereby depriving Plaintiffs/Respondents of control, use, benefit, and proceeds of the property. In the alternative, Plaintiffs/Respondents averred that the foregoing had been

done recklessly and/or negligently. Finally, Plaintiffs/Respondents sought punitive damages for Movant's actions.

7. On 31 May 2002, Movant filed an answer, in which it denied all of the allegations, except that it admitted owing Plaintiffs/Respondents their pro-rata share of the royalties. The basis for Movant's position is that the Luther Y. Dunlap will left the 117.68 acre farm that is under lease with the Movant to his son, Austin Dunlap, and the proceeds of any oil and/or gas found thereon to his heirs, who were his wife, Alma Dunlap, and his children, Austin Dunlap, Norman Dunlap, Golda Dunlap Bell, and Maxine Gardlock. Golda Dunlap Bell left her share to David L. Dunlap and Tammy Salter, Plaintiffs herein, and Linda Goss.

8. The dispute in this case centers on the legal rights of the heirs who inherited "proceeds" under the Luther Y. Dunlap will. Plaintiffs/Respondents contend that the bequest gives them a working interest in the real estate and, by extension, the oil and gas rights. Movant's position is that the will conveys a non-working interest, which is personal property. The sole owner of the real estate and the oil and gas is Austin Dunlap's successor in interest, Barry A. Dunlap.

9. The law in Pennsylvania states that Plaintiffs' right to receive a portion of the royalties is a personal property right only. They cannot control the real estate or the leasing thereof.

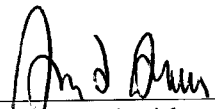
10. The Hon. John K. Reilly, Jr. entered an order for partial summary judgment on 23 October 2002 requiring Mid-East Oil Company to pay royalties to those entitled thereto to the extent that they receive their pro-rata share.

11. Movant is entitled to partial summary judgment on the issue that the Luther Y. Dunlap will left the real estate interest, which encompassed the oil and gas, to Austin Dunlap and his successor, Barry Dunlap. Only the party with the ownership of the oil and gas can execute a lease. The Plaintiffs are only entitled to receive their pro-rata portion of the royalties under the will.

WHEREFORE, Movant requests that Your Honorable Court enter an order granting Movant's Motion for Partial Summary Judgment.

Respectfully submitted by:

Date: 23 November 2004



Sharon L. Smith
Attorney for Mid-East Oil Company
Movant/ Defendant

Port Fort. No. 113

Printed for and sold by John G. Clark Co., 1134 E. Post Square, Port

Be it Remembered

Luther J. Dunlap

Luther J. Dunlap

DOB 12-17-1967

EST. 70-27
EX. 17-3878 Dunlap

That I

being of sound and disposing mind, memory and understanding, and considering the shortness of life, do therefore make, publish and declare this to be my last Will and Testament, in manner and form following, that is to say:

ITEM: I order all my just debts and funeral expenses to be paid by my Executor hereinafter named, as soon as conveniently may be after my decease.

Second, - I give, devise and bequeath unto

all my Estate, real, personal or mixed, of whatever nature or kind, or wheresoever situate at the time of my decease. I Choose for my Executors my

sons Austin Dunlap and Norman Dunlap
I will to my wife Alma Dunlap the use
of the House and all the Furniture as long
as she remains my Widow and to receive
one third of the income from the Farm
I will to my son Austin Dunlap my Farm
also my 32 Winchester Rifle
I will to my son Norman Dunlap my House
and two Lots in Glen Hope Borough
also my 22 Marlin Rifle, also my Watch
and to my Grand son Barry Dunlap
my Shot gun
And lastly: I do make, constitute and appoint

to be the Executor

of this my last Will and Testament, hereby revoking all former Wills and Testaments by me at any time heretofore made, and declaring this to be my last Will and Testament.

In Witness Whereof, I have hereunto subscribed my name, and affixed my seal, the 23 day of November in the year of our Lord one thousand nine hundred and 64

Signed, sealed, published and declared by the testator above named, as and for his last Will and Testament, in the presence of us, who have hereunto, at his request, subscribed our names to his presence, and in the presence of each other, as witnesses hereto:

C. F. Lewis, Thel

Luther J. Dunlap

EXHIBIT A

RECORDED IN THE CLERK'S OFFICE

15 JAN 1972

I request my Personal Property to be
appraised and the Heirs to have the
right to redeem said Personal Property
at the Appraisal.

I Will to my Daughter Gilda Bell

The sum of \$3.00

I Will to my Daughter Dracine Goodlock

The sum of \$300.00 I have in to be
and what money I have in to be

Equally divided among my Heirs

if there is Gas Oil or Fire Clay

or any other minerals found
on this Farm the Proceeds is to

be Equally Divided among

my Heirs

Will

471 70-27

FILED
OFFICE OF THE CLERK OF THE DISTRICT COURT
JAN 22 1972
Louise McChaffey
Register

Proved & Approved
January 22, 1972

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an individual, and
MID-EAST OIL COMPANY, a corporation,
Defendants

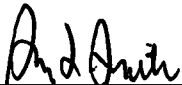
CERTIFICATE OF SERVICE

I certify under penalty of perjury that I served Motion for Partial Summary Judgment on the parties at the addresses listed below by first class mail, postage prepaid on 23 November 2004:

John Sughrue, Esquire
23 North Second Street
Clearfield, Pa. 16830

R. Denning Gearhart, Esquire
215 East Locust Street
Clearfield, Pa. 16830

Date: 23 November 2004



Sharon L. Smith
Attorney for Mid-East Oil Company
Defendant

FILED

NOV 29 2004

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, al

vs.

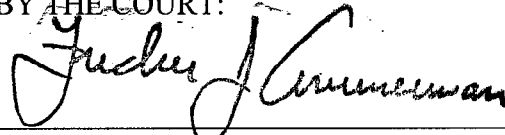
BARRY DUNLAP, al

:
:
: No. 01-681-CD
:
:

ORDER

AND NOW, this 6th day of December, 2004, it is
the Order of the Court that argument on Attorney Smith's Motion for Partial
Summary Judgment in the above-captioned matter has been scheduled for the
5 day of January, 2005, at 10:00 A.M, in Courtroom
No. 1, Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:



FREDRIC J. AMMERMAN
President Judge

FILED

3CC
10/3:32/01 Atty S. Smith
DEC 06 2004 w/ memo re: service

William A. Shaw
Prothonotary/Clerk of Courts

FILED

DEC 06 2004

William A. Shaw
Prothonotary/Clerk of Courts



OFFICE OF COURT ADMINISTRATOR
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA

CLEARFIELD COUNTY COURTHOUSE
SUITE 228, 230 EAST MARKET STREET
CLEARFIELD, PENNSYLVANIA 16830

DAVID S. MEHOLICK
COURT ADMINISTRATOR

PHONE: (814) 765-2641
FAX: 1-814-765-7649

MARCY KELLEY
DEPUTY COURT ADMINISTRATOR

MEMO: To all parties filing Petitions/Motions in Clearfield County:

Please make note of the following:

Rule 206(f) The party who has obtained the issuance of a Rule to Show Cause shall forthwith serve a true and correct copy of both the Court Order entering the Rule and specifying a return date, and the underlying Petition or Motion, upon every other party to the proceeding in the manner prescribed by the Pennsylvania Rules of Civil Procedure (see PA. R.C.P. 440) and upon the Court Administrator.

Rule 206(g) The party who has obtained the issuance of a Rule to Show Cause shall file with the Prothonotary, within seven (7) days of the issuance of the Rule, an Affidavit of Service indicating the time, place and manner of service. Failure to comply with this provision may constitute sufficient basis for the Court to deny the prayer of the Petition or Motion.

***** Please note: This also includes service of scheduling orders obtained as the result of the filing of any pleading.**

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

CIVIL ACTION – LAW

v.

No. 01-681-C.D.

BARY A. DUNLAP, an individual,
MID-EAST OIL COMPANY, a
corporation,
Defendants

TYPE OF CASE: Civil

TYPE OF PLEADING: Certificate of
Service

FILED ON BEHALF OF: Mid-East
Oil Company, Defendant

COUNSEL OF RECORD FOR THIS
PARTY: Sharon L. Smith
197 Main Street
Brookville, Pa. 15825
814-849-6720
Pa. I. D. 28738

EGK **FILED** ¹⁰cc
m 10:44 AM
DEC 10 2004

William A. Shaw
Prothonotary/Clerk of Courts

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an individual, and
MID-EAST OIL COMPANY, a corporation,
Defendants

CERTIFICATE OF SERVICE

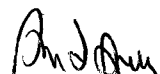
I certify under penalty of perjury that I served Motion for Partial Summary Judgment and Order on the parties at the addresses listed below by first class mail, postage prepaid on 9 December 2004:

John Sughrue, Esquire
23 North Second Street
Clearfield, Pa. 16830

R. Denning Gearhart, Esquire
215 East Locust Street
Clearfield, Pa. 16830

David Meholick
Court Administrator
Clearfield County Courthouse
Suite 228
230 East Mark Street
Clearfield, Pa. 16830

Date: 9 December 2004



Sharon L. Smith
Attorney for Mid-East Oil Company
Defendant

FILED

DEC 10 2004

**William A. Shaw
Prothonotary/Clerk of Courts**

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFFS

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: PLAINTIFFS'
RESPONSE PURSUANT TO PA
R.C.P. 1035.3 TO MID EAST OIL
COMPANY'S SECOND MOTION FOR
PARTIAL SUMMARY JUDGMENT
FILED NOVEMBER 29, 2004

Filed on Behalf of: Plaintiffs

Counsel of Record for this Party:

John Sughrue, Esquire
Attorney I. D. No. 01037
23 North Second Street
Clearfield, PA 16830
Phone: (814) 765-1704
Fax: (814) 765-6959

Other Counsel of Record for

Barry A. Dunlap:

R. Denning Gearhart, Esquire
Attorney I.D. No. 36540
215 East Locust St.
Clearfield, PA 16830
Phone: (814) 765-1581
Fax: (814) 765-6745

Other Counsel of Record for

Mid East Oil Company:

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825
Phone/Fax (814) 849-6720

FILED

JAN 03 2005 OK

6/3:25/ William A. Shaw

Prothonotary/Clerk of Courts

1 CENT TO ATT

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION-LAW**

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock, and
Tim Gardlock, Co-tenants similarly situated,

PLAINTIFFS

Vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation

DEFENDANTS

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No. 01- 681 -C.D.

**PLAINTIFFS' RESPONSE PURSUANT TO PA R.C.P. 1035.3 TO
MID EAST OIL COMPANY'S SECOND MOTION FOR
PARTIAL SUMMARY JUDGMENT FILED NOVEMBER 29, 2004**

AND NOW, come Plaintiffs, David L. Dunlap, Norman Dunlap and Tammy Salter and responds, pursuant to PA R.C.P. 1035.3 to Motion for Summary Judgment filed by Corporate Defendant, Mid East Oil Co., (hereafter, "Gas Company") as follows:

1-3. Paragraphs 1 through 3 are admitted.

4. Admitted in part and denied in part. The Will is admitted and it is the underlying document giving rise to this title dispute. It is denied that the Gas Company was "given the right to develop and sell the oil and gas on or under the 117.68 acre tract (hereafter, "Farm"). Austin Dunlap inherited the farm from his father but did not inherit exclusive title to the oil and gas located on the farm. On the contrary, the facts are as hereinafter set forth in Paragraph 8, all of which are incorporated herein by reference.

5. Admitted. Further, Corporate Defendant admits the undivided interest of each Plaintiff. The Gas Company denies that Plaintiffs have an ownership interest in the oil and gas as real estate while the oil and gas is in the ground. Instead, the Gas Company argues that the Plaintiffs are limited to the right to receive the royalties and that such right constitutes personal

property. This conflict raises a significant issue of law and may be a case of first impression in the Commonwealth of Pennsylvania.

6. The Complaint speaks for itself and its averments are incorporated herein by reference. Further, the record reveals the facts to be as hereinafter set forth in Paragraph 8 and Corporate Defendant's admissions filed of record, all of which are incorporated herein by reference. In short, it is Plaintiffs' position that the oil and gas trapped within the substrata of the farm constitutes real estate and that the Plaintiffs clearly, on the record, have equitable title to said real estate. Said equitable title is granted under the Luther Dunlap Will. The Luther Dunlap Will gave the farm to Austin Dunlap; however, the Will specifically limited Austin Dunlap's title to the oil and gas within the farm. It is well established in Pennsylvania Law that there is both legal and equitable title to property. By the Will, Austin Dunlap acquired legal title to the oil and gas and Plaintiffs acquired equitable title. In conclusion, Plaintiffs are each a necessary and indispensable party to any gas lease. By failing to secure Plaintiffs' agreement to the withdrawal and marketing of the oil and gas, Barry Dunlap and the Gas Company committed a conversion of property for which they are liable.

7. The Answer speaks for itself. The Gas Company did admit owing a prorata share of royalties to the Plaintiffs and further admitted that it had not paid them. Such an admission is irrelevant to the underlying issue. It is akin to stealing somebody's property and then permitting the thief to determine the amount of restitution. In this case, Movant admits that the royalties were never negotiated between the parties. The record establishes that the royalties were basically an amount that the Gas Company negotiated with Austin Dunlap and the Plaintiffs never agreed to accept that royalty amount as satisfaction for their ownership and interest in the oil and gas.

8. Denied as stated. The Dunlap Will makes no reference to working interest or non-working interest. Plaintiffs deny that Austin Dunlap and his successor, Barry A. Dunlap, are the

sole owner of the real estate and the oil and gas on the farm. On the contrary, the record establishes the following facts and conclusions of law:

A. The gas company admits in Paragraphs 16 and 19 of its answer that the Plaintiffs/gas owners are, at a minimum, entitled to a portion of royalties.

B. The subject matter of the complaint is clearly indicated in Paragraph 4 as all of the "oil, gas and related hydrocarbons, royalties and profit therefrom in, under and upon...." the farm.

C. Luther Y. Dunlap died testate on December 17, 1969, a resident and domiciliary of Clearfield County, Pennsylvania;

D. At his death, Luther Dunlap was vested with title to the surface and the oil and gas located in, upon or under a farm located Knox Township, Clearfield County, Pennsylvania believed to consist of 117 to 130 acres, being hereinafter referred to as, "the farm";

E. Luther Dunlap left a home-made Will, hand written on a preprinted form and that Will was admitted to probate by the Register of Wills of Clearfield County and is filed in Will Book 15, Page 471;

F. Ownership of the farm, including surface, oil and gas and including the power and right to determine when, how and under what circumstances such oil and gas would be removed and marketed, how and to whom profit and royalties would be paid, was devised to beneficiaries by Luther Dunlap's Will;

G. Pertinent language of Luther Dunlap's Will is as follows:

1. "....my widow and (?) to receive 1/3 of the income from the farm";
2. "I will to my son, Austin Dunlap, my farm....";

3. "...if there is gas, oil, fire clay or any other minerals found on this farm, the Proceeds are to be equally divided among my heirs.";

H. The parties agree that Luther Dunlap's heirs were his wife, Alma Dunlap, and his children, Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock. The parties also agree that Alma Dunlap's ownership/interest in the oil and gas and/or its proceeds passed at her death to the said four children, thereby creating four undivided owners and interest in the property, which is the subject of this action.

I. Norman Dunlap appears as a 1/4 owner of the undivided whole;

J. David L. Dunlap and Tammy Salter each appear with an undivided 1/12 undivided interest in the whole, devised to them by their Aunt, Golda Bell;

K. On about November 30, 1998, the gas company determined to lease, remove, market and sell the gas and oil under the farm and it secured two gas leases from Austin M. Dunlap (hereafter, "gas leases");

L. Subsequently, Austin Dunlap, in his lifetime, by Deed dated October 29, 1999, recorded as Instrument No. 199917954, deeded the Farm to his son Defendant, Barry A. Dunlap, (hereafter, "surface owner"), under and subject to the prior gas leases;

M. The only individuals executing the gas leases were Austin M. Dunlap and his wife. The gas leases are recorded in the Clearfield County Recorder's Office as Instrument Nos. 199900524 and 199900741;

N. That the gas company paid all consideration under the lease, including all rentals, advanced royalties, actual royalties and profits, if any, to Austin M. Dunlap and/or Barry A. Dunlap, surface owners.

O. Plaintiffs/gas owners did not sign the gas leases or agree to the removal of oil and gas, the payment of royalties and/or the amount of royalties paid;

P. The gas company placed at least three gas wells on the farm and removed oil and gas from the farm without authority or approval of the Plaintiffs/gas owners;

Q. The gas company has sold the oil and gas from the farm and retained the profit therefrom for its own benefit;

R. The gas company did not pay any royalties, consideration or profit from the gas and oil to the Plaintiffs/gas owners prior to this litigation;

S. The gas company, in fact, refused, prior to litigation, to pay any royalty or consideration to Plaintiffs/gas owners in consideration of removal and sale of the gas;

T. Since the filing of this litigation, the gas company has continued to remove and sell the gas for its own profit and at the same time has continued to refuse to pay compensation to the Plaintiffs/gas owners until this court entered partial summary judgment in Plaintiffs' favor.

U. By letter dated October 3, 2000, Exhibit C to the Complaint Plaintiffs/gas owners advised the gas company of the Plaintiffs/gas owners' interest in the oil and gas and requested that the taking of the oil and gas, without permission and without compensation cease and requested negotiations. The gas company ignored that request and continued to take the oil and gas without compensation to the Plaintiffs/gas owners;

V. The gas company did not acknowledge Plaintiffs/gas owners interest in the gas until after the litigation was filed and served;

W. The gas company did not allege or admit that a royalty was owed to the Plaintiffs/gas owners until after the litigation was served;

X. Even if Plaintiffs/gas owners are determined to be solely due royalties, the amount of those royalties and/or compensation due Plaintiffs/gas owners is at issue.

Y. The cause of action set forth in Count III, Punitive Damages, under the facts and circumstances of this case, is at issue.

Z. The facts and averments set fourth in Count IV, Equitable Relief of the Complaint, are at issue.

9. Denied. Plaintiffs' Counsel has been unable to locate any Pennsylvania Law holding that the "proceeds" of oil and gas in the ground constitutes personal property. This case is distinguishable on the facts from that line of cases holding that the right to receive royalties under a voluntary contract constitutes personal property. As a matter of first impression, Plaintiffs contend that they do possess control over the leasing of the oil and gas that gives rise to proceeds. Perhaps the oil and gas cannot be drilled and removed without the consent of the farm owner, but that fact alone does not give the farm owner exclusive control over the oil and gas to the detriment of the Plaintiffs. **In fact, Plaintiffs contend that both the farm owner and the proceeds owner are necessary and indispensable parties to any gas lease.**

10. Plaintiffs' Motion for Partial Summary Judgment to receive the amount admitted to be owed the Plaintiffs was granted. Said Partial Summary Judgment was entered by the Court without prejudice or limitation on the Plaintiffs overall claim.

11. Denied. Movement is not entitled to a summary judgment on the issue of damages in any event and does not ask for summary judgment with respect to damages. Based on the admitted facts of record, there may be a threshold issue with respect to liability of the Gas Company. Specifically, the Court is in a position to answer the following issues of liability:

A. Was the oil and gas in the ground under the Dunlap farm, real estate?

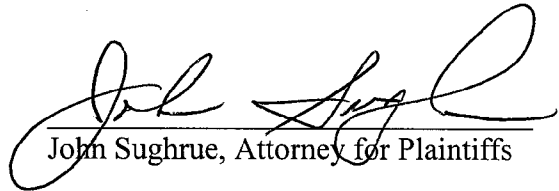
B. Did Plaintiffs have certain rights, title and interest in the oil and gas in the ground under the Luther Dunlap Will?

C. What was the nature of Plaintiffs' interest in the oil and gas in the ground?

D. Was Austin Dunlap as the Owner of the "farm" entitled to solely and exclusively negotiate and enter into a lease with the Gas Company for the removal of the oil and gas from the farm in exchange for the payment of a royalty negotiated solely by said farm owner or were the Plaintiffs each a necessary and indispensable party to said gas lease?

WHEREFORE, the Plaintiffs, by their attorney, John Sughrue, move the Honorable Court to enter an order denying the Motion for Partial Summary Judgment filed by the Corporate Defendant, Mid East Oil Company, or in the alternative, to consider and determine the issue of liability only under said Motion.

Respectfully submitted:



John Sughrue, Attorney for Plaintiffs

CERTIFICATE OF SERVICE

AND NOW, I do hereby certify that on January 3, 2005, I caused a true and correct copy of PLAINTIFFS' RESPONSE PURSUANT TO PA R.C.P. 1035.3 TO MID EAST OIL COMPANY'S SECOND MOTION FOR PARTIAL SUMMARY JUDGMENT FILED NOVEMBER 29, 2004 to be served on the following and in the manner indicated below:

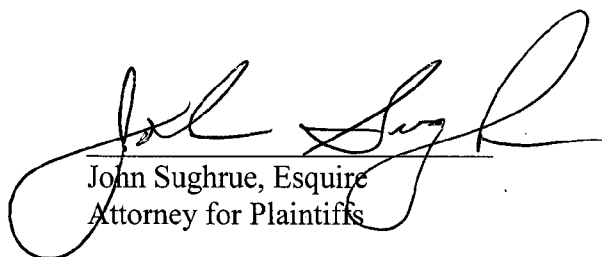
By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

R. Denning Gearhart, Esquire
207 E. Market Street
Clearfield, PA 16830

Sharon L. Smith, Esq.
197 Main Street
Brookville, PA 15825

Dave Meholick, Court Admin.
Clearfield County Courthouse
1 N. 2nd St.
Clearfield, PA 16830

Date: January 3, 2005


John Sughrue, Esquire
Attorney for Plaintiffs

FILED

JAN 03 2005

William A. Shaw
Prothonotary/Clerk of Courts

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP ET AL.,
Plaintiffs

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an individual,
and MID-EAST OIL COMPANY,
a corporation,
Defendants

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William A. Shaw
Prothonotary/Clerk of Courts

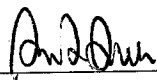
RESPONSE TO
HYDE v. RAINEY

In Hyde et al. v. Rainey et al., 233 Pa. 540 (1912), the Pennsylvania Supreme Court determined that the language in the testatrix's will that stated that "...if the farm on which I reside shall be leased for the purpose of mining coal, oil, and gas that the proceeds of the shall be divided between my four children..." Hyde v. Rainey 233 Pa. at 543, worked as a severance of the oil, gas, and coal rights. She left the farm itself to one son. Testatrix's minister drafted the will, which seemed to play a significant part in the Court's decision. The Court tried to decide what the testatrix's intent had been.

In a later case, Blair et al. v. Shannon et al. 349 Pa. 550 (1944), the same issue occurred, i.e., the proceeds of a leased coal vein were left the testator's heirs but the farm where the vein was located was left to three (3) sons. The Court determined that the proceeds were personal property. Blair v. Shannon 349 Pa. at 553. Once the lease lapsed, the coal reverted to the owners of the real estate, not the holders of the personal property interest. The Court's reasoning is as follows: "When a testator devises all of his real estate to certain of his children and when by the law of this Commonwealth certain property is real estate, the testamentary provisions as to the real estate absolutely controls the descent of that property, and no court has any right to speculate as to whether or not the testator intended the property in dispute to descend in any other way than his unequivocal language declared that it should descend." Blair v. Shannon 349 Pa. 554-5.

The second case is consistent with current Pennsylvania law. See Snyder Brothers v. Peoples Natural Gas v. Yohe 450 Pa. Super 371, 676 A2d 1226, 1230 (1996), which held that proceeds are personal property. It is also consistent with Luther Dunlap's will, which left the farm to Austin Dunlap, but a portion of the income from the farm to his widow, Alma Dunlap. Unlike the testatrix in the first case, Mr. Dunlap's intent is clear.

Date: 6 January 2005

BY: 
Sharon L. Smith
Attorney for Mid-East Oil
Company, Defendant
197 Main Street
Brookville, Pa. 15825
814-849-6720
Pa. I.D. 28738

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

DAVID L. DUNLAP,
NORMAN DUNLAP, and
TAMMY SALTER,
Plaintiffs

v.

No. 01-681-C.D.

BARRY A. DUNLAP, an individual, and
MID-EAST OIL COMPANY, a corporation,
Defendants

CERTIFICATE OF SERVICE

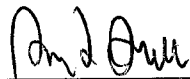
I certify under penalty of perjury that I served Motion for Partial Summary Judgment and Order on the parties at the addresses listed below by first class mail, postage prepaid on 9 December 2004:

John Sughrue, Esquire
23 North Second Street
Clearfield, Pa. 16830

R. Denning Gearhart, Esquire
215 East Locust Street
Clearfield, Pa. 16830

David Meholick
Court Administrator
Clearfield County Courthouse
Suite 228
230 East Mark Street
Clearfield, Pa. 16830

Date: 6 January 2005



Sharon L. Smith
Attorney for Mid-East Oil Company
Defendant

FILED

JAN 07 2005

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually, and as Fiduciary
for Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock and Tim
Gardlock, Co-Tenants similarly
situated,

Plaintiffs

vs.

BARRY A. DUNLAP, an individual
and MID EAST OIL COMPANY, a
Corporation,

Defendants

FILED
10/15/04
FEB 23 2005
3/10/04
Supreme

William A. Shaw
Prothonotary

NO. 01-681-CD

O P I N I O N

This case was initiated by the Plaintiffs filing a complaint on May 9, 2001 against the Defendants relative ownership of oil and gas rights. A Motion for Partial Summary Judgement was filed on November 29, 2004 on behalf of Mid East Oil Company. Oral argument has been held and briefs received, and the matter is now set for decision.

Luther Y. Dunlap died testate on December 17, 1969, a resident of Clearfield County. Upon his death, Luther Dunlap was vested with title to the surface and the oil, gas and other sub-surface rights relative a farm located in Knox Township Clearfield County believed to consist of 117 to 130 acres, and hereafter referred to as "the farm". Luther Dunlap had left a will, handwritten on a preprinted form, which was admitted to Probate in Clearfield County Will Book 15, page 471.

Ownership of the farm including the surface interest and oil and gas was devised to beneficiaries by Luther Dunlap's will. The pertinent language of the will is as follows:

- a. "I will to my son, Austin Dunlap, my farm...";
- b. "If there is gas, oil, fire clay or any other minerals found on this farm, the proceeds are to be equally divided among my heirs."

It is agreed that Luther Dunlap's heirs were his wife, Alma Dunlap, and his children, Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock. It is also agreed that Alma Dunlap's ownership/interest in the oil and gas and/or its proceeds passed upon her death to the previously named four children. Presently, Norman Dunlap has a one-quarter ownership of the undivided whole of the property while David L. Dunlap and Tammy Salter each have an undivided one-twelfth interest in the whole as devised to them by their aunt, Golda Dunlap-Bell.

Under the provisions of Luther Dunlap's will, it is clear that Austin Dunlap inherited the farm. The dispute in this case is whether under Luther Dunlap's will, the Plaintiffs inherited personal property in the form of any proceeds or royalties from the removal of oil and gas or whether the

effect of Luther Dunlap's will was to pass actual title and ownership of the oil and gas rights to the Plaintiffs.

On November 30, 1998, Mid East Oil Company secured two gas leases from Austin M. Dunlap and his wife. Thereafter, Austin Dunlap by his deed dated October 29, 1999 conveyed the farm to his son, Defendant Barry A. Dunlap, subject to the existing gas leases. The only individuals who had executed the gas leases with Mid East were Austin M. Dunlap and his wife.

Mid East proceeded to remove gas from the property and paid all rentals, advance royalties, actual royalties and profits to Austin M. Dunlap and then Barry A. Dunlap.

Plaintiffs at no time executed any gas lease or agreed to the removal of gas from the sub-surface.

Mid East has apparently refused to pay any royalty to the Plaintiffs or recognize that the Plaintiffs have any interest in the gas. Plaintiffs have taken the position that as a matter of law the will of Luther Dunlap must be interpreted such that Plaintiffs were devised an actual ownership interest in the sub-surface rights to the oil and gas and therefore are indispensable parties relative the signing of any gas lease and the payment of royalties. Defendant Barry A. Dunlap takes the position that the will of Luther Dunlap along with the deed from his father Austin Dunlap provided him with a fee simple

interest in the surface and the sub-surface rights to the farm, and that the Plaintiffs received only a personal property right to the royalties from any removal and sale of the gas. Clearly an interpretation of Luther Dunlap's will is necessary to resolve the property dispute.

In determining the rights of owners of royalty interests in oil and gas leases, the Pennsylvania appellate courts have held that royalties are personal property, and the right to receive royalties does not include any right to control the sale of the oil and gas. "A lease of minerals in the ground is a sale of an estate in fee simple until all the available minerals are removed; this leaves the lessor with only an interest in the royalties to be paid under the lease, which are personal property." Snyder Brothers v. Peoples Natural Gas v. Yohe 450 Pa. Super. 371, 676 A.2d 1226, 1230 (1996), alloc. denied 686 A.2d 1312 (1996); Barnsdall v. Bradford Natural Gas Co. 225 Pa. 338, 344 (1909).; Pomposini v. T.W. Phillips Gas Co. 397 Pa. Super. 564, 569 (1990); aff'd sub nom Kepple v. Fairman Drilling 532 Pa. 304 (1992).

In addition, the Uniform Commercial Code defines proceeds as "(w)hatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral." 13 Pa. C.S.

Section 9102. The same section defines collateral as "proceeds to which a security interest attaches ..."

Pennsylvania appellate courts have also held that the standard for interpreting a will is: "A testator's intent, unless unlawful, shall prevail; that intent shall be ascertained from a consideration of (a) all language contained in his will, and (b) his scheme of distribution, and (c) circumstances surrounding him at the time he made his will, and (d) the existing facts..." Lilley Estate 443 Pa. 1, 4 (1971); see also Smith v. Glen Alden Coal Co. 347 Pa. 290, 297 (1943); 6 Hunter O.C. Commonplace Book Wills, Section 2(b) p. 255. In addition, "...in interpreting wills the law will impute to the testator's words such meaning as under all circumstances will conform to his probable intention and be most agreeable to reason and justice." Estate of McKenna 340 Pa. Super. 105, 110 (1985); Estate of Zerbey 313 Pa. Super. 297, 302 (1983).

Summary judgment is authorized under Pa.R.C.P. No. 1035.2 and may only be granted in cases where it is clear and free from doubt that the moving party is entitled to judgement is a matter of law. Electronic Laboratory Supply Co. v. Cullen, 712 A.2d 304 (Pa. Super. 1998). In determining whether to grant summary judgement, the trial court must resolve all doubts

against the moving party and examine the record in a light most favorable to the non-moving party. Supra, page 304.

The legal issue concerning the interpretation of Luther Dunlap's will is controlled by the precedent as set forth in the case of Hyde v. Rainey, 233 Pa. 540, 82 A. 781 (Pa. 1912), a case which is factually on point with the case at bar. In Hyde, relevant portions of the will of Jane Rainey are as follows:

5th: I will and bequeath to my son Harmon H. Rainey all that tract of land situated in Nottingham township, Washington county...[t]he above named farm contains 220 acres more or less...

6th: It is my will that if the farm on which I reside shall be leased for the purpose of mining for coal, gas or oil that the proceeds of the lease shall be divided between my four children, viz.: Sarah E. Hyde, Lydia A. Bebout, Maria J. McGregor and Harmon H. Rainey, share and share alike.

The Supreme Court accepted as settled law that the Testatrix had the undoubted legal right to devise the surface of the farm in question to her son Harmon, and the proceeds of the underlying coal to her four children, if this was indeed her intent. Our Supreme Court determined that the only reasonable inference to be drawn from the provisions of the will were that Mrs. Rainey intended by Item 5 to devise the surface of the farm to her son Harmon, and by Item 6 to divide the proceeds of

the minerals among her four children. The Supreme Court then held that "an unlimited gift of the proceeds vests in the beneficiaries an absolute estate in the corpus from which the proceeds arise." Hyde, Supra, page 549. The language of the will was then construed that the Testatrix made a devise of an absolute estate in the minerals, oil and gas to her four children. This is exactly the same situation which has occurred in the case at bar, and the Court hereby finds that it was the intent of Luther Dunlap through his will to convey an absolute ownership interest equally divided amongst his heirs, being at the time of his death his wife Alma Dunlap, and his children Austin, Norman, Golda Dunlap-Bell and Maxine Dunlap-Gardlock.

The cases cited by the Defendants are easily distinguishable. In Blair v. Shannon, 349 Pa. 550, 37 A.2d 563 (Pa. 1944), the will of the decedent, Mr. Shannon, directed his executors to collect and divide among his children any monies realized from the sale of a coal vein for which he had executed a twenty (20) year lease agreement. The lease expired twenty (20) days before Mr. Shannon's death. No coal had been removed. The decedent's children argued that the language of the will conveyed to them absolute ownership of the coal. The Supreme Court determined that upon signing of the lease for the

coal vein Mr. Shannon's interest in the coal became personal property and that he had no further interest in the coal vein as real property other than the possibility of a reverter.

Shannon's will read as follows: "Whatever is realized out of the three (3) foot vein of coal for which I gave a lease some years ago, I direct my executors to collect and divide the same among my eight children share and share alike." The Supreme Court determined that this paragraph of the will referred exclusively to a legacy of personal property, being the royalties from the removal of coal. Since the lease expired prior to Shannon's death without coal having been removed, this legacy of personal property was extinguished. The Supreme Court then notes that the facts in the case of Hyde v. Rainey "are wholly at variance from the facts in the instant case." Blair, Supra, 349 Pa., page 566.

In the case of Snyder Brothers, Inc., v. Peoples Natural Gas Company Co. v. Yohe, 450 Pa. Super., 371, 676 A.2d 1226 (1996), the Yohes were the undisputed owners of the property in question including the oil and gas rights. The Yohes signed oil and gas leases in favor of Snyder Brothers. Later a dispute arose and the Yohes erected barriers on the access road to the gas wells and refused to permit Snyder Brothers employees and agents to enter upon the property. The Superior

Court determined that a lease of minerals in the ground is a sale of an estate in fee simple until all the available minerals (or oil and gas) are removed. The lessor, in this case the Yohes, is left with only an interest in the royalties to be paid under the lease, which are personal property. The trial court's order restraining the Yohes from interfering with Snyder Brothers removal of the oil and gas was upheld. This case is easily distinguishable from the case at bar, where no valid oil and lease was executed by all the owners.

Since the Court has made a determination that the Plaintiffs position is correct, and that the will of Luther Dunlap passed absolute ownership of the sub-surface rights to his heirs and not a personal property interest in the royalties from the removal of oil and gas, the Court would enter partial summary judgement in favor of the Plaintiffs. However, it is inappropriate under both Pennsylvania case law and the Rules of Civil Procedure for the Court to enter summary judgement in favor of a non-moving party. See Bensalem Township School District v. Commonwealth of Pennsylvania, 518 Pa. 581, 544 A.2d 1318 (Pa. 1998), Rule of Civil Procedure 1035, and Mountain Village v. Longswamp Township, 828 A.2d 411 (Pa.Comwlth.Ct. 2003). Here the Plaintiffs have not filed a Motion for Summary Judgement, nor have they specifically requested the same in

their Answer to the Defendants' Motion. Therefore the Court will be limited to setting forth its findings and dismissing the Defendants Motion for Partial Summary Judgement.

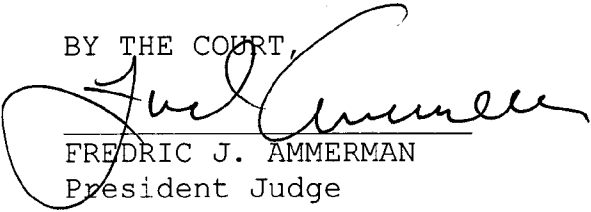
O R D E R

NOW, this 23rd day of February, 2005, consistent with the foregoing Opinion it is the Findings and Order of this Court as follows:

1. The will of Luther Y. Dunlap devised an absolute ownership interest in the gas, oil, fire clay and any other minerals found beneath his farm equally to his heirs, who were at the time of his death his wife, Alma Dunlap, and his children Austin M. Dunlap, Norman Dunlap, Golda Dunlap-Bell and Maxine Dunlap-Gardlock;

2. The Motion for Partial Summary Judgement filed on November 29, 2004 on behalf of Defendant Mid East Oil Company is hereby DISMISSED.

BY THE COURT,


FREDRIC J. AMMERMAN
President Judge

MAILED CENT COPIES

TO ATTY SMITH
&

GEARHART

ON 7-7-05
WAT

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

ORDER

AND NOW, this ____ day of _____ 2007, upon consideration of Plaintiff's
Petition for Contempt, after consideration, the Court being satisfied that it has determined
Plaintiffs to be owners of a pro-rata share of the oil and gas located under the Dunlap Farm and
that the Corporate Defendant, Mid East Oil Company, does not have a lease with said individuals
or otherwise the consent to remove their oil and gas and FURTHER apparently has not paid a
previously agreed upon amount, and the Court FURTHER being satisfied that continued removal
of the oil and gas of the Plaintiffs from the Farm causes them harm.

NOW THEREFORE, it is ORDERED that Mid East Oil Company, shall immediately
upon service of a certified copy of this Order shut down the wells on the Farm and cease and
desist from removing any oil or gas transmitting or marketing the same from said Dunlap Farm
until further Order of Court.

By the Court:

Judge

UA

Y.

[illegible]

APR 18 2007
0 13:45:14

William A. Shaw
Prothonotary/Clerk of Courts

1 cent to H_2Tg

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: Petition for Contempt

Filed on Behalf of: Plaintiffs

Counsel of Record for this Party:

John Sughrue, Esquire
Attorney I. D. No. 01037
23 North Second Street
Clearfield, PA 16830
Phone: (814) 765-1704
Fax: (814) 765-6959

Other Counsel of Record for

Barry A. Dunlap:

R. Denning Gearhart, Esquire
Attorney I.D. No. 36540
215 East Locust St.
Clearfield, PA 16830
Phone: (814) 765-1581
Fax: (814) 765-6745

Other Counsel of Record for

Mid East Oil Company:

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825
Phone/Fax (814) 849-6720

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

NOTICE

A petition or motion has been filed against you in Court. If you wish to defend against the claims set forth in the following petition, you must do so by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the matter set forth against you. You are warned that if you fail to do so, the case may proceed without you and an order for relief requested by the Petitioner or Movant. You may lose rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A 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's Office
Clearfield County Courthouse
1 North Second Street
Clearfield, PA 16830
(814) 765-2641, Ext. 32

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

PETITION FOR CONTEMPT

TO: THE HONORABLE FREDRIC J. AMMERMAN, PRESIDENT JUDGE OF SAID COURT

AND NOW, come the Plaintiffs, David L. Dunlap, Norman Dunlap and Tammy Salter, by their attorney, John Sughrue, and files a Petition for a finding of Contempt against the Corporate Defendant, Mid East Oil Company and in support thereof represents the following:

1. The Plaintiffs, David L. Dunlap, Norman Dunlap and Tammy Salter (hereafter referred to individually and collectively as Plaintiffs) are adult individuals and are represented in this matter by John Sughrue, Esquire.

2. The Respondent, Corporate Defendant Mid East Oil Company, is a Pennsylvania corporation (hereafter "Corporate Defendant") and is represented in this matter by Sharon Smith, Esquire. The individual Defendant, Barry A. Dunlap (hereafter "Individual Defendant") is represented by R. Denning Gearhart, Esquire.

3. The Plaintiffs are co-owners of an undivided interest in the gas, oil and related hydrocarbons underlying a tract of land located in Knox Township, Clearfield County, Pennsylvania known as the Luther Dunlap Farm and hereafter referred to as "the Farm".

4. This case arises out of Plaintiffs' claim that they are the owners of the oil and gas underlying the Farm and that the Corporate Defendant unlawfully removed and converted Plaintiffs' gas without securing a gas lease from them and otherwise without their consent.

5. The record reveals that the Corporate Defendant initially secured an oil and gas lease from the predecessors in title of the Individual Defendant; however, said predecessors have subsequently been determined to only own a one-fourth (1/4) undivided interest in the oil and gas.

6. Early in these proceedings, the Corporate Defendant admitted that the Plaintiffs were entitled at a minimum to receive their pro-rata share of the royalty provided under the gas lease and indicated that they were prepared to pay the same and would pay it, without prejudice to Plaintiffs' case, while other issues in this case were resolved.

7. As a result of the foregoing, this Court (former President Judge Reilly, presiding) entered and docketed an Order dated October 23, 2002, (hereafter "Court's Order") directing the Corporate Defendant to account for all gas removed from the Farm and to pay to Plaintiffs the pro-rata share of the lease royalty to which they are entitled. **A copy of said Order is attached hereto as Exhibit "A" and incorporated herein by reference.**

8. Despite the Court's Order, the Corporate Defendant failed or refused to pay the admittedly due royalties through October 20, 2004.

9. On or about April 28, 2004, the Corporate Defendant paid David L. Dunlap \$2,202.43, Tammy Salter \$2,202.43 and Norman Dunlap \$6,607.56. **Copies of said checks are attached hereto as Exhibits B1, B2 and B3.**

10. Notwithstanding the Court's Order, the monies paid aforesaid included interest and covered the gas removed for the period ending May 2001 only as set forth on a **brief accounting provided by Corporate Defendant which is attached hereto as Exhibit C1, C2, C3 and C4.**

11. The Corporate Defendant has continuously pumped and removed gas from the Farm since the wells were first drilled.

12. That there are presently three (3) wells on the Farm and each is believed to be a producing well. All wells are connected to gas transmission pipelines.

13. Under the terms of the Court's Order, the Corporate Defendant was ordered to pay to the Plaintiffs all gas royalties admitted by Corporate Defendant to be due plus all interest as of the date of the Court's Order, October 23, 2002 and thereafter as gas was removed.

14. That notwithstanding the Court's Order, the Corporate Defendant has failed and/or refused to pay to Plaintiffs the gas royalty required under the Court's Order and has so failed or refused since October 23, 2002.

15. By letter dated January 3, 2005, **copy attached as Exhibit D**, Plaintiffs' counsel gave notice of the Corporate Defendant's violation of the Court's Order and demanded an immediate accounting and payment of the sums due.

16. The Corporate Defendant's attorney did not respond to Plaintiffs' letter of January 3, 2005.

17. Notwithstanding said demand, on January 3, 2005, the Corporate Defendant has continued to fail and/or refuse to pay the sums directed by the Court's Order.

18. That the Corporate Defendant's failure and/or refusal to comply with the Court's Order of payment is a willful and intentional violation and disregard of the Court's Order and the authority of this Court.

COUNT I - CONTEMPT

19. The averments contained in Paragraph 1 – 18 above are incorporated herein by reference as though the same were set forth herein at length verbatim.

20. As a result of its conduct as aforesaid, the Corporate Defendant is violating this Court's Order and such violation constitutes contempt of this Court and its authority in this case.

WHEREFORE, the Plaintiffs respectfully move the Honorable Court to find the Corporate Defendant, Mid East Oil Company, in contempt of the Court's Order of Partial Summary Judgment dated October 23, 2002, and to provide the following relief to the Plaintiffs:

- a. Declare Corporate Defendant, Mid East Oil Company, in contempt of court and impose a fine payable to the Plaintiffs in an amount determined by the Court as appropriate under the circumstances of this case;
- b. Direct the Respondent Corporate Defendant to forthwith provide within ten (10) business days a full and complete accounting of all gas removed from the Farm and to pay immediately to the Plaintiffs within three (3) business days the royalties due Plaintiffs under the lease together with interest at annual rate of six (6%) percent;
- c. That prior to the entry of such Order, issue a Rule directed to Corporate Defendant Mid East Oil Company to show cause, if any, why the prayer of this Petition should not be granted;
- d. Such other relief as the interest of justice requires under the facts and circumstances of this case.

COUNT II – INJUNCTION

21. The averments contained in Paragraph 1 – 20 as set forth above are incorporated herein by reference as though the same were set forth herein at length verbatim.

22. That this Court has ruled in a prior Opinion and Order that the Plaintiffs are in fact, the owners of the oil and gas on the Farm, in common with other owners, an adjudication that effectively

found that the Defendant Corporate Defendant had in fact, removed oil and gas and sold it without their consent.

23. Notwithstanding this lawsuit, the Order to pay royalties, which it ignored and adjudication of Plaintiff's ownership, Corporate Defendant continued and continues to this day to convert the Plaintiff's gas for its own benefit and profit.

24. That gas and oil removed from the Farm cannot be returned and/or replaced.

25. As a result of the Corporate Defendants continued removal of oil and gas from the Farm, the Plaintiffs have suffered irreparable harm and continue to suffer irreparable harm as of the filing of this Petition.

26. The harm sustained by the Plaintiffs as a result of the Corporate Defendant's action as aforesaid cannot be adequately compensated by net money damages, generally, and for the following reasons:

- a. The Corporate Defendant is depriving the Plaintiffs unlawfully of the control of their asset and in particular and their right to determine if, when, and to whom said gas should be sold;
- b. The Corporate Defendant's action is permanently depriving Plaintiffs of the peaceful ownership, possession, and control of their property in the ground and depriving them of the benefit of such ownership;
- c. That the Corporate Defendant has sold or transferred all or part of its ownership, interest in claim to the gas wells to a third party, despite the fact that the Corporate Defendant does not have title to Plaintiff's gas and oil.

WHEREFORE, Plaintiffs respectfully move the Honorable Court to forthwith issue an ex parte temporary order directing the Corporate Defendant Corporate Defendant, Mid East Oil Company, to shut down the wells located on the farm, to close the transmission lines, and to bar the Corporate

Defendant, its successors, and assigns from taking any action to pump, remove, transmit, and/or market the gas and oil located in, under and upon the farm and thereafter issue a rule forthwith directed to the Corporate Defendant to show cause, if any, why said injunction should not be made permanent and damages assessed.

COUNT III – ACCOUNTING

27. The averments contained in Paragraph 1 – 26 as set forth above are incorporated herein by reference as though the same were set forth herein at length verbatim.

28. The Plaintiffs are without knowledge or information concerning the date the Corporate Defendant began to remove gas and oil from the Farm and is without information as to the quantity of gas that was removed from the Farm, transmitted and marketed, and the price received at the well head or at the pipeline for such gas, for the reason such information is solely within the knowledge of the Corporate Defendant.

29. In order for the Court to adequately assess the damage arising from the Corporate Defendant's action and to adjudicate the underlying issues, it is necessary that the Corporate Defendant account to the Plaintiffs and to the Court the information specified in the foregoing paragraph.

WHEREFORE, Plaintiffs respect to move the Honorable Court to forthwith enter an order directed to the Corporate Defendant, Mid East Oil Company, to show cause why an order should not be entered directing them to provide all reasonable and necessary records relating to the date that each gas well was drilled, placed on line, and the amount of gas removed from each well, the amount of gas transmitted, the identity of all buyers, and the amount received for such gas, and further to set a date and time for hearing on said issue.

COUNT IV – COUNSEL FEES

30. The averments contained in Paragraph 1 –29 as set forth above are incorporated herein by reference as though the same were set forth herein at length verbatim.

31. As a result of the Corporate Defendant's conduct as aforesaid, it is desirable and necessary for the Plaintiffs to employ an attorney to file this Petition for Contempt.

32. In order to proceed with this matter, the Plaintiffs have retained John Sughrue, Esquire, to represent them at an hourly rate of One Hundred Fifty Dollars (\$150.00) per hour for office work and Two Hundred Dollars (\$200.00) per hour for preparation of court pleadings and services provided out of the office, including in court, which is a reasonable hourly rate and consistent with the customary charge within the community.

33. But for the improper and unlawful conduct of the Corporate Defendant as aforesaid, this action and the incurring of attorney fees and expenses would be unnecessary.

34. The Plaintiff's obligation to counsel arises directly from the unlawful and contemptuous conduct of the Defendants as aforesaid.

35. Under their agreement with their lawyer on this matter, Plaintiffs have agreed to counsel's requirement that there would be a minimum non-refundable fee of One Thousand Five Hundred Dollars (\$1,500.00) against which legal services would be charged at the above-stated hourly rates.

WHEREFORE, Plaintiffs respectfully move the Honorable Court to order the Corporate Defendant, Mid East Oil Company, to reimburse them for fair reasonable counsel fees incurred by them in this matter, together with costs and expenses related to this matter in an amount to be determined by the Court, but in any event to be no less than the minimum counsel fees of One Thousand Five Hundred Dollars (\$1500.00) which they have incurred.

COUNT V – PUNITIVE DAMAGES

36. The averments contained in Paragraph 1 – 35 as set forth above are incorporated herein by reference as though the same were set forth herein at length verbatim.

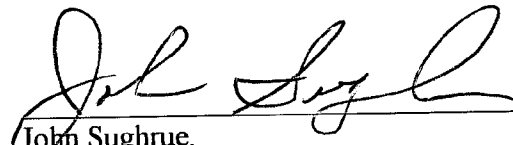
37. The Corporate Defendant's conduct as aforesaid constitutes unlawful conversion of Plaintiff's property initially and continued conversion and denial of compensation subsequently.

38. That the Corporate Defendant's conduct as aforesaid was both willful and malicious.

39. That the Corporate Defendant's conduct as aforesaid is so egregious, contemptuous, and volatile of this Court's authority and Plaintiff's rights as to make it necessary and desirable that Punitive Damages be imposed in order to deter the Corporate Defendant and individuals, similarly situated from engaging in such wrongful and harmful conduct.

WHEREFORE, Plaintiffs respectfully move the Honorable Court to enter Judgment in its favor and against Corporate Defendant, Mid East Oil Company, in an amount to be determined by the Court as sufficient to both punish and deter Corporate Defendant from such conduct in the future, with costs of this action taxed to the Corporate Defendant.

Respectfully submitted:



John Sughrue,
Attorney for Plaintiff

Copy from atty Sughrue
original misfiled

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter, Linda
Goss, Jack Gardlock and Tim Gardlock,
Co-tenants similarly situated

-vs-

No. 01 - 681 - CD

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation:

ORDER

NOW, this 23rd day of October, 2002, upon consideration of Motion for Summary Judgment filed on behalf of Defendant Mid East Oil Company, and Motion for Partial Summary Judgment filed on behalf of Plaintiff above-named, it is the ORDER of this Court that Plaintiff's Motion for Partial Summary Judgment shall be and is hereby granted to the extent that all gas royalties paid by Defendant Mid East Oil Company as a result of gas removed from the subject premises from the date of opening of gas wells to date shall be divided among those entitled thereto to the extent that Plaintiff shall receive their pro rata share thereof together with interest from the date of production to date of payment at the legal rate of 6%. It is the further ORDER of this Court that Defendant Mid East Oil Company's Motion for Summary Judgment shall be and is hereby dismissed. All other issues raised by Plaintiff shall be determined by further proceedings.

By the Court,

hereby certify this to be a true
and attested copy of the original
statement filed in this case.

/s/ JOHN K. REILLY, JR.

OCT 23 2002

Attest:

William H. Reilly
Prothonotary/
Clerk of Courts

President Judge

Ex. A

A

031630

MID-EAST OIL COMPANY

See statement attached

031630

MID-EAST OIL COMPANY
DISTRIBUTION ACCOUNT
P.O. BOX 1378
INDIANA, PA 15701

S&T BANK
INDIAN SPRINGS OFFICE
INDIANA, PA 15701
60-685-433

TWO THOUSAND TWO HUNDRED TWO ----- and 43/100 DOLLARS

AMOUNT

\$2,202.43

DATE

4/20/04

PAY
TO THE
ORDER
OF

Tammy Salter
17 North 3rd Street
Philipsburg, PA 16866

AUTHORIZED SIGNATURE

Tammy Salter

⑆031630⑆ ⑆043306855⑆ 0005617149⑆

Security Features Included. Details on back.

Ex. B1

B1.

RESERVE BOARD OF GOVERNORS REG. CO.
 The following items have been found in the Office of the Clerk of the Board of Directors:
 1. Stamps in blue ink appear with chemical alteration.
 2. Where marks are which are used in absence of original Document.
 3. Writings on back of check.
 4. Stamps in blue ink appear with chemical alteration.

FOR DEPOSIT ONLY
 CLEARFIELD BANK & TRUST CO.
 JOHN SUGHRUE ATTY.
 TRUSTEE ACCOUNT

*Pay to order of Mr. [unclear]
 Trust Account
 Tammy S. [unclear]*

MID-EAST OIL COMPANY

031629

19

See statement attached

Ex. B2

B2

| | | | | | |
|---|--|---|--|--|--|
| MID-EAST OIL COMPANY DISTRIBUTION ACCOUNT P.O. BOX 1378 INDIANA, PA 15701 | | S&T BANK INDIAN SPRINGS OFFICE INDIANA, PA 15701 60-685-433 | | 031629 | |
| TWO THOUSAND TWO HUNDRED TWO ----- and 43/100 DOLLARS | | | | | |
| PAY TO THE ORDER OF David L. Dunlap RD #3, Box 389 Curwensville, PA 16833 | | DATE 4/20/04 | | AMOUNT \$2,202.43 | |
| | | | | AUTHORIZED SIGNATURE <i>David Dunlap</i> | |
| | | | | Security Features Included. Details on back. | |
| | | | | 031629 1043306855 0005617149 | |

MID-EAST OIL COMPANY

031631

See statement attached

~~6667.56~~
~~2200.60~~
~~4,466.96~~

Ex B3

B3

| | | | | | |
|---|--|---|--|-------------------------|------------|
| MID-EAST OIL COMPANY DISTRIBUTION ACCOUNT P.O. BOX 1378 INDIANA, PA 15701 | | S&T BANK INDIAN SPRINGS OFFICE INDIANA, PA 15701 60-685-433 | | 031631 | |
| SIX THOUSAND SIX HUNDRED SEVEN ----- and 56/100 DOLLARS | | | | DATE | AMOUNT |
| | | | | 4/20/04 | \$6,607.56 |
| NORMAN L. DUNLAP 222 Leavy Ave., Apt 2 Clearfield, PA 16830 | | | | AUTHORIZED SIGNATURE | |
| PAY TO THE ORDER OF | | | | <i>Norman L. Dunlap</i> | |
| ⑈031631⑈ ⑆043306855⑆ 0005617149⑈ | | | | | |

091013/7-95

Security Features Included. Details on Back.

Pay to the order of
John Lutz C.B.T.
Trusted A.C.
Norman L. Deelop

The following features are not listed, except industry guidelines.

| | |
|-------------------------|--|
| Security features | Receipt or recording of funds |
| Signature of the issuer | Claims of spots for special or other reasons |
| Serial number | When the appearance of the note |
| Security Screen | Absence of Original Document |
| | Verbiage on back of check |

* FEDERAL RESERVE BOARD OF GOVERNORS REG. 10

Austin Dunlap #1

| | Production | Payment | | | Gross | Royalty | Royalty | Interest @ |
|------------------|------------|----------|------------|---------|--------------------|------------|------------------|-----------------|
| | Month | Date | Volume | Rate | Income | Percentage | Amount | 6% |
| Dunlap | Nov-99 | 02/25/00 | 1264 | \$ 2.81 | \$ 3,551.84 | 12.50% | \$ 443.98 | \$ 99.95 |
| Dunlap | Dec-99 | 03/24/00 | 4475 | \$ 2.58 | \$ 11,545.50 | 12.50% | \$ 1,443.19 | \$ 318.24 |
| Dunlap | Jan-00 | 04/24/00 | 3083 | \$ 2.69 | \$ 8,293.27 | 12.50% | \$ 1,036.66 | \$ 223.31 |
| Dunlap | Feb-00 | 05/25/00 | 2845 | \$ 2.72 | \$ 7,738.40 | 12.50% | \$ 967.30 | \$ 203.44 |
| Dunlap | Mar-00 | 06/26/00 | 2642 | \$ 2.69 | \$ 7,106.98 | 12.50% | \$ 888.37 | \$ 182.17 |
| Dunlap | Apr-00 | 07/25/00 | 2110 | \$ 2.70 | \$ 5,697.00 | 12.50% | \$ 712.13 | \$ 142.63 |
| Dunlap | May-00 | 08/25/00 | 1902 | \$ 2.74 | \$ 5,211.48 | 12.50% | \$ 651.44 | \$ 127.16 |
| Dunlap | Jun-00 | 09/25/00 | 1344 | \$ 2.81 | \$ 3,776.64 | 12.50% | \$ 472.08 | \$ 89.74 |
| Held By Mid-East | Jul-00 | 10/25/00 | 1566 | \$ 2.90 | \$ 4,541.40 | 12.50% | \$ 567.68 | \$ 105.13 |
| Held By Mid-East | Aug-00 | 11/27/00 | 1629 | \$ 2.85 | \$ 4,642.65 | 12.50% | \$ 580.33 | \$ 104.31 |
| Held By Mid-East | Sep-00 | 12/22/00 | 1482 | \$ 3.01 | \$ 4,460.82 | 12.50% | \$ 557.60 | \$ 97.93 |
| Held By Mid-East | Oct-00 | 01/26/01 | 1432 | \$ 3.85 | \$ 5,513.20 | 12.50% | \$ 689.15 | \$ 117.07 |
| Held By Mid-East | Nov-00 | 02/26/01 | 1131 | \$ 3.03 | \$ 3,426.93 | 12.50% | \$ 428.37 | \$ 70.59 |
| Held By Mid-East | Dec-00 | 03/26/01 | 1219 | \$ 3.01 | \$ 3,669.19 | 12.50% | \$ 458.65 | \$ 73.47 |
| Held By Mid-East | Jan-01 | 04/26/01 | 857 | \$ 3.08 | \$ 2,639.56 | 12.50% | \$ 329.95 | \$ 51.17 |
| Held By Mid-East | Feb-01 | 05/25/01 | 914 | \$ 3.07 | \$ 2,805.98 | 12.50% | \$ 350.75 | \$ 52.72 |
| Held By Mid-East | Mar-01 | 06/25/01 | 921 | \$ 3.01 | \$ 2,781.42 | 12.50% | \$ 347.68 | \$ 50.49 |
| Held By Mid-East | Apr-01 | 07/25/01 | 1011 | \$ 3.10 | \$ 3,144.21 | 12.50% | \$ 393.03 | \$ 55.14 |
| Held By Mid-East | May-01 | 08/20/01 | <u>883</u> | \$ 3.08 | <u>\$ 2,728.47</u> | 12.50% | <u>\$ 341.06</u> | <u>\$ 46.39</u> |
| | | | 32710 | | \$ 93,274.94 | | \$ 11,659.37 | \$ 2,211.05 |

Ex. C1

C1

Austin Dunlap #2

| | Production Month | Payment Date | Volume | Rate | Gross Income | Royalty Percentage | Royalty Amount | Interest @ 6% |
|------------------|---------------------|-----------------|------------|---------|--------------------|-----------------------|-------------------|------------------|
| Dunlap | | | | | | | | |
| Dunlap | | | | | | | | |
| Dunlap | | | | | | | | |
| Dunlap | | | | | | | | |
| Dunlap | Mar-00 | 06/26/00 | 434 | \$ 2.69 | \$ 1,167.46 | 12.50% | \$ 145.93 | \$ 29.92 |
| Dunlap | Apr-00 | 07/25/00 | 863 | \$ 2.70 | \$ 2,330.10 | 12.50% | \$ 291.26 | \$ 58.35 |
| Dunlap | May-00 | 08/25/00 | 737 | \$ 2.74 | \$ 2,019.38 | 12.50% | \$ 252.42 | \$ 49.27 |
| Dunlap | Jun-00 | 09/25/00 | 671 | \$ 2.81 | \$ 1,885.51 | 12.50% | \$ 235.69 | \$ 44.80 |
| Held By Mid-East | Jul-00 | 10/25/00 | 652 | \$ 2.90 | \$ 1,890.80 | 12.50% | \$ 236.35 | \$ 43.76 |
| Held By Mid-East | Aug-00 | 11/27/00 | 633 | \$ 2.85 | \$ 1,804.05 | 12.50% | \$ 225.51 | \$ 40.54 |
| Held By Mid-East | Sep-00 | 12/22/00 | 701 | \$ 3.01 | \$ 2,110.01 | 12.50% | \$ 263.75 | \$ 46.32 |
| Held By Mid-East | Oct-00 | 01/26/01 | 622 | \$ 3.85 | \$ 2,394.70 | 12.50% | \$ 299.34 | \$ 50.85 |
| Held By Mid-East | Nov-00 | 02/26/01 | 482 | \$ 3.03 | \$ 1,460.46 | 12.50% | \$ 182.56 | \$ 30.08 |
| Held By Mid-East | Dec-00 | 03/26/01 | 590 | \$ 3.01 | \$ 1,775.90 | 12.50% | \$ 221.99 | \$ 35.56 |
| Held By Mid-East | Jan-01 | 04/26/01 | 519 | \$ 3.08 | \$ 1,598.52 | 12.50% | \$ 199.82 | \$ 30.99 |
| Held By Mid-East | Feb-01 | 05/25/01 | 471 | \$ 3.07 | \$ 1,445.97 | 12.50% | \$ 180.75 | \$ 27.17 |
| Held By Mid-East | Mar-01 | 06/25/01 | 447 | \$ 3.01 | \$ 1,349.94 | 12.50% | \$ 168.74 | \$ 24.51 |
| Held By Mid-East | Apr-01 | 07/25/01 | 474 | \$ 3.10 | \$ 1,474.14 | 12.50% | \$ 184.27 | \$ 25.85 |
| Held By Mid-East | May-01 | 08/20/01 | <u>422</u> | \$ 3.08 | <u>\$ 1,303.98</u> | 12.50% | <u>\$ 163.00</u> | <u>\$ 22.17</u> |
| | | | 8718 | | \$ 26,010.92 | | \$ 3,251.37 | \$ 560.14 |

Ex C2

C2

Austin Dunlap #3

| | Production | Payment | | | | Gross | Royalty | Royalty | Interest @ |
|------------------|------------|----------|-------------|------|------|--------------------|------------|------------------|-----------------|
| | Month | Date | Volume | Rate | | Income | Percentage | Amount | 6% |
| Held By Mid-East | Aug-00 | 11/27/00 | 288 | \$ | 2.85 | \$ 820.80 | 12.50% | \$ 102.60 | \$ 18.44 |
| Held By Mid-East | Sep-00 | 12/22/00 | 3162 | \$ | 3.01 | \$ 9,517.62 | 12.50% | \$ 1,189.70 | \$ 208.95 |
| Held By Mid-East | Oct-00 | 01/26/01 | 2838 | \$ | 3.85 | \$ 10,926.30 | 12.50% | \$ 1,365.79 | \$ 232.02 |
| Held By Mid-East | Nov-00 | 02/26/01 | 2687 | \$ | 3.03 | \$ 8,141.61 | 12.50% | \$ 1,017.70 | \$ 167.70 |
| Held By Mid-East | Dec-00 | 03/26/01 | 2158 | \$ | 3.01 | \$ 6,495.58 | 12.50% | \$ 811.95 | \$ 130.06 |
| Held By Mid-East | Jan-01 | 04/26/01 | 1949 | \$ | 3.08 | \$ 6,002.92 | 12.50% | \$ 750.37 | \$ 116.37 |
| Held By Mid-East | Feb-01 | 05/25/01 | 1512 | \$ | 3.07 | \$ 4,641.81 | 12.50% | \$ 580.23 | \$ 87.22 |
| Held By Mid-East | Mar-01 | 06/25/01 | 1486 | \$ | 3.01 | \$ 4,487.72 | 12.50% | \$ 560.97 | \$ 81.47 |
| Held By Mid-East | Apr-01 | 07/25/01 | 1539 | \$ | 3.10 | \$ 4,786.29 | 12.50% | \$ 598.29 | \$ 83.93 |
| Held By Mid-East | May-01 | 08/20/01 | <u>1469</u> | \$ | 3.08 | <u>\$ 4,539.21</u> | 12.50% | <u>\$ 567.40</u> | <u>\$ 77.18</u> |
| | | | 19088 | | | \$ 60,359.86 | | \$ 7,544.98 | \$ 1,203.34 |

Ex. C3

C3

Austin Dunlap #1 - Austin Dunlap #2 - Austin Dunlap #3

Recap Statement

(For funds escrowed by Mid-East Oil Company ONLY)

| | Well Name | Royalty Due | Interest Due | |
|-----|------------------|--------------------|--------------------|--------------------|
| (1) | Austin Dunlap #1 | \$ 11,659.37 | \$ 2,211.03 | \$ 13,870.40 |
| (2) | Austin Dunlap #2 | \$ 3,251.37 | \$ 560.14 | \$ 3,811.51 |
| (3) | Austin Dunlap #3 | <u>\$ 7,544.98</u> | <u>\$ 1,203.34</u> | <u>\$ 8,748.32</u> |
| | | \$ 22,455.72 | \$ 3,974.51 | \$ 26,430.23 |

| | |
|-----------------------------|--------------------|
| Amount Paid to Barry Dunlap | \$ 7,540.45 |
| Amount Held By Mid-East | \$ 14,915.27 |
| Interest Due From Mid-East | <u>\$ 3,974.51</u> |
| | \$ 26,430.23 |

Amounts Due

| | |
|------------------------------|-------------|
| David Dunlap (1/12 of 1/8th) | \$ 2,202.43 |
| Tammy Salter (1/12 of 1/8th) | \$ 2,202.43 |
| Norman Dunlap (1/4 of 1/8th) | \$ 6,607.56 |

| | |
|--------------------------------------|----------------------|
| Barry Dunlap (1/4 of 1/8th) | \$ 6,607.56 |
| Interest not due Barry Dunlap | \$ (392.24) |
| Amount paid directly to Barry Dunlap | <u>\$ (7,540.45)</u> |
| Net Amount due Barry Dunlap | \$ (932.89) |

| | |
|------------------------------------|-------------|
| Amount to be Escrowed | \$ 8,810.25 |
| pending outcome of Civil action | |

RECEIVED
APR 28 2004

BY:.....

Ex C4

C4

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

January 3, 2005

Sharon L. Smith, Esq.
197 Main St.
Brookville, PA 15825

*Note
to
Sharon*

RE: Dunlap, et al. v. Mid East Oil Co. and Barry Dunlap

Dear Ms. Smith,

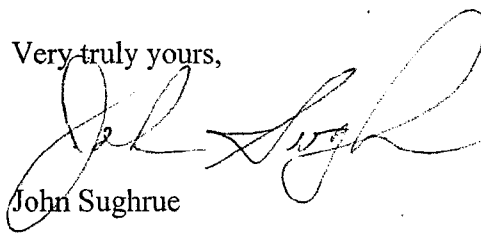
In reviewing my file, I note that your client, Mid East Oil Co., is obligated under Judge Reilly's Partial Judgment Order to pay to my clients the amount of the royalties which it admits to be due plus interest. Your initial payment, although delayed, was made with interest some time ago. Although oil and gas continues to be removed from the property, your client has not made any payments since that initial payment you forwarded.

Please accept this letter as notice to you of your delinquency and your violation of the Court's Order. Unless payment is received within five (5) days of your receipt of this letter together with an accounting and interest, I will petition the Court for a contempt citation.

Anticipating your response, please be advised that your client's sale or transfer of the gas wells in question, whatever it did, it is my opinion that such voluntary transfer does not relieve your client of its obligation. The transferee took any assets transferred subject to this litigation. The transferee has not made any payments. A past offer by the transferee to make payment of admitted royalties was conditioned upon its demand that certain paperwork be signed by my clients. The order in question does not require my clients to execute any paperwork and the suggested paperwork contradicted your position in this case.

Hopefully you will agree that your client cannot eliminate its obligation and you will advise the client to pay up immediately. Thank you for your immediate attention to this matter.

Very truly yours,


John Sughrue

JS/kg

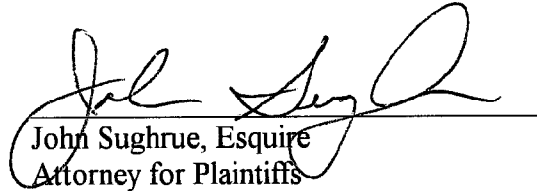
cc: Mr. & Mrs. David Dunlap
Mr. Norman Dunlap
Ms. Tammy Salter
R. Denning Gearhart, Esq.

EXD

VERIFICATION

I, Attorney for Plaintiffs, state that I am acquainted with the facts set forth in the foregoing PETITION FOR CONTEMPT and that the same are true and correct to the best of my knowledge, information, and belief. I further state that this verification is made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities; and that in furtherance of judicial expedience, because the client is unavailable to execute a Verification in time to file this pleading, I am making this verification in order to expedite the pleading. A Verification executed by the Defendants will be filed if requested.

Date: April 18, 2007


John Sughrue, Esquire
Attorney for Plaintiffs

CERTIFICATE OF SERVICE

AND NOW, I do hereby certify that on April 18, 2007, I caused a true and correct copy of the foregoing PETITION FOR CONTEMPT together with PROPOSED EX PARTE ORDER and PRELIMINARY ORDER to be served on the following and in the manner indicated below:

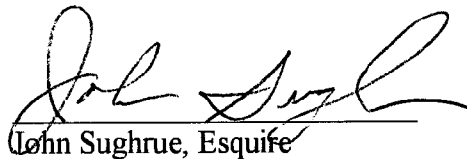
By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Court Administrator
Clearfield County Courthouse
1 North Second Street
Clearfield, PA 16830

Sharon L. Smith, Esquire
197 Main Street
Brookville, PA 15825

R. Denning Gearhart, Esquire
215 East Locust Street
Clearfield, PA 16830

Date: April 18, 2007

A handwritten signature in black ink, appearing to read 'John Sughrue', written over a horizontal line.

John Sughrue, Esquire
Attorney for Plaintiffs
David L. Dunlap, Norman Dunlap & Tammy Salter

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

*
*
*
*
*
*
*
*
*
*
*

FILED
013:4/6/07
APR 23 2007
William A. Shaw
Prothonotary/Clerk of Courts
Sughrue
CA

No. 01- 681 -C.D.

PRELIMINARY ORDER

AND NOW, this 20 day of April 2007, upon consideration of Plaintiff's Petition for Contempt filed April 18, 2007, it is ORDERED as follows:

1. A Rule shall be and is hereby issued directed to Corporate Defendant, Mid East Oil Company, to Show Cause, if any, why the Prayer of Plaintiff's Petition should not be granted;
2. Said Rule is returnable for answer only on or before the 18th day of May, 2007;
3. That a Pre-Hearing Conference on said matter and the issues contained in said Petition shall be held on the 29th day of May at 2:00 o'clock Pm in Courtroom No. 1, Clearfield County Courthouse, Clearfield, Pennsylvania;
4. The Plaintiff's counsel shall serve a copy of this Preliminary Order on all opposing counsel by US Mail First Class Prepaid.

NOTICE

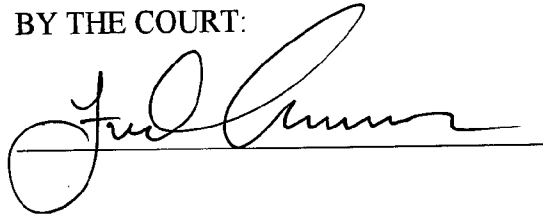
A petition or motion has been filed against you in Court. If you wish to defend against the claims set forth in the following petition, you must do so by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the matter set forth against you. You are warned that if you fail to do so, the case may proceed

without you and an order for relief requested by the Petitioner or Movant. You may lose rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A 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's Office
Clearfield County Courthouse
1 North Second Street
Clearfield, PA 16830
(814) 765-2641, Ext. 32

BY THE COURT:

A handwritten signature in black ink, appearing to read "Judith", written over a horizontal line.

Judge

FILED

APR 23 2007

William A. Shaw
Prothonotary/Clerk of Courts

DATE: 4/23/07

☒ You are responsible for serving all appropriate parties.

☐ The Prothonotary's office has provided service to the following parties:

☐ Plaintiff(s) ☐ Plaintiff(s) Attorney ☐ Other

☐ Defendant(s) ☐ Defendant(s) Attorney

☐ Special Instructions:

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01- 681 -C.D.

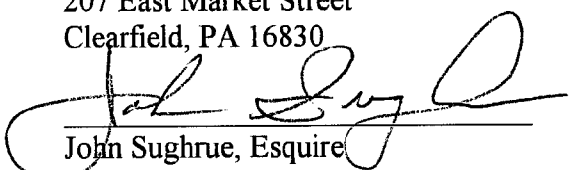
AFFIDAVIT OF SERVICE

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF CLEARFIELD :

The undersigned, John Sughrue, Attorney for Plaintiffs, in the above-captioned matter, being duly sworn according to law, deposes and says that he caused a true and correct copy of the Court's Preliminary Order of April 20, 2007 entered in the above matter, to be served on April 24, 2007 by United States mail, first class, postage prepaid on the following named individuals at the addresses indicated.

Sharon L. Smith, Esq.
Attorney for Mid East Oil Co.
197 Main St.
Brookville, PA 15825

R. Denning Gearhart, Esq.
Attorney for Barry A. Dunlap
207 East Market Street
Clearfield, PA 16830


John Sughrue, Esquire
Attorney for Plaintiffs

Sworn to and subscribed before me this 24th day of April 2007.


Notary Public

My Commission Expires:

WILLIAM A. SHAW
Prothonotary
My Commission Expires
1st Monday in Jan. 2010
Clearfield Co., Clearfield, PA

CERTIFICATE OF SERVICE

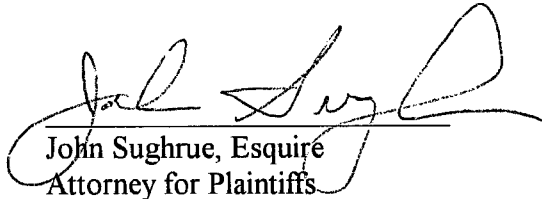
AND NOW, I do hereby certify that on April 24, 2007, I caused a true and correct copy of the Court's Preliminary Order dated April 20, 2007 to be served on the following and in the manner indicated below:

By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Sharon L. Smith, Esquire
Attorney for Mid East Oil Co.
197 Main Street
Brookville, PA 15825

R. Denning Gearhart, Esquire
Attorney for Barry A. Dunlap
207 East Market Street
Clearfield, PA 16830

Date: April 24, 2007


John Sughrue, Esquire
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01-681 – C.D.

Type of Case: Civil Action

Type of Pleading:
Certificate of Service

Filed on Behalf of: Defendant
Mid East Oil Company

Counsel of Record for
Mid East Oil Company:
Wayne A. Kablack, Esquire
PA I.D. #25858

Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
724-465-5559

FILED NO CC
MAY 17 2007
William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

| | | |
|--|---|-------------------|
| DAVID L. DUNLAP, Co-tenant, | : | |
| Individually and as Fiduciary for | : | |
| Norman Dunlap, Tammy Salter, | : | |
| Linda Goss, Jack Gardlock, and Tim Gardlock, | : | |
| Co-tenants similarly situated, | : | |
| PLAINTIFF | : | |
| | : | |
| vs. | : | No. 01-681 – C.D. |
| | : | |
| BARRY A. DUNLAP, an individual and | : | |
| MID EAST OIL COMPANY, a Corporation | : | |
| DEFENDANTS | : | |

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Praecipe and Answer to Petition for Contempt and New Matter was served on the following persons listed below, by first class, United States Mail, postage prepaid, from Indiana, Pennsylvania, this 16th day of May, 2007.

Sharon Smith, Esq.
197 Main Street
Brookville, PA 15825

John Sughrue, Esq.
23 North Second Street
Clearfield, PA 16830

R. Denning Gearhart, Esq.
215 East Locust Street
Clearfield, PA 16830



Wayne A. Kablack, Esquire
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
(724) 465-5559
Attorneys for Defendant,
Mid East Oil Company

FILED

MAY 17 2007

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01-681 – C.D.

Type of Case: Civil Action

Type of Pleading:
Praecipe

Filed on Behalf of: Defendant

Counsel of Record for
Mid East Oil Company:
Wayne A. Kablack, Esquire
PA I.D. #25858

Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
724-465-5559

FILED *NO EC*
M 110:33321
MAY 17 2007 *copy to CIA*

William A. Shaw
Prothonotary/Clerk of Courts *CK*

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

vs.

No. 01-681 – C.D.


BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation

DEFENDANTS

PRAECIPE

TO THE PROTHONOTARY:

Please enter our appearance on behalf of Mid East Oil Company, a corporation, one of
the defendants in the above captioned matter.



Wayne A. Kablack, Esq.
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
(724) 465-5559
Attorneys for Mid East Oil Company

FILED

MAY 17 2007

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01-681 – C.D.

Type of Case: Civil Action

Type of Pleading:
Answer to Petition for Contempt
and New Matter

Filed on Behalf of: Defendant

Counsel of Record for
Mid East Oil Company:
Wayne A. Kablack, Esquire
PA I.D. #25858

Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
724-465-5559

FILED *WCC*
m/p 3361
MAY 17 2007 *(CR)*

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

vs.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation

DEFENDANTS

No. 01-681 – C.D.

NOTICE TO PLEAD

TO THE PLAINTIFFS:

You are hereby notified to plead to the within New Matter within 20 days from service hereof or a default judgment may be entered against you.



Wayne A. Kablack, Esq.
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
(724) 465-5559
Attorneys for Mid East Oil Company

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

| | | |
|--|---|-------------------|
| DAVID L. DUNLAP, Co-tenant, | : | |
| Individually and as Fiduciary for | : | |
| Norman Dunlap, Tammy Salter, | : | |
| Linda Goss, Jack Gardlock, and Tim Gardlock, | : | |
| Co-tenants similarly situated, | : | |
| PLAINTIFF | : | |
| | : | |
| vs. | : | No. 01-681 – C.D. |
| | : | |
| BARRY A. DUNLAP, an individual and | : | |
| MID EAST OIL COMPANY, a Corporation | : | |
| DEFENDANTS | : | |

ANSWER TO PETITION FOR CONTEMPT

AND NOW, comes the Defendant, Mid East Oil Company, by and through its attorney, Wayne A. Kablack and Simpson, Kablack & Bell and files the following response to the Plaintiff's Petition:

1. Admitted.
2. Admitted in part and denied in part. The allegations are admitted with the exception that Mid East Oil Company is now represented by Wayne A. Kablack and Simpson, Kablack & Bell.
3. Denied. This allegation constitutes a conclusion of law and, therefore, merits no responsive pleading. To the extent that it merits a responsive pleading, it is admitted that the plaintiffs, together with others, are entitled to the proceeds from the oil and gas production. It is the contention of the Defendant that the Plaintiffs are not the owners of the oil, gas, and related hydrocarbons but merely have the right to share the proceeds.
4. Admitted in part and denied in part. It is admitted that the allegations contained in Paragraph 4 accurately represent what the Plaintiffs are claiming. It is denied that, in fact, their

claim is invalid in that they only have the right to receive the proceeds and do not, in fact, own the oil and gas underlying the farm.

5. Admitted in part and denied in part. It is admitted that the Corporate Defendant did obtain a lease from the individual defendant's predecessors in interest. It is admitted that there is an Order that provides that the individual defendant owns one-fourth of the oil and gas; however, it is denied that this is a final determination since this matter has not yet been concluded.

6. Admitted in part and denied in part. It is admitted that the Corporate Defendant agreed that the plaintiffs, together with other individuals, were entitled to their pro-rata share of royalties pursuant to the gas lease. It is denied, however, that the Corporate Defendant's position was that they were entitled to that at a minimum.

7. Denied. The Order speaks for itself.

8. Denied. The Corporate Defendant has paid all royalties that are due and owing pursuant to the Order of Court that are in any way controlled by the Corporate Defendant.

9. Admitted.

10. Admitted in part and denied in part. It is admitted that the monies that were due and owing, together with interest, have been paid through May of 2001. To the extent that it appears that the plaintiffs are arguing that this Corporate Defendant did not comply with the Order of Court, such allegation is incorrect and inaccurate.

11. Denied. The Corporate Defendant has not owned these wells for years and counsel for the plaintiffs is well aware that the ownership was transferred.

12. Denied. This Corporate Defendant believes that the allegations may be true, however, this Corporate Defendant has no ability to confirm whether there are three presently producing gas wells that are connected to gas transmission pipeline since this Corporate Defendant had sold the gas wells years ago and that buyer subsequently sold the gas wells to another purchaser. After reasonable investigation, this Defendant is without sufficient

knowledge or information concerning the allegations of continued gas production and strict proof thereof is demanded at trial.

13. Denied. The Order of Court speaks for itself. This Corporate Defendant has paid all royalties together with interest from the time that the wells were drilled until the wells were sold.

14. Denied. The Corporate Defendant has paid all gas royalties, together with interest thereon, pursuant to the Order of Court from the time the wells were drilled until the time that this Corporate Defendant transferred the gas wells.

15. Admitted in part and denied in part. The letter speaks for itself. It is admitted that the letter was sent, however, it is denied that this Corporate Defendant has any obligation to make any further payments and it is further denied that this Corporate Defendant has violated the Order of Court.

16. Admitted in part and denied in part. To the best of knowledge of this Corporate Defendant, prior counsel did not respond directly to the letter of January 3, 2005, however, counsel for the Plaintiff is well aware that it is the Corporate Defendant's position that it has already complied with all obligations pursuant to the Order of Court.

17. Denied. The Corporate Defendant paid all amounts due and owing together with interest. Counsel for the Plaintiffs has been advised by numerous persons of the change in ownership and what is required in order to make sure that his clients received timely payment. Counsel for the Plaintiffs has refused to cooperate with the owners of the gas wells.

18. Denied. Counsel for the Plaintiffs is well aware of the transfer of the gas and actually confirmed that by acknowledging it in his letter of January 3, 2005. This Corporate Defendant has complied with the Order of Court including the payment of all royalties due and owing together with interest while this Corporate Defendant owned the gas wells.

COUNT I – CONTEMPT

19. Paragraphs 1 through 18 of the Answer are incorporated herein by reference as though set forth fully herein.

20. Denied. This Corporate Defendant is not in violation of the Order of Court and had made all necessary payments years ago.

WHEREFORE, this Corporate Defendant prays this Honorable Court dismiss the Plaintiffs' Complaint for Contempt.

COUNT II – INJUNCTION

21. Paragraphs 1 through 20 of the Answer are incorporated herein by reference as though set forth fully herein.

22. Denied. The Order of Court speaks for itself.

23. Denied. The Corporate Defendant paid all amounts due and owing that the Corporate Defendant was required to pay. Plaintiffs' counsel is well aware that the gas wells had been sold previously but has failed to cooperate with the new owners in order to receive the royalties for his clients.

24. Admitted in part and denied in part. It is admitted that gas was removed from the premises. This allegation is irrelevant. In fact, gas can obviously be replaced and to a certain extent can be returned to the ground as is done routinely in storage fields.

25. Denied. The Plaintiffs have not suffered irreparable harm and they certainly can be compensated with damages. The amount that may be due and owing is easily ascertainable by obtaining records from subsequent owners.

26. Denied. The Corporate Defendant responds to the specific allegations as follows:

a. Denied. The Corporate Defendant is not depriving the Plaintiffs of the control of their assets. The Corporate Defendant leased property, drill gas wells, and operated them in a proper manner and sold the gas at appropriate prices while this Corporate Defendant still owned the gas wells. At the current time, this Corporate Defendant no longer owns the gas wells..

b. Denied. The Corporate Defendant has not been involved in this matter for a period of years and is no way depriving the Plaintiffs of anything at this point. The

Plaintiffs can receive what benefits they are entitled to from the property by merely executing the appropriate paperwork with the new owner.

c. Admitted in part and denied in part. It is admitted that the Corporate Defendant has sold and transferred the ownership of the gas wells to a third party which subsequently transferred them to another third party. The allegation that the Corporate Defendant did not have title to the gas and oil is a conclusion of law and, therefore, merits no responsive pleading. To the extent that it merits a responsive pleading, it is believed that the Corporate Defendant did own the oil and gas prior to transferring it to a third party.

WHEREFORE, this Corporate Defendant requests this Honorable Court deny the request for an injunction.

COUNT III – ACCOUNTING

27. Paragraphs 1 through 26 of the Answer are incorporated herein by reference as though set forth fully herein.

28. Denied. Some of the Plaintiffs are well aware when the oil and gas development took place on the property since they live close to where the wells were drilled. They have already been provided with an accounting previously together with checks with 6% interest. The reason they have not received further information regarding the gas wells as well as checks is because of the Plaintiffs' refusal to sign standard documentation for the current owner so that the proceeds can be paid to the Plaintiffs. Any damages that would be attributable to the Corporate Defendant in regard to the proceeds of the gas wells have already been paid with interest.

29. Admitted in part and denied in part. It is denied that the Plaintiffs are entitled to any damages. It is admitted that in order to assess damages if, in fact, they are entitled to damages, they would need information; however, this Corporate Defendant has already provided the necessary information to Plaintiffs' counsel and the Plaintiffs to show that all

amounts due and owing from the Corporate Defendant have been paid. This Corporate Defendant has already paid what is due and owing to the Plaintiffs as well as other owners. This Corporate Defendant does not have any further information since it has sold the wells and those wells were subsequently sold to another buyer.

WHEREFORE, this Corporate Defendant prays this Honorable Court dismiss the claim for an accounting since this Corporate Defendant has already provided for an accounting for the time period in which this Corporate Defendant owned the wells.

COUNT IV – COUNSEL FEES

30. Paragraphs 1 through 29 are incorporated herein by reference as though set forth fully herein.

31. Denied. The Corporate Defendant has already paid all amounts due and owing together with interest; therefore, it is neither desirable or necessary for the Plaintiffs to file a Petition for Contempt against the Corporate Defendant since it already fully complied with the Order of Court.

32. Denied. After reasonable investigation, this Corporate Defendant is without sufficient knowledge or information concerning any retention or other arrangements between the Plaintiffs and their attorney. To the extent that he is being paid to file a Petition for Contempt against the Corporate Defendant who has already fully complied with an Order of Court, such fees are unreasonable.

33. Denied. This Petition for Contempt was filed on the basis that this Corporate Defendant did not fully comply with the Order of Court. This Corporate Defendant has, in fact, fully complied with the Order of Court and Plaintiffs' counsel is well aware that this Corporate Defendant no longer controls any funds nor does this Corporate Defendant control the gas wells in question.

34. Denied. After reasonable investigation, this Corporate Defendant is without sufficient knowledge or information concerning the Plaintiffs' obligations to counsel and strict

proof thereof is demanded at trial. To the extent anything that is being done by Plaintiffs' counsel or the Plaintiffs at this time involving any payments pursuant to the Order of Court that are due and owing by this Defendant, there is no basis for any such claims. This Corporate Defendant has acted in compliance with the Order of Court and, therefore, its actions are neither unlawful or contemptuous.

35. Denied. After reasonable investigation, this Corporate Defendant is without sufficient knowledge or information concerning the allegations contained therein and strict proof thereof is demanded at trial.

WHEREFORE, this Corporate Defendant prays this Honorable Court dismiss the request for counsel fees.

COUNT V – PUNITIVE DAMAGES

36. Paragraphs 1 through 35 of the Answer are incorporated herein by reference as though set forth fully herein.

37. Denied. A request for punitive damages is not appropriate in a contempt petition. Punitive damages have already been pled in conjunction with the Complaint in this matter and should be litigated in court at an appropriate time.

38. Denied. The Corporate Defendant's actions are not malicious nor do they constitute a basis for punitive damages.

39. Denied. The Corporate Defendant's conduct at all times have been appropriate based on the facts and circumstances known to the Corporate Defendant. At no point in time has this Corporate Defendant acted in a egregious, contemptuous, or volatile manner in regard to the court's authority since this Corporate Defendant has complied with the Order of Court.

WHEREFORE, this Corporate Defendant prays this Honorable Court dismiss the Plaintiff's Complaint.

NEW MATTER

40. Paragraphs 1 through 39 are incorporated herein by reference as though set forth fully herein.

41. The Plaintiffs have already filed a claim for punitive damages in the underlying case and, therefore, the claim for punitive damages is inappropriate.

42. A claim for punitive damages is further inappropriate in that this matter is captioned as a Petition for Contempt.

43. The Corporate Defendant has fully complied with the Order of Court by paying to the named Plaintiffs their proportionate share of the proceeds from the gas together with 6% interest.

44. Counsel for the Plaintiffs as well as the Plaintiffs have been aware for years that these gas wells have been transferred.

45. Counsel for the Plaintiffs is well aware that all that needs to be done to resolve the issue of payment of royalties for the period after Mid East no longer had an interest in the gas wells was to fill out routine paperwork for the gas companies.

46. To the best of this Corporate Defendant's knowledge, counsel for the Plaintiffs has consistently refused to allow his clients to sign the paperwork necessary to obtain the funds for his clients.

47. Plaintiffs have an adequate remedy at law which is damages.

48. Gas companies routinely account for production for their gas wells. Generally, there is a significant systems of checks and balances regarding the production of gas as a result of various meters, sales information, and integration.

49. The filing of an injunction together with punitive damages in a petition for contempt is inappropriate and is not consistent with applicable law.

50. Counsel fees are inappropriate for the Plaintiffs in this matter due to the fact that the Plaintiffs and/or their counsel are the ones who have caused the problem by filing a petition against the Corporate Defendant that has complied with the Order of Court.

51. To the extent that the Plaintiffs have not received proceeds after the gas wells were sold by the Corporate Defendant, this is a result of their continual refusal to sign customary paperwork in order to get their checks. This documentation includes, among other things, confirmation of tax id numbers or social security numbers so that gas companies can properly account for or report to the government the proceeds that are being paid to these individuals.

52. The Plaintiffs have failed to join indispensable parties, i.e., the gas company that bought the gas wells from Mid East as well as the gas company that subsequently purchased the gas wells from the initial purchaser from Mid East.

53. The Corporate Defendant has retained Wayne A. Kablack and the law firm of Simpson, Kablack & Bell to defend this Petition for Contempt.

54. Since there is no legal basis for the Petition for Contempt as well as ancillary matters raised therein, counsel fees should be awarded to the Corporate Defendant's counsel, Wayne A. Kablack.

55. Wayne A. Kablack is charging the Corporate Defendant \$160.00 an hour for services rendered to the Corporate Defendant.

56. Plaintiffs and their counsel should be responsible for payment of attorneys fees and expenses for the filing of the Petition in Contempt and ancillary matters because counsel for the Plaintiffs, as well as the Plaintiffs, are well aware that Mid East Oil Company has already paid what was due and owing together with interest since Mid East had already provided an accounting. Any amounts due and owing would be owed by other parties.

57. The Plaintiffs and their counsel have acted unreasonable in pursuing this Petition for Contempt and failing to cooperate with subsequent purchasers so they could receive what royalties were due and owing.

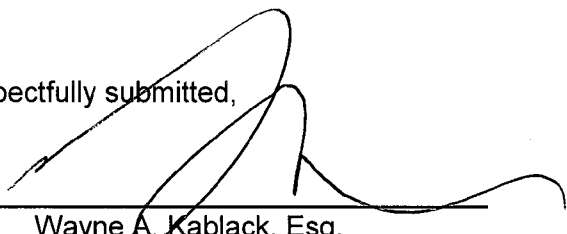
58. Attached as Exhibit 1 is a letter of January 7, 2004, addressed to one of the Plaintiffs, Norman Dunlap, advising him that Enervest was willing to release the royalties in escrow upon execution of the Certificate of Ownership which is attached hereto and made a part hereof as Exhibit 2.

59. This letter was written approximately one year prior to the letter of John Sughrue dated January 3, 2005, addressed to Sharon L. Smith which is Exhibit D to the Petition for Contempt.

WHEREFORE, the Corporate Defendant prays your Honorable Court dismiss the Plaintiffs' Petition for Contempt and all ancillary relief and award attorneys fees to Wayne A. Kablack and Simpson, Kablack & Bell because of this vexatious filing by the Plaintiffs and their counsel.

Respectfully submitted,

By



Wayne A. Kablack, Esq.
Attorney for Mid East Oil Company

ENERVEST OPERATING, L.L.C.

**P. O. DRAWER 1878
CLARKSBURG, WV 26301-1878
(304) 622-1102
Fax (304) 622-1698**

January 7, 2004

Mr. Norman L. Dunlap
222 Leavy Ave., Apt. 2
Clearfield, PA 16830

Re: Lease File C-064
Well MID 1446, MID 1477, MID 1528
Dunlap et al. V. Dunlap & Mid-East Oil Company No. 01-681-CD

Dear Mr. Dunlap:

EnerVest has been advised that an order has been entered by Judge Reilly of the Court of Common Pleas of Clearfield County, Pennsylvania, partially granting the plaintiff's motion for summary judgement in the above cited litigation. In order to properly pay the royalties currently held in escrow for the subject wells, we have prepared and enclosed a Certificate of Ownership verifying payment information and authorization.

We ask that you complete the form, correct any incorrect information and sign the certificate. Upon our receipt of the executed certificate, release of your portion of the escrow royalties will be authorized.

A self addressed envelope has been enclosed for your convenience.

Sincerely,
EnerVest Operating, L.L.C.



Jerry L. Jackson
Landman

Enclosures (2)

cc: Mid-East Oil Company
Sharon L. Smith
File

**CERTIFICATE OF OWNERSHIP
FOR
INITIAL OR CHANGE IN OWNERSHIP**

Lease File: C-064 Well MID 1446, MID1477, MID1528 Date: January 7, 2004

EnerVest Olanta, LLC
c/o EnerVest Operating, L.L.C.
PO Drawer 1878
Clarksburg, WV 26302-1878

The undersigned certifies that he is the owner of and is entitled to a portion of the royalties payable to the Lessor under the terms of the lease made by Austin M. Dunlap and Minnie Dunlap, his wife, dated November 30, 1998, recorded in the public records of Clearfield County, Pennsylvania as Instrument No. 199900741 and covering a tract of 117.68 acres of land in the Knox Township of said county, and said lease may have been heretofore modified.

You are hereby directed to pay said royalties until further notice by check, payable and mailed as follows:

Norman L. Dunlap
222 Leavy Ave., Apt 2
Clearfield, PA 16830

Royalty Interest
.0312500000

Tax ID# _____

Telephone # _____

The undersigned agree to promptly refund EnerVest all or any part of said rentals and/or royalties which it may be compelled to pay to any person or corporation claiming under title adverse to the title of the undersigned. It is understood and agreed that EnerVest is authorized to accrue scheduled proceeds until the total amount equals \$25.00, or pay annually, whichever occurs first, or as required by applicable state statute.

SIGNED:

Norman L. Dunlap

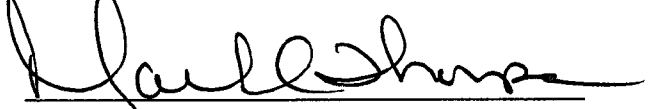
Date

Please include all requested information and return to EnerVest Operating at above address.

VERIFICATION

I verify that the statements made in the foregoing Answer and New Matter are true and correct to the best of my knowledge, information and belief. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904, relating to unsworn falsification to authorities.

MID-EAST OIL COMPANY

A handwritten signature in black ink, appearing to read "Mark A. Thompson", written over a horizontal line.

Mark A. Thompson

Date: 5-14-07

FILED

MAY 17 2007

William A. Shaw
Prothonotary/Clerk of Courts

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and
Tim Gardlock, Co-tenants
similarly situated,
Plaintiffs

TYPE OF CASE: Civil

No. 01-681-C.D.

TYPE OF PLEADING: Praecipe

FILED ON BEHALF OF:
Mid-East Oil Company

v.

BARRY A. DUNLAP an individual and
MID-EAST OIL COMPANY, a
Corporation,
Defendant

COUNSEL OF RECORD FOR
THIS PARTY: Wayne A. Kablack
Simpson, Kablack, & Bell
834 Philadelphia Street
Indiana, PA 15701
724-465-5559
PA I.D. 25858

FILED
MAY 18 2007
m/10:40/w
William A. Shaw
Prothonotary/Clerk of Courts
no 4/c

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and
Tim Gardlock, Co-tenants
similarly situated,
Plaintiffs

v.

No. 01-681 C.D.

BARRY A. DUNLAP an individual and
MID-EAST OIL COMPANY, a
Corporation,
Defendant

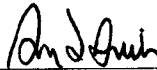
PRAECIPE

TO THE PROTHOTARY:

Please withdraw my appearance on behalf of Mid-East Oil Company, a
corporation, one of the defendants in the case captioned above

Date: 17 May 2007

BY:



Sharon L. Smith
197 Main Street
Brookville, PA 15825
814-849-6720
PA I.D. 28738

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and
Tim Gardlock, Co-tenants
similarly situated,
Plaintiffs

v.

No. 01-681 C.D.

BARRY A. DUNLAP an individual and
MID-EAST OIL COMPANY, a
Corporation,
Defendant

CERTIFICATE OF SERVICE
OF PRAECIPE

I certify under penalty of perjury that I served the above captioned pleading on the parties
at the addresses listed below on 17 May 2007:

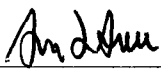
By First Class Mail:

Wayne A. Kablack, Esquire
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701

R. Denning Gearhart, Esquire
215 East Locust Street
Clearfield, PA 16830

John Sughrue, Esquire
23 North Second Street
Clearfield, PA 16830

EXECUTED ON: 17 May 2007

BY: 
Sharon L. Smith
197 Main Street
Brookville, PA 15825
814-849-6720
PA I.D. 28738

William A. Shaw
Prothonotary/Clerk of Courts

MAY 18 2007

FILED

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION—LAW

DAVID L. DUNLAP, Co-tenant, Individually
and as Fiduciary for Norman Dunlap,
Tammy Salter, Linda Goss, Jack Gardlock and
Tim Gardlock, Co-tenants similarly situated,
PLAINTIFFS

V.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation,
DEFENDANTS

No. 01- 681 -C.D.

Type of Case: Civil Action

Type of Pleading: Reply to New
Matter filed by Mid East Oil
Company in Response to Petition
for Contempt

Filed on Behalf of: Plaintiffs

Counsel of Record for this Party:

John Sughrue, Esquire
Attorney I. D. No. 01037
23 North Second Street
Clearfield, PA 16830
Phone: (814) 765-1704
Fax: (814) 765-6959

Other Counsel of Record for

Barry A. Dunlap:

R. Denning Gearhart, Esquire
Attorney I.D. No. 36540
207 East Market St.
Clearfield, PA 16830
Phone: (814) 765-1581
Fax: (814) 765-8142

Other Counsel of Record for

Mid East Oil Company:

Wayne A. Kablack, Esquire
PA I.D. No. 25858
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701
Phone: (724) 465-5559
Fax: (814) 465-2046

FILED 400
01/31/07
JUN 06 2007

Atty Sughrue
(6K)

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

DAVID L. DUNLAP, Co-tenant,
Individually and as Fiduciary for
Norman Dunlap, Tammy Salter,
Linda Goss, Jack Gardlock, and Tim Gardlock,
Co-tenants similarly situated,

PLAINTIFF

v.

BARRY A. DUNLAP, an individual and
MID EAST OIL COMPANY, a Corporation
DEFENDANTS

No. 01-681-CD

**REPLY TO NEW MATTER FILED BY MID EAST OIL COMPANY IN
RESPONSE TO PETITION FOR CONTEMPT**

AND NOW, comes the Plaintiffs by their attorney, John Sughrue, and replies to New Matter filed on Plaintiffs' Petition for Contempt as follows:

40. Denied. On the contrary, the facts are as set forth in paragraph 1 through 39 of the original Petition for Contempt, all of which are incorporated herein by reference.

41. It is admitted that a claim for punitive damages in the underlying case is pending. The balance of this New Matter constitutes a legal conclusion to which no response is required.

42. Denied. On the contrary, Corporate Defendant's conduct is in direct contempt of this Court's Order and such that the Court may in its discretion determine that punitive damages and/or a fine are appropriate. This is particularly valid if it is determined that the Corporate Defendant purported to sell its interest in the subject gas properties during the course of this action when it knew or should have known that it did not have unencumbered title to that which it purported to sell, failed to disclose these matters to the Court, and in fact may have made representations to this Court that are inconsistent with the facts as known by Corporate Defendant.

43. Denied. On the contrary, the Order speaks for itself and the facts are as set forth in the original Petition, all of which are incorporated herein by reference. Further, by the narrowest interpretation, the Order is dated October 23, 2002 and provides for the royalties to be paid to date. Corporate Defendant only accounted for and paid royalties to August 20, 2001, fourteen months less than the Order required despite Corporate Defendant's counsel's representation to the Court that it was prepared to pay the royalties in full. In court proceedings during that period, it consciously failed to advise the Court that it had purported to sell its interest in the subject gas properties.

44. Corporate Defendant never advised counsel or his clients, the Plaintiffs, of the fact, the date, the time and/or the entities to which the gas wells and/or the oil and gas leases were purported to have been transferred. In any event, a transfer is irrelevant to these contempt proceedings and further, Plaintiffs believe and aver that the Corporate Defendant did not have lawful title to their oil and gas, having unlawfully converted it, and as such, it could not and did not convey good title to any transferee. It is admitted that a company named EnerVest Operating, L.L.C., (hereafter EnerVest) previously forwarded documents indicating it had secured the wells from Corporate Defendant and requested certain documents prepared by it to be executed. Such documents could not be executed for the reason they contained representations and substance that was, in fact, the subject of this lawsuit and could have adversely impacted Plaintiffs' rights and remedies in this action. EnerVest was so advised and was also advised of this litigation. EnerVest did not thereafter respond to the issue. EnerVest was, however, given a copy of this Court's Order of October 23, 2002 and invited to comply with it as the alleged successor in interest to the Corporate Defendant. EnerVest failed or refused to comply with this Court's Order.

45. It is noted that the Corporate Defendant fails to identify the gas companies that are alleged to presently own Plaintiffs' oil and gas.

46. Denied. On the contrary, the facts are as set forth in paragraph 45 above, all of which are incorporated herein by reference.

47. Denied. On the contrary, Plaintiffs are being irreparably injured by the continuous theft of their oil and gas and the failure to pay even the minimal amounts ordered by this Court on October 23, 2003. Further, the facts are as set forth in the underlying lawsuit and this Petition, all of which supports a conclusion that the Plaintiffs do not have an adequate remedy at law.

48. Plaintiffs agree that gas companies generally, who conduct their business in a forthright and honest manner, have significant records. In this case, Corporate Defendant did not provide appropriate accounting or pay the minimal amount on account of damages that it was ordered to pay by this Court on October 23, 2002. On the contrary, Corporate Defendant provided only a brief summary of its alleged gas production from these wells along with its computation of interest. It did not provide any underlying documents of original entry.

49. Denied. A request for a temporary injunction is set forth in the underlying pleadings and it is appropriate at this point with the development of various facts to request and secure a temporary injunction under the law. Whether or not the Court may in a Contempt proceeding award punitive damages and/or a fine is a question of law to which no response is required.

50. Denied. On the contrary, matters are as set forth above, all of which are incorporated herein by reference, including particularly the fact that the Corporate Defendant has not complied with the requirements of the Order and has deceived this Court by failing or refusing to disclose its alleged transfer of Plaintiffs' oil and gas to a third party.

51. Denied. On the contrary, matters are as set forth above, all of which are incorporated herein by reference. In particular, the Court's Order is specific through at least October 23, 2002 and royalties due on oil and gas thereafter are either not being paid in conflict with said Order or are continuing to be converted without authorization by these alleged transferees. Transferee, EnerVest, has been invited to comply with this Court's Order and declined. The other companies referenced whether they are one or more, have not been identified and Plaintiffs have not had any contact with them.

52. Denied. At the time Plaintiffs filed their underlying lawsuit, Corporate Defendant alleged it leased Plaintiffs' oil and gas when it, in fact, did not. No other party is an indispensable party to the issue of whether or not Corporate Defendant is in contempt of the Court's Order of October 23, 2002. Further, Mid East did not have title to Plaintiffs' oil and gas and therefore any alleged transferee company could not have purchased the same. Further, any alleged transferee acquired the gas wells, leases and/or oil and gas, which is the subject of this civil action, under and subject to this civil action.

53. Admitted.

54. Denied. On the contrary, the facts are as set forth above and in the underlying Petition for Contempt and no counsel fees should be awarded.

55. The representation of counsel is accepted with the provision that proof of such retention, billing and payment will be provided.

56. Denied. Corporate Defendant has been sued in tort for conversions/theft of oil and gas. Throughout this period, it has continued to remove Plaintiffs' oil and gas without right and then purported to sell it to other entities when it knew or should have known that it did not have legal title. There is no basis in law by which Corporate Defendant can sell or transfer its liability in a

tort action to another entity. By law, Corporate Defendant will be responsible for the appropriate measure of damages. It has been determined in this case that Plaintiffs own their undivided interest of the oil and gas and Corporate Defendant has admitted that it removed it without right, represented that it owed and would pay royalties, and now admits that it has sold the oil and gas without title. Plaintiffs believe and aver that Corporate Defendant will be responsible for the fair market value of all Plaintiffs' oil and gas that has been removed from the property. Further, matters are as set forth in above and in the original Petition, all of which are incorporated herein by reference.

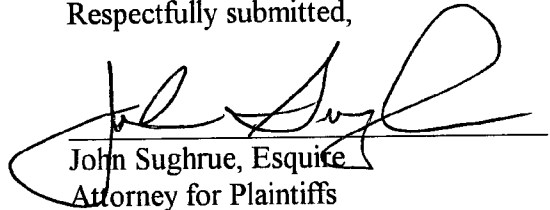
57. Denied. On the contrary, Plaintiffs and their counsel are aware of only one subsequent transferee, specifically EnerVest. EnerVest has been invited to comply with the Court Order and has refused. Corporate Defendant has refused to comply with the Order. Plaintiffs and their counsel are not aware of any other companies that are involved nor have they been advised of any by Corporate Defendant until new counsel, Mr. Kablack, at a recent court conference indicated that a company named "**Northcoast**" was presently removing the oil and gas. Corporate Defendant's counsel could not provide the accurate name and/or address of said company.

58. Admitted. However, said letters are prior to Plaintiffs' counsel's communications with EnerVest and issues between Plaintiffs and EnerVest were not resolved as set forth above, including paragraph 45, all of which is incorporated herein by reference. A copy of Attorney Sughrue's facsimile letter to EnerVest dated March 23, 2004 is attached hereto as **Exhibit A**. Further, the payment of said royalties on account of damages was the obligation of Corporate Defendant under the Order, not EnerVest. EnerVest has likewise failed or refused to comply with Judge Reilly's Order of October 23, 2002.

59. Admitted. EnerVest's letter is irrelevant to the resolution of whether or not Corporate Defendant complied with this Court's Order of October 23, 2002. EnerVest was not subject to that Order. Obviously, if Corporate Defendant, EnerVest and any other companies to which Plaintiffs' oil and gas was allegedly transferred had paid the standard ordinary royalty on account of damages as the Order of October 23, 2002 requires this proceeding in contempt would be unnecessary.

WHEREFORE, Plaintiffs respectfully move the Honorable Court to find that Corporate Defendant has consciously failed to comply with the Court's Order of October 23, 2002, is in contempt of said Order and has not avoided its obligation to pay the standard royalties which it has admitted in this case are, at minimum, due and which it previously agreed to pay, to find Corporate Defendant in contempt and to award damages and relief as requested in the original Petition for Contempt, including assessment of reasonable attorney's fees and a fine and/or punitive damages if the Court deems such relief appropriate.

Respectfully submitted,



John Sughrue, Esquire
Attorney for Plaintiffs

JOHN SUGHRUE
Attorney at Law

Phone (814) 765-1704

23 North Second Street
Clearfield, PA 16830

Fax (814) 765-6959

FAX TRANSMITTAL COVER PAGE

CONFIDENTIALITY NOTE:

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS LEGALLY PRIVILEGED AND CONFIDENTIAL, INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED BELOW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, OR COPY OF THIS TELECOPY IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TELECOPY IN ERROR, PLEASE IMMEDIATELY NOTIFY ME BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO ME AT THE ADDRESS LISTED ABOVE VIA THE UNITED STATES POSTAL SERVICE. THIS LAW OFFICE WILL REIMBURSE YOU FOR REASONABLE POSTAGE AND HANDLING EXPENSES YOU INCUR IN RETURNING THIS DOCUMENT TO ME. THANK YOU.

DATE: 3-23-04
TO: Jerry Jackson
FAX NO.: 304-622-1698
FROM: John Sughrue, Attorney
RE: Lease C-064
well MID 1446, 1477 & 1528
MESSAGE: your: 3-27-04 letter

Please call me to see if we can
work out a document that benefits
both of us. I have a proposal.

Total number of pages including this sheet: 1

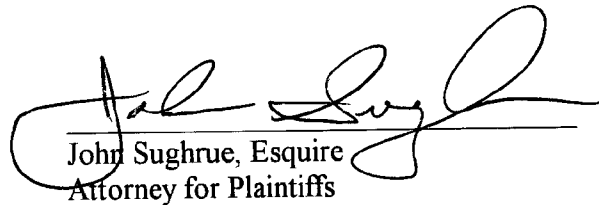
cc: Clients

Exhibit A

VERIFICATION

I, John Sughrue, Attorney for Plaintiffs, state that I am acquainted with the facts set forth in the foregoing REPLY TO NEW MATTER FILED BY MID EAST OIL COMPANY IN RESPONSE TO PETITION FOR CONTEMPT and that the same are true and correct to the best of my knowledge, information, and belief. I further state that this verification is made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities; and that in furtherance of judicial expedience, because the client is unavailable to execute a Verification in time to file this pleading, I am making this verification in order to expedite the pleading. A Verification executed by the Defendants will be filed if requested.

Date: June 6, 2007


John Sughrue, Esquire
Attorney for Plaintiffs

CERTIFICATE OF SERVICE

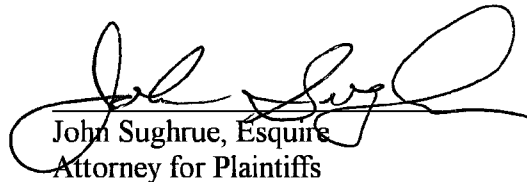
AND NOW, I do hereby certify that on June 6, 2007, I caused a true and correct copy of
REPLY TO NEW MATTER FILED BY MID EAST OIL COMPANY IN RESPONSE TO
PETITION FOR CONTEMPT to be served on the following and in the manner indicated below:

By United States Mail, First Class, Postage Prepaid
Addressed as Follows:

Wayne A. Kablack, Esquire
Attorney for Mid East Oil Co.
Simpson, Kablack & Bell
834 Philadelphia Street
Indiana, PA 15701

R. Denning Gearhart, Esquire
Attorney for Barry A. Dunlap
207 East Market Street
Clearfield, PA 16830

Date: June 6, 2007


John Sughrue, Esquire
Attorney for Plaintiffs