



5

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

GARY L. YINGLING,

Plaintiff

VS.

BETTY J. YINGLING,

Defendant

:  
: NO. 2007-2001-CD  
:  
: Type of Case: CUSTODY  
:  
: Type of Pleading:  
: AFFIDAVIT OF SERVICE  
:  
:  
: Filed on Behalf of:  
: Defendant  
:  
: Counsel of Record for this  
: Party:  
:  
: Ann B. Wood, Esquire  
:  
: Supreme Court No. 23364  
:  
: Bell, Silberblatt & Wood  
: 318 East Locust Street  
: P.O. Box 670  
: Clearfield, PA 16830  
:  
: (814) 765-5537  
:  
: [annwood76@verizon.net](mailto:annwood76@verizon.net)  
:

FILED  
011:00am  
APR 18 2018  
Lice Amy Wood  
BRIAN K. SPENCER  
PROTHONOTARY & CLERK OF COURTS

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

GARY L. YINGLING,	:	
	:	NO. 2007-2001-CD
Plaintiff	:	
	:	
VS.	:	
	:	
BETTY J. YINGLING,	:	
	:	
Defendant	:	

**AFFIDAVIT OF SERVICE**

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF CLEARFIELD :

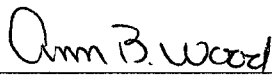
AND NOW, this 10<sup>th</sup> day of April, 2018, I, Ann B. Wood, Esquire, being duly sworn, do depose and say that on April 10, 2018, a Subpoena to Attend and Testify was served with reference to the above captioned matter on Jamie Waseleski by causing the same to be hand delivered to the offices of Clearfield County Children Youth & Family Services located at 212 East Locust Street, Clearfield, PA 16830, addressed to:

Jamie Waseleski  
Case Manager  
Clearfield County Children Youth & Family Services  
212 East Locust Street  
Clearfield, PA 16830

Copy of the Subpoena is attached hereto.

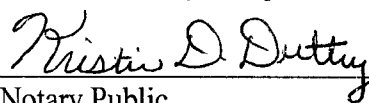
BELL, SILBERBLATT & WOOD

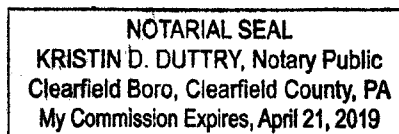
By

  
Ann B. Wood, Esquire

SWORN TO and SUBSCRIBED before

me this 10th day of April, 2018.

  
Notary Public



**COMMONWEALTH OF PENNSYLVANIA  
CLEARFIELD COUNTY**

Gary L. Yingling  
Plaintiff(s)

Vs.

No. 2007-02001-CD

Betty J. Yingling  
Defendant(s)

**SUBPOENA TO ATTEND AND TESTIFY**

TO: Jamie Waseleski, Case Manager  
Clearfield County Children Youth & Family Services, 212 East Locust Street  
Clearfield, PA 16830

1. You are ordered by the Court to come to Courtroom No. 1 of the  
Clearfield County Courthouse  
(Specify Courtroom or other place)  
at Clearfield County, Pennsylvania, on April 18, 2018 at 3:00  
o'clock, P. M., to testify on behalf of Betty J. Yingling  
\_\_\_\_\_ in the above case,  
and to remain until excused.

2. And bring with you the following: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

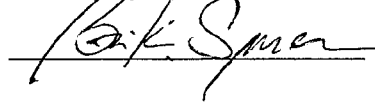
If you fail to attend or to produce the documents or things required by this subpoena, you may be subject to the sanctions authorized by Rule 234.5 of the Pennsylvania Rules of Civil Procedure, including but not limited to costs, attorney fees and imprisonment.

ISSUED BY A PARTY/COUNSEL IN COMPLIANCE WITH P.A.R.C.P. No. 234.2(a)

NAME: Ann B. Wood, Esquire  
ADDRESS: 318 East Locust Street, P.O. Box 670  
Clearfield, PA 16830  
TELEPHONE: (814) 765-5537  
SUPREME COURT ID # 23364

BY THE COURT:

Brian K. Spencer  
Prothonotary/Clerk, Civil Division



DATE: Friday, April 06, 2018  
Seal of the Court

OFFICIAL NOTE: This form of subpoena shall be used whenever a subpoena is issuable, including hearings in connection with depositions and before arbitrators, masters, commissioners, etc. in compliance with P.A.R.C.P. No. 234.1. If a subpoena for production of documents, records or things is desired, complete Paragraph 2.



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

GARY L. YINGLING,

Plaintiff

VS.

BETTY J. YINGLING,

Defendant

:  
:  
: NO. 2007-2001-CD  
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**CERTIFICATE OF SERVICE**

I hereby certify that a certified copy of the foregoing Affidavit of Service with reference to the above matter has been served upon the following parties on April 10, 2018, by mailing a true and correct copy of same to them by United States First Class Mail, postage prepaid, addressed as follows:

Lea Ann Heltzel, Esquire  
Hopkins Heltzel LLP  
100 Meadow Lane, Suite 5  
DuBois, PA 15801  
Counsel for Petitioner/Paternal Grandmother, Claudia Yingling

Gary L. Yingling  
60 Tangle Wood Drive  
Southington, CT 06489  
Plaintiff

Date: April 10, 2018

Ann B. Wood  
Ann B. Wood, Esquire  
Attorney for Defendant

**CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Submitted by: Attorney for Defendant

Signature: Ann B. Wood

Name: Ann B. Wood, Esquire

Attorney No. (if applicable): 23364

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

GARY L. YINGLING,

Plaintiff

VS.

BETTY J. YINGLING,

Defendant

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: NO. 2007-2001-CD  
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: Type of Case: CUSTODY  
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: AFFIDAVIT OF SERVICE  
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: Filed on Behalf of:  
: Defendant  
:  
: Counsel of Record for this  
: Party:  
:  
: Ann B. Wood, Esquire  
:  
: Supreme Court No. 23364  
:  
: Bell, Silberblatt & Wood  
: 318 East Locust Street  
: P.O. Box 670  
: Clearfield, PA 16830  
:  
: (814) 765-5537  
:  
: annwood76@verizon.net  
:

FILED  
01/11:00AM/ER  
APR 10 2018  
4CC Ann Wood  
BRIAN K SPENCER  
PROTHONOTARY & CLERK OF COURTS

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

GARY L. YINGLING, :  
 : NO. 2007-2001-CD  
Plaintiff :  
 :  
VS. :  
 :  
BETTY J. YINGLING, :  
 :  
Defendant :

**AFFIDAVIT OF SERVICE**

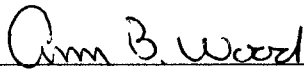
COMMONWEALTH OF PENNSYLVANIA :  
 : SS.  
COUNTY OF CLEARFIELD :

AND NOW, this 9<sup>th</sup> day of April, 2018, I, Ann B. Wood, Esquire, being duly sworn, do depose and say that on April 9, 2018, a Subpoena to Attend and Testify was served with reference to the above captioned matter on Cen-Clear Child Services by causing the same to be by causing the same to be deposited in the United States Mail at the United States Post Office located at 118 North Second Street, Clearfield, Pennsylvania 16830, postage prepaid, addressed to:

Cen-Clear Child Services  
50 Bigler Road  
Bigler, PA 16825

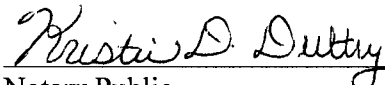
Copy of the Subpoena is attached hereto.

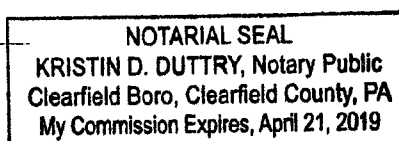
BELL, SILBERBLATT & WOOD  
By

  
Ann B. Wood, Esquire

SWORN TO and SUBSCRIBED before

me this 9th day of April, 2018.

  
Notary Public



COMMONWEALTH OF PENNSYLVANIA  
CLEARFIELD COUNTY

Gary L. Yingling  
Plaintiff(s)

Vs.

No. 2007-02001-CD

Betty J. Yingling  
Defendant(s)

SUBPOENA TO ATTEND AND TESTIFY

April Merritt, Family Based Therapist  
TO: Cen-Clear Child Services  
50 Bigler Road  
Bigler, PA 16825

1. You are ordered by the Court to come to Courtroom No. 1 of the  
Clearfield County Courthouse

(Specify Courtroom or other place)

at Clearfield County, Pennsylvania, on April 18, 2018 at 3:00  
o'clock, P. M., to testify on behalf of Betty J. Yingling

in the above case,

and to remain until excused.

2. And bring with you the following: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

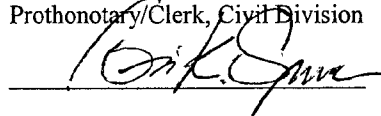
If you fail to attend or to produce the documents or things required by this subpoena, you may be subject to the sanctions authorized by Rule 234.5 of the Pennsylvania Rules of Civil Procedure, including but not limited to costs, attorney fees and imprisonment.

ISSUED BY A PARTY/COUNSEL IN COMPLIANCE WITH P.A.R.C.P. No. 234.2(a)

NAME: Ann B. Wood, Esquire  
ADDRESS: 318 East Locust Street, P.O. Box 670  
Clearfield, PA 16830  
TELEPHONE: (814) 765-5537  
SUPREME COURT ID # 23364

BY THE COURT:

Brian K. Spencer  
Prothonotary/Clerk, Civil Division



DATE: Friday, April 06, 2018  
Seal of the Court

OFFICIAL NOTE: This form of subpoena shall be used whenever a subpoena is issuable, including hearings in connection with depositions and before arbitrators, masters, commissioners, etc. in compliance with P.A.R.C.P. No. 234.1. If a subpoena for production of documents, records or things is desired, complete Paragraph 2.

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

GARY L. YINGLING,

Plaintiff

VS.

BETTY J. YINGLING,

Defendant

:  
:  
: NO. 2007-2001-CD  
:  
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**CERTIFICATE OF SERVICE**

I hereby certify that a certified copy of the foregoing Affidavit of Service with reference to the above matter has been served upon the following parties on April 10, 2018, by mailing a true and correct copy of same to them by United States First Class Mail, postage prepaid, addressed as follows:

Lea Ann Heltzel, Esquire  
Hopkins Heltzel LLP  
100 Meadow Lane, Suite 5  
DuBois, PA 15801  
Counsel for Petitioner/Paternal Grandmother, Claudia Yingling

Gary L. Yingling  
60 Tangle Wood Drive  
Southington, CT 06489  
Plaintiff

Date: April 10, 2018

Ann B. Wood  
Ann B. Wood, Esquire  
Attorney for Defendant

**CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Submitted by: Attorney for Defendant

Signature: Ann B. Wood

Name: Ann B. Wood, Esquire

Attorney No. (if applicable): 23364

## Equity

Date		Judge
12/7/2007	New Case Filed.	No Judge
	Filing: Quiet Title Action Paid by: Brandon, John B. (plaintiff) Receipt number: 1921753 Dated: 12/07/2007 Amount: \$95.00 (Check) 4CC plffs.	No Judge
12/17/2007	Certificate of Service, on Dec. 7, 2007, a copy of the Plaintiff's Complaint was sent by certified mail to Defendant and its Attorney. Filed by s/ David A. Grady, Esquire. No CC	No Judge
	Answer and New Matter filed. By s/ C. Warren Trainor, Esquire. No CC	No Judge
	Entry of Appearance, on behalf of Defendant, enter appearance of C. Warren Trainor, Esquire. No CC	No Judge
12/20/2007	Reply, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
1/23/2008	Amended Complaint, filed by Atty. Grady 3 Cert. to Atty.	No Judge
2/13/2008	Amended Answer and New Matter, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	No Judge
2/20/2008	Reply to Amended New Matter, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
3/5/2008	Praeipce to Amend Answer and New Matter, filed by Atty. Trainor 1 Cert. to Atty.	No Judge
	Amended Answer and New Matter, filed by Atty. Trainor 1 Cert. to Atty.	No Judge
4/30/2008	Reply To Amended New Matter, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
5/19/2008	Preliminary Objection Lack of Jurisdiction, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	No Judge
5/21/2008	Order, this 21st day of May, 2008, it is Ordered that argument on Defendant's Preliminary Objection Lack of Jurisdiction is scheduled for June 20, 2008 at 3:00 p.m. in Courtroom 1. It is the responsibility of the Def.'s Counsel to serve certified copy of said scheduling Order on the Plaintiff's Counsel. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 4CC Atty. Trainor	Fredric Joseph Ammerman
5/27/2008	Certificate of Service, filed. That a true and correct copy of attached certified Order dated May 21, 2008 has been served upon David A. Grady Esq., via first class mail filed by s/ C. Warren Trainor Esq. No CC.	Fredric Joseph Ammerman
5/29/2008	Praeipce to Amend Complaint, filed by s/ David A. Grady, Esquire. 3CC Atty. Grady	Fredric Joseph Ammerman
	Amended Complaint, filed by s/ David A. Grady, Esquire. 3CC Atty. Grady	
6/13/2008	Preliminary Objections to Plaintiff's Amended Complaint, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	Fredric Joseph Ammerman
6/16/2008	Application for a Continuance, filed by s/ David A. Grady, Esquire. 4CC to Atty.	Fredric Joseph Ammerman
	Certificate of Service, on June 16, 2008, a copy of the Plaintiff's Amended Complaint was sent by Mail to C. Warren Trainor, Esquire. Filed by s/ David A. Grady, Esquire. 3CC Atty.	Fredric Joseph Ammerman
6/17/2008	Rule, NOW, June 17, 2008, a rule is granted upon Defendants to show why continuance should not be granted. Rule returnable on July 8, 2008, in Courtroom 1 at 1:45 p.m. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 3CC to Atty.	Fredric Joseph Ammerman



## Equity

Date		Judge
12/7/2007	New Case Filed.	No Judge
	X Filing: Quiet Title Action Paid by: Brandon, John B. (plaintiff) Receipt number: 1921753 Dated: 12/07/2007 Amount: \$95.00 (Check) 4CC plffs.	No Judge
12/17/2007	X Certificate of Service, on Dec. 7, 2007, a copy of the Plaintiff's Complaint was sent by certified mail to Defendant and its Attorney. Filed by s/ David A. Grady, Esquire. No CC	No Judge
	X Answer and New Matter filed. By s/ C. Warren Trainor, Esquire. No CC	No Judge
	X Entry of Appearance, on behalf of Defendant, enter appearance of C. Warren Trainor Esquire. No CC	No Judge
12/20/2007	X Reply, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
1/23/2008	X Amended Complaint, filed by Atty. Grady 3 Cert. to Atty.	No Judge
2/13/2008	X Amended Answer and New Matter, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	No Judge
2/20/2008	X Reply to Amended New Matter, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
3/5/2008	X Praecipe to Amend Answer and New Matter, filed by Atty. Trainor 1 Cert. to Atty.	No Judge
	X Amended Answer and New Matter, filed by Atty. Trainor 1 Cert. to Atty.	No Judge
4/30/2008	X Reply To Amended New Matter, filed by s/ David A. Grady, Esquire. 3CC to Atty.	No Judge
5/19/2008	X Preliminary Objection Lack of Jurisdiction, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	No Judge
5/21/2008	X Order, this 21st day of May, 2008, it is Ordered that argument on Defendant's Preliminary Objection Lack of Jurisdiction is scheduled for June 20, 2008 at 3:00 p.m. in Courtroom 1. It is the responsibility of the Def.'s Counsel to serve certified copy of said scheduling Order on the Plaintiff's Counsel. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 4CC Atty. Trainor	Fredric Joseph Ammerman
5/27/2008	X Certificate of Service, filed. That a true and correct copy of attached certified Order dated May 21, 2008 has been served upon David A. Grady Esq., via first class mail filed by s/ C. Warren Trainor Esq. No CC.	Fredric Joseph Ammerman
5/29/2008	X Praecipe to Amend Complaint, filed by s/ David A. Grady, Esquire. 3CC Atty. Grady	Fredric Joseph Ammerman
	X Amended Complaint, filed by s/ David A. Grady, Esquire. 3CC Atty. Grady	
6/13/2008	X Preliminary Objections to Plaintiff's Amended Complaint, filed by s/ C. Warren Trainor, Esquire. 1CC Atty. Trainor	Fredric Joseph Ammerman
6/16/2008	X Application for a Continuance, filed by s/ David A. Grady, Esquire. 4CC to Atty.	Fredric Joseph Ammerman
	X Certificate of Service, on June 16, 2008, a copy of the Plaintiff's Amended Complaint was sent by Mail to C. Warren Trainor, Esquire. Filed by s/ David A. Grady, Esquire. 3CC Atty.	Fredric Joseph Ammerman
6/17/2008	X Rule, NOW, June 17, 2008, a rule is granted upon Defendants to show why a continuance should not be granted. Rule returnable on July 8, 2008, in Courtroom 1 at 1:45 p.m. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 3CC to Atty.	Fredric Joseph Ammerman

## Equity

Date		Judge
7/3/2008	Certificate of Service, filed. On July 3, 2008 a copy of the Plaintiff's Memorandum the above referenced case was sent by United States mail to C. Warren Trainor Esq. and Snyder Armclar Gas Company, filed by s/ David A. Grady Esq. No CC.	Fredric Joseph Ammerman
7/7/2008	Defendant American Exploration Company's Response to Plaintiff's Reques for Continuance, filed by s/C. Warren Trainor, Esq. No CC	Fredric Joseph Ammerman
7/11/2008	Order, filed cert. to Atty's Grady, Brandon & Trainor NOW, this 8th day of July, 2008, Parties have no more than 20 days to supply the Court with additional memorandum of law.	Fredric Joseph Ammerman
7/23/2008	Entry of Appearance, on behalf of Defendant, Snyder Armclar Gas Compan enter appearance of A. Lander, Esquire, and Nathaniel Parker, Esquire. Filed by s/ Nathaniel Parker, Esquire. 1CC Atty. Parker	Fredric Joseph Ammerman
7/24/2008	Snyder Armclar Gas Company's Preliminary Objections to Plaintiffs' Second Amended Complaint, filed by s/ Nathaniel Parker Esq. 1CC Atty Parker.	Fredric Joseph Ammerman
8/12/2008	Certificate of Service, filed. On August 12, 2008 a copy of the Plaintiff's Answer to the Defendant's Preliminary Objections in the above referenced case was sent by U.S. mail to C. Warren Trainor and Nathaniel Parker Esq. filed by s/ David A. Grady Esq. 3CC Atty Grady.	Fredric Joseph Ammerman
	Answer to Defendant's Preliminary Objections, filed by s/ David A. Grady, Esquire. 3CC Atty. Grady	Fredric Joseph Ammerman
8/29/2008	Order, NOW, this 28th day of August, 2008, upon consideration of the parties oral arguments and memorandums of law, it is Ordered that the Preliminary Obejections to Plaintiffs' Second Amended Complaint filed on behalf of Defendants are DENIED. By The Court, /s/ Fredric J. Ammerman Pres. Judge. 2CC Atty. Grady 1CC Attys: Trainor, Parker 1CC John B. Brandon - PO Box 220, Reynoldsville, PA 15851	Fredric Joseph Ammerman
10/2/2008	Entry of Appearance, on behalf of the Defendant, American Exploration Company, enter appearance of Thomas G. Wagner, esquire. Filed by Atty. Wager. No CC	Fredric Joseph Ammerman
11/10/2008	Answer and New Matter to Second Amended Complaint, filed by s/ Thomas G. Wagner Esq. NO CC.	Fredric Joseph Ammerman
	Certificate of Service, filed. That on November 6, 2008, mailed a true and correct copy of Answer and New Matter to Second Amended Complaint, endorsed with Notice to Plead by first class mail to David A. Grady Esq. and Nathaniel Parker Esq., filed by s/ Thomas G. Wagner Esq. No CC.	Fredric Joseph Ammerman
11/13/2008	Certificate of Service, filed. On November 13, 2008 a copy of the Plaintiff's Reply to Defendants' New Matter in the above referenced case was sent by United States Mail to Thomas G. Wagner Esq. and to Nathaniel Parker Esq., filed by s/ David A. Grady Esq. 4CC Atty Brandon	Fredric Joseph Ammerman
	Reply to Amended New Matter, filed by s/ David A. Grady, Esquire. 4CC Atty. Brandon	Fredric Joseph Ammerman
11/17/2008	Answer, New Matter, and Counterclaim to Plaintiffs' Amended Complaint, filed by s/Nathaniel Parker, Esq. No CC (Snyder Armclar Gas Company)	Fredric Joseph Ammerman
	Certificate of Service, Defendant Snyder Armclar Gas Company's Response to Plaintiffs' First Set of Interrogatories and Request for Production of Documents, filed by s/Nathaniel Parker, Esq. No CC	Fredric Joseph Ammerman
12/12/2008	Reply and Answer, filed by s/ David R. Grady Esq. 4CC Atty Grady.	Fredric Joseph Ammerman

## Equity

Date		Judge
7/3/2008	<input checked="" type="checkbox"/> Certificate of Service, filed. On July 3, 2008 a copy of the Plaintiff's Memorandum the above referenced case was sent by United States mail to C. Warren Trainor Esq. and Snyder Armclar Gas Company, filed by s/ David A. Grady Esq. No CC.	Fredric Joseph Ammerman
7/7/2008	<input checked="" type="checkbox"/> Defendant American Exploration Company's Response to Plaintiff's Request for Continuance, filed by s/C. Warren Trainor, Esq. No CC	Fredric Joseph Ammerman
7/11/2008	<input checked="" type="checkbox"/> Order, filed cert. to Atty's Grady, Brandon & Trainor NOW, this 8th day of July, 2008, Parties have no more than 20 days to supply the Court with additional memorandum of law.	Fredric Joseph Ammerman
7/23/2008	<input checked="" type="checkbox"/> Entry of Appearance, on behalf of Defendant, Snyder Armclar Gas Company, enter appearance of A. Lander, Esquire, and Nathaniel Parker, Esquire. Filed by s/ Nathaniel Parker, Esquire. 1CC Atty. Parker	Fredric Joseph Ammerman
7/24/2008	<input checked="" type="checkbox"/> Snyder Armclar Gas Company's Preliminary Objections to Plaintiffs' Second Amended Complaint, filed by s/ Nathaniel Parker Esq. 1CC Atty Parker.	Fredric Joseph Ammerman
8/12/2008	<input checked="" type="checkbox"/> Certificate of Service, filed. On August 12, 2008 a copy of the Plaintiff's Answer to the Defendant's Preliminary Objections in the above referenced case was sent by U.S. mail to C. Warren Trainor and Nathaniel Parker Esq., filed by s/ David A. Grady Esq. 3CC Atty Grady.	Fredric Joseph Ammerman
	<input checked="" type="checkbox"/> Answer to Defendant's Preliminary Objections, filed by s/ David A. Grady, Esquire. 3CC Atty Grady	Fredric Joseph Ammerman
8/29/2008	<input checked="" type="checkbox"/> Order, NOW, this 28th day of August, 2008, upon consideration of the parties oral arguments and memorandums of law, it is Ordered that the Preliminary Obejections to Plaintiffs' Second Amended Complaint filed on behalf of Defendants are DENIED. By The Court, /s/ Fredric J. Ammerman< Pres. Judge. 2CC Atty. Grady 1CC Attys: Trainor, Parker 1CC John B. Brandon - PO Box 220, Reynoldsville, PA 15851	Fredric Joseph Ammerman

## Equity

Date		Judge
12/12/2008	Certificate of Service, filed. On December 12, 2008 a copy of the Plaintiff's Reply and Answer to Defendant's New Matter and Counterclaims was sent by United States Mail to Thomas G. Wagner Esq and Nathaniel Parker Esq, filed by s/ David A. Grady Esq. 4CC Atty Grady.	Fredric Joseph Ammerman
1/12/2009	Stipulation, signed by David A. Grady, Esquire; Thomas G. Wagner, Esquire; and Nathaniel Parker, Esquire. Filed by s/ Thomas G. Wagner, Esquire. No CC	Fredric Joseph Ammerman
6/1/2009	Certificate of Readiness for Non-Jury Trial, filed by s/ David A. Grady, Esquire. 2CC Atty.	Fredric Joseph Ammerman
6/29/2009	Order, AND NOW, this 29th day of June, 2009, a pre-trial conference is scheduled for September 4, 2009, at 11:00 a.m. BY THE COURT: /s/Fredric J. Ammerman, P.J. One CC Attorneys Grady/Brandon, Wagner/Trainor, and Parker/Lander	Fredric Joseph Ammerman
8/31/2009	Certificate of Service, filed. That a true and correct copy of the foregoing "Defendants' Pre-Trial Memorandum" was sent on August 27, 2009 to Mr. Daniel Nelson (Federal Express), and to David A. Grady Esq., C. Warren Trainor Esq and Thomas G. Wagner Esq (US first class mail), filed by s/ Al Lander Esq. No CC.	Fredric Joseph Ammerman
9/9/2009	Order, this 8th day of Sept., 2009, following pre-trial conference, the parties having requested a case management Order and having agreed on the same it is Ordered: (see original). Second pre-trial conference is scheduled for the 28th day of Jan., 2010 at 9:00 a.m. in Chambers. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 1CC Attys: Grady, Trainor, Parker/Lander, Wagner; 1CC J. Brandon	Fredric Joseph Ammerman
10/8/2009	Motion for Summary Judgment, filed by Atty. Parker no cert. copies.	Fredric Joseph Ammerman
10/12/2009	Certificate of Service, filed. That a true and correct copy of the foregoing "Defendant Snyder Armclar Gas Company's Supplemental Responses to Plaintiffs' First Set of Interrogatories and Request for Production of Documents was sent by first class mail on October 8, 2009 to David A. Grady Esq., C. Warren Trainor Esq., and Thomas G. Wagner Esq., filed by s/ Nathaniel Parker Esq. 1CC Atty.	Fredric Joseph Ammerman
	Order, filed 1 Cert. to Atty. NOW, this 12th day of October, 2009, Re: Argument shall be held on Nov. 12, 2009	Fredric Joseph Ammerman
10/16/2009	Certificate of Service, a copy of the October 12, 2009 Order of Court was sent by mail, on Oct. 14, 2009, upon counsel of record: David A. Grady, Esq.; C. Warren Trainor, Esquire; and Thomas G. Wagner, Esquire. Filed by s/ Nathaniel Parker, Esquire. 1 CC to Atty.	Fredric Joseph Ammerman
10/30/2009	Answer to Defendant's Motion for Summary Judgment, filed by Atty. Grady 3 Cert. to Atty.	Fredric Joseph Ammerman
11/9/2009	Certificate of Service, a copy of Defendants' First Set of Interrogatories and Request for Production of Documents directed to Plaintiffs was sent by U.S. Mail, to counsel of record: David A. Grady, Esquire; C. Warren Trainor, Esquire; Thomas G. Wagner, Esquire. Filed by s/ Nathaniel Parker, Esquire. No CC	Fredric Joseph Ammerman
11/13/2009	Order, this 12th day of Nov., 2009, it is Ordered that counsel supply this Court with appropriate letter brief within 20 Days from this date. By the Court, /s/ Fredric J. Ammerman, Pres. Judge. 1CC Attys: Grady, Brandon, Trainor, Wagner, Parker/Lander	Fredric Joseph Ammerman

Equity

Date	Selected Items	Judge
10/2/2008	✓ Entry of Appearance, on behalf of the Defendant, American Exploration Company, enter appearance of Thomas G. Wagner, esquire. Filed by Atty. Wager. No CC	Fredric Joseph Ammerman
11/10/2008	✓ Answer and New Matter to Second Amended Complaint, filed by s/ Thomas G. Wagner Esq. NO CC	Fredric Joseph Ammerman
	✓ Certificate of Service, filed. That on November 6, 2008, mailed a true and correct copy of Answer and New Matter to Second Amended Complaint, endorsed with Notice to Plead by first class mail to David A. Grady Esq. and Nathaniel Parker Esq., filed by s/ Thomas G. Wagner Esq. No CC.	Fredric Joseph Ammerman
11/13/2008	✓ Certificate of Service, filed. On November 13, 2008 a copy of the Plaintiff's Reply to Defendants' New Matter in the above referenced case was sent by United States Mail to Thomas G. Wagner Esq. and to Nathaniel Parker Esq., filed by s/ David A. Grady Esq. 4CC Atty Brandon	Fredric Joseph Ammerman
	⇒ ✓ Reply to Amended New Matter, filed by s/ David A. Grady, Esquire. 4CC Atty. Brandon	Fredric Joseph Ammerman
11/17/2008	✓ Answer, New Matter, and Counterclaim to Plaintiffs' Amended Complaint, filed by s/Nathaniel Parker, Esq. No CC (Snyder Armclar Gas Company)	Fredric Joseph Ammerman
	✓ Certificate of Service, Defendant Snyder Armclar Gas Company's Response to Plaintiffs' First Set of Interrogatories and Request for Production of Documents, filed by s/Nathaniel Parker, Esq. No CC	Fredric Joseph Ammerman
12/12/2008	✓ Reply and Answer, filed by s/ David R. Grady Esq. 4CC Atty Grady.	Fredric Joseph Ammerman
	✓ Certificate of Service, filed. On December 12, 2008 a copy of the Plaintiff's Reply and Answer to Defendant's New Matter and Counterclaims was sent by United States Mail to Thomas G. Wagner Esq and Nathaniel Parker Esq, filed by s/ David A. Grady Esq. 4CC Atty Grady.	Fredric Joseph Ammerman
1/12/2009	✓ Stipulation, signed by David A. Grady, Esquire; Thomas G. Wagner, Esquire; and Nathaniel Parker, Esquire. Filed by s/ Thomas G. Wagner, Esquire. No CC	Fredric Joseph Ammerman
6/1/2009	✓ Certificate of Readiness for Non-Jury Trial, filed by s/ David A. Grady, Esquire. 2CC Atty.	Fredric Joseph Ammerman
6/29/2009	✓ Order, AND NOW, this 29th day of June, 2009, a pre-trial conference is scheduled for September 4, 2009, at 11:00 a.m. BY THE COURT: /s/Fredric J. Ammerman, P.J. One CC Attorneys Grady/Brandon, Wagner/Trainor, an Parker/Lander	Fredric Joseph Ammerman
8/31/2009	✓ Certificate of Service, filed. That a true and correct copy of the foregoing "Defendants' Pre-Trial Memorandum" was sent on August 27, 2009 to Mr. Daniel Nelson (Federal Express), and to David A. Grady Esq., C. Warren Trainor Esq and Thomas G. Wagner Esq (US first class mail), filed by s/ Al Lander Esq. No CC.	Fredric Joseph Ammerman
9/9/2009	✓ Order, this 8th day of Sept., 2009, following pre-trial conference, the parties having requested a case management Order and having agreed on the same it is Ordered: (see original). Second pre-trial conference is scheduled for the 28th day of Jan., 2010 at 9:00 a.m. in Chambers. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 1CC Attys: Grady, Trainor, Parker/Lander, Wagner; 1CC J. Brandon	Fredric Joseph Ammerman
10/8/2009	✓ Motion for Summary Judgment, filed by Atty. Parker no cert. copies.	Fredric Joseph Ammerman

## Equity

Date		Judge
12/1/2009	Praeipe to Enter a Document to the Recod, filed by s/ David A. Grady Esq. 2CC Atty Grady.	Fredric Joseph Ammerman
	Certificate of Service, filed. On December 1, 2009 a copy of the Plaintiff's Praeipe to Enter a Document to the Record was sent by United States Mail to Thomas G. Wagner Esq and Nathaniel parker Esq., filed by s/ David A. Grady Esq. 2CC Atty Grady/	Fredric Joseph Ammerman
	Certificate of Service, filed. On December 1, 2009 a copy of the Plaintiff's Memorandum of Law was sent by United States Mail to Thomas G. Wagner Esq and Nathaniel ParkerEsq, filed by s/ David A. Grady Esq. 2CC Atty Grady.	Fredric Joseph Ammerman
12/7/2009	Certificate of Service, filed. That a true and correct copy of the foregoing "Brief in Support of Defendants' Motion for Summary Judgment" was sent by U.S. first class mail to David A. Grady Esq., C. Warren Trainor Esq and Thomas G. Wagner Esq and Hand Delivery to Mr. Daniel Nelson, filed by s/ Nathaniel Parker Esq. No CC.	Fredric Joseph Ammerman
12/11/2009	Opinion and Order, this 10th day of Dec., 2009, upon consideration of the Parties' oral arguments and briefs, it is ordered; 1. Defendants Motion For Summary Judgment is GRANTED. 2. Plaintiff's Action to Quiet Title is DISMISSED. By The Court, /s/ Fredric J. Ammerman, Pres. Judge. 1CC Attys: Grady, Brandon, Trainor, Wagner, Parker/Lander; 1CC D. Mikesell, 1CC Law Library (without Memo)	Fredric Joseph Ammerman

## Equity

Date	Selected Items	Judge
10/12/2009	✓ Certificate of Service, filed. That a true and correct copy of the foregoing "Defendant Snyder Armclar Gas Company's Supplemental Responses to Plaintiffs' First Set of Interrogatories and Request for Production of Documents was sent by first class mail on October 8, 2009 to David A. Grady Esq., C. Warren Trainor Esq., and Thomas G. Wagner Esq., filed by s/ Nathaniel Parker Esq. 1CC Atty.	Fredric Joseph Ammerman
	Order, filed 1 Cert. to Atty.	Fredric Joseph Ammerman
	✓ NOW, this 12th day of October, 2009, Re: Argument shall be held on Nov. 12, 2009	
10/16/2009	✓ Certificate of Service, a copy of the October 12, 2009 Order of Court was sent by mail, on Oct. 14, 2009, upon counsel of record: David A. Grady, Esq.; C. Warren Trainor, Esquire; and Thomas G. Wagner, Esquire. Filed by s/ Nathaniel Parker, Esquire. 1 CC to Atty.	Fredric Joseph Ammerman
10/30/2009	✓ Answer to Defendant's Motion for Summary Judgment, filed by Atty. Grady 3 Cert. to Atty.	Fredric Joseph Ammerman

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000-CD
	:	
vs.	:	Type of Case: Quiet Title
	:	
AMERICAN EXPLORATION COMPANY,	:	Type of Pleading: Complaint
	:	
Defendant,	:	Filed on behalf of: Plaintiffs
	:	
	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated: 12/7/07

DEC 07 2007 4 CC Piffs  
DEC 07 2007 11:55 AM  
William A. Shaw  
Prothonotary/Clerk of Courts  
Piff pd. \$95.00



IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

NOTICE TO DEFEND

TO:

C. Warren Trainor, Esquire  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

American Exploration Company  
525 Plymouth Rd Ste 320  
Plymouth Meeting PA 19462-1640

A COMPLAINT HAS BEEN FILED AGAINST YOU IN COURT. IF YOU WISH TO DEFEND AGAINST THE MATTERS SET FORTH IN THE FOLLOWING PETITION, YOU MUST ENTER A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILE AN ANSWER IN WRITING WITH THE PROTHONOTARY SETTING FORTH YOUR DEFENSES OR OBJECTIONS TO THE MATTER SET FORTH AGAINST YOU AND SERVE A COPY ON THE ATTORNEY OR PERSON FILING THE PETITION. YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEED WITHOUT YOU AND AN ORDER MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR THE RELIEF REQUESTED BY THE PETITIONER. YOU MAY LOSE RIGHTS IMPORTANT TO YOU.

YOU SHOULD TAKE THIS NOTICE 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  
Clearfield County Courthouse  
Second & Market Streets  
Clearfield, PA 16830  
(814) 765-2641 ext. 5982

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

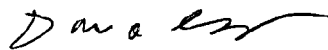
COMPLAINT IN CIVIL ACTION

1. Plaintiff, Robert M. Day and Carol I. Day are adult individuals of 3932 Big Run-  
Prescottville Road, Reynoldsville, Pennsylvania 15851.
2. Plaintiff, John B. Brandon, is an adult individual with a mailing address of PO Box 220,  
Reynoldsville, Pennsylvania 15851.
3. Defendant, American Exploration Company (AEC), is a corporation, with a mailing  
address of 525 Plymouth Rd Ste 320 Plymouth Meeting PA 19462-16404.
4. Plaintiffs are owners of real property, consisting of 1420 acres more or less of oil and gas,  
located in Huston Township, Clearfield County, Pennsylvania and Horton Township, Elk  
County, Pennsylvania (the Property) by virtue of a deed of James L. Bond, Executor Of  
Logan L. Bond and Mary L. Bond, Dated August 23, 1985 and recorded in Clearfield  
County Deed Book 1045, Page 394.
5. Said oil and gas is subject to a lease from Logan L. Bond and Mary P. Bond, his wife to  
New York State Natural Gas Corporation, dated June 16, 1955 and recorded in Clearfield  
County Miscellaneous Book 96, Page 489 and Elk County Miscellaneous Book U, Page  
168. (the Lease) Plaintiffs' Exhibit "A"

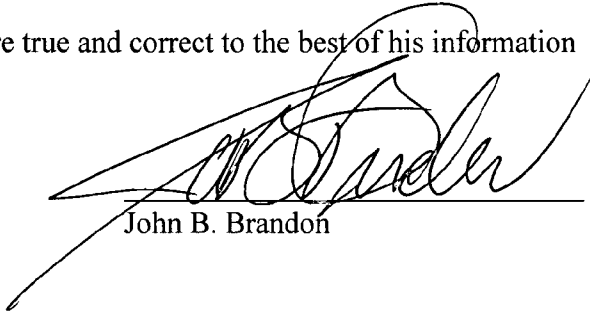
6. Defendant, AEC is the successor in interest of New York State Natural Gas Corporation by virtue of an assignment from CNG Transmission Corporation, dated October 15, 1998 and recorded in Clearfield County Book 1978, Page 327 (Exhibit "B"), and as such holds the rights and duties of the Lessee in the Lease.
7. Defendant operates two wells on the premises, which are identified on the royalty statement, provided by Defendant, as L Bond 507 and L Bond 584.
8. Said wells were assigned to Defendant by CNG Transmission in the assignment attached as Exhibit "B".
9. Two additional wells are operated by Resource Energy, L.L.C.. Based on Plaintiffs information and belief, these wells were drilled under a farm-out agreement from Dominion Exploration to Viking Resources Corporation.
10. Two additional wells, known as 001930 and 9158, continue to be operated by Dominion Exploration and Production, successor in interest of CNG Transmission Corporation.
11. At least four of the operating wells are believed to be drilled to a depth where an efficient gas well can effectively draw natural gas from a radius of 800 feet of one strata or gas formation.
12. Defendant claims that two of the wells are Oriskany Wells, which if operating efficiently are capable of drawing as from a radius of 1500 feet of the Oriskany formation.
13. All of the existing wells were drilled prior to Defendant's acquisition of the lease, and are at least ten years old.
14. Defendants believe that there exists at least one and perhaps many more undeveloped strata of natural gas on the property.

15. Defendants have been approached by gas well operators, who have expressed an interest in exploring deeper strata as well as other shallow locations of the property as well as the undeveloped acres of the known strata.
16. Defendants have made numerous requests to the Plaintiff to further develop the property for natural gas.
17. To the best of the Defendants' knowledge, Plaintiffs have done nothing to further develop the property since acquiring the lease in 1998.
18. Pennsylvania Law recognizes an implied covenant to develop and produce oil or gas or terminate the oil and gas owner's contractual obligation under the lease.
19. Plaintiff has breached this covenant by failing and refusing to develop the bulk of the leased acreage.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

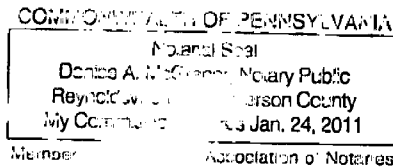
  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
John B. Brandon

Sworn to an Subscribed  
before me this 7<sup>th</sup> day  
of December, 2007

  
Notary Public



Erin A  
Cass  
T.C. 10/10/55

6516W  
5511111  
Made and entered into the 16<sup>th</sup> day of June A.D. 1955

and between Logan L. Bond and Mary P. Bond, his wife

116 Main Street, Brockway, County of Jefferson and  
State of Pennsylvania, parties of the first part, hereinafter called the Lessor, and  
NEW YORK STATE NATURAL GAS CORPORATION, a New York corporation, of 140 Stanwix Street, Pittsburgh  
Pennsylvania, party of the second part, hereinafter called the Lessee, WITNESSETH:

1. [Leasing Clause] That the Lessor, for and in consideration of the sum of One (\$1.00) Dollar in hand  
paid and truly paid by the Lessee, the receipt whereof is hereby acknowledged, and of the covenants and agreements  
hereinafter contained on the part of the Lessee to be paid, kept and performed, has leased and let and by these presents  
does lease and let unto the Lessee for the purpose of drilling and operating for and producing oil and gas, and for the  
other purpose and with the exclusive right in the Lessee, as it may see fit to store any kind of gas therein by pumping  
otherwise introducing the same into any sand or sands, substrata or horizon in and under said land, and the right to  
remove the same by pumping or otherwise through any well or wells on said land or other lands with the right to open,  
maintain and use a roadway or roadways to wells or well locations on this or other lands and the right to construct,  
maintain, operate, change and remove pipe lines, telephone and telegraph lines and all other appliances and structures  
above and through said lands, and with all other rights and privileges, including free oil, gas, gasoline and water from  
said land, necessary or convenient for the operation of this land alone or conjointly with other lands for the transportation  
of oil and gas produced from said land or other lands or for introducing, storing or withdrawing of gas from this land or  
other lands:

ALL that certain tract of land situate in Huston & Horton Township, Clearfield & Elk County  
and State of Pennsylvania bounded substantially by the following lands:

North Boone Mt. Road, Earl Hutchins, Guy Ross, Dan Delula

East State Lands

South New Shawmut Mining Co. & United Natural Gas Company

West Joseph Pedace, Brockway Water Company

containing One Thousand Four Hundred Twenty - - - - (1420) - - - - acres, more or less,  
situated however, two hundred (200) feet from dwelling houses and barns now on the premises, on which no well shall  
be drilled by either party except by mutual consent. All of the working interest (7/8) of the oil produced and recovered  
and all of the gas (subject to the reservation or exception of gas for Lessor's own use as hereinafter set forth) produced and  
recovered under the terms of this lease are hereby granted, bargained and sold unto the said Lessee. Lessor agrees that  
Lessee may enter upon the leased premises, search for and clean out any abandoned oil or gas well, and such well shall  
then be considered to have been drilled under the terms of this lease and the same may be properly plugged and abandoned  
again or refitted and utilized by Lessee for the production or storage of gas. The leased premises may be fully and freely  
used by the Lessor for farming or other purposes, excepting such parts as are used by the Lessee in operating hereunder.

2. [Lessor's Covenants] Lessor hereby covenants that he is seized of an indefeasible fee simple estate  
in and to all the oil and gas underlying the land hereinafore described, and that he will forever warrant  
and defend the leasehold estate hereby demised unto the Lessee against the lawful claims and demands of all persons  
whomever, and that Lessee shall have the exclusive, full, free and quiet possession of said described premises for the  
purposes and during the term herein set forth. Lessor further agrees that the Lessee at its option may pay and discharge,  
when defaulted, any taxes, mortgages or other liens existing, levied or assessed on or against the above described lands,  
and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may  
reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing  
hereunder.

3. [Term] It is agreed that this lease shall remain in force for the term of Ten (10) years from  
June 30, 1955 and as long thereafter as the above described land, or any portion thereof, or any  
other land pooled or unitized therewith as provided in paragraph 4 hereof, is operated by the Lessee in the search for or  
production of oil or gas or as long as gas is being stored, held in storage, or withdrawn from the premises by Lessee. It is  
agreed that the cessation of production from wells on the leased premises or upon other land unitized therewith, after the  
expiration of the original term, shall not terminate this lease whether the pooling units have been dissolved or not, if the  
land is used for the storage of gas prior to the plugging and abandonment of wells from which oil or gas has been produced.  
It is understood that a well need not be drilled on the premises to permit the storage of gas, and it is agreed that the Lessee  
shall be the sole judge as to whether gas is being stored within the leased premises and that its determination shall be  
final and conclusive.

4. [Unitization] Lessee is hereby granted the right to pool and unitize the Onondaga, Oriskany or deeper  
formations under 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 governmental authority having jurisdiction in 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 is 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. The commencement, drilling, completion of or production 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 then a proportionate part of the delay rental reserved shall be paid on the remaining acreage.

5. [Payment To Lessor] In consideration of the premises the Lessee covenants and agrees as follows:

**ROYALTIES (Oil):** To deliver to the credit of the Lessor, their heirs and assigns, free of cost, in the pipe line to which Lessee may connect its wells, a royalty of the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

**(Gas):** To make the following payments of royalty for or on account of wells producing gas from sands not utilized for the storage of gas and until said sands shall be utilized for the storage of gas, namely:

To pay a royalty equal to one-eighth (1/8) of the value of all gas (except storage gas) produced, saved and marketed, calculated at the price being paid from time to time by Lessee for like gas purchased by it in the general producing area nearest the leased premises, payment to be made on or before the 25th day of the month for all gas marketed during the preceding month. The time and method of marketing gas produced from any well on the leased premises and the amount thereof that shall be used or marketed within any period of time shall be entirely within the discretion of the Lessee. The unit to which the price herein specified is to be applied is 1000 cubic feet of gas measured according to Boyle's Law (i.e. disregarding deviations), at a temperature of sixty degrees (60°) Fahrenheit (i.e. disregarding temperature changes) and at an absolute pressure of fifteen and three hundred twenty-five thousandths (15.325) pounds per square inch. The atmospheric pressure shall be assumed to be fourteen and four tenths (14.4) pounds per square inch irrespective of the actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time. For testing positive meters and measuring gas with orifice meters the specific gravity of the gas shall be taken at the time of installation and thereafter at least once each year.

**DELAY RENTAL:** Lessee covenants and agrees to pay a rental at the rate of Three Hundred Fifty-five (\$355.00) dollars, quarterly in advance, beginning June 30, 1955 ~~until a well yielding royalty to the Lessor is drilled on the leased premises, or until any sand or sands under the leased premises is utilized for the storage of gas and rental for said storage becomes payable as hereinafter provided, any rental paid for time beyond the date of completion of a well yielding royalty shall be credited upon the first royalty due upon the same. It is agreed that Lessee may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege.~~

**PAYMENT FOR STORAGE PRIVILEGES:** In full compensation for the storage rights herein granted and in lieu of all delay rental or royalty due or to become due for the right to produce or for the production of oil or gas from the sands, strata, or horizons where gas may be stored as herein provided, Lessee covenants and agrees to pay Lessor, when no wells on the leased premises are utilized for the storage of gas, an annual storage rental of One Thousand Four Hundred Twenty & 00/100 (\$1,420.00) dollars, at the rate of One & 00/100 (\$1.00) dollars, per acre, per annum, payable quarterly in advance, beginning at the next payment date after gas shall have been stored under the terms of this agreement and continuing until the leased premises shall no longer be used for storage purposes, or until wells on the leased premises are utilized for the storage of gas, in which event Lessee shall cease paying storage rental to Lessor and pay in lieu thereof, a storage well rental or royalty of Seventy-five & 00/100 (\$75.00) dollars, per well quarterly in advance, as long as such well shall be so utilized; subject to the right of cancellation or surrender hereinafter provided. Any storage rental paid for time beyond the date of such utilization of a well yielding storage well rental or royalty shall be credited upon the first storage well rental or royalty due upon the same. Lessee agrees to give Lessor written notice of the use of the leased premises and any wells drilled thereon for the storage of gas. Lessee further agrees to pay Lessor for any damage to growing crops, trees and fences caused by Lessee in operating this lease.

6. [Gas Excepted] Lessor hereby excepts and reserves from any well on said land producing gas (excepting wells utilized for storage) two hundred thousand (200,000) cubic feet of gas per year or such part thereof as Lessor requires for his own use for heat and light in one dwelling house on said land, at Lessor's own risk; subject, however, to the use, operation, pumping and right of abandonment by Lessee of its wells and pipe lines on the premises. Lessor may at his own expense and upon written application, secure such gas by a service line laid to and connected either to any such well on said land or to Lessor's pipe line leading from such well to market, the point of connection to be designated by Lessee. If Lessor in any year uses gas in excess of the quantity reserved or excepted, he shall pay for the same at the local prevailing price for gas for domestic use, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity reserved or excepted. The measurement and regulation shall be by meter furnished by Lessee and regulators furnished



to his credit, or the credit of his respective heirs or assigns in

(Bank) of

or by check or draft payable to the order of Logan L. Bond

and mailed to 816 Main Street, Brockway, Pennsylvania

8. **[Surrender]** It is agreed that said Lessee may at any time remove all machinery and fixtures placed on said premises; and further, upon the payment of one (\$1.00) dollar and all amounts due hereunder Lessee shall have the right to surrender this lease at any time as to all or any part or parts of the land covered by the same and thereupon shall be released and discharged from all payments, obligations, covenants and conditions herein contained whereupon this lease shall be null and void as to the land in respect to which a surrender is made except that Lessee may continue to use the pipe line rights herein granted upon payment of one (\$1.00) dollar per rod to Lessor for right of way for the same. Lessor agrees that the recordation of a deed of surrender in the proper county, and the mailing in the Post Office of a check payable as above provided, for said sum or sums and all amounts then due hereunder, shall be and be accepted as full and legal surrender of the Lessee's rights under this lease, or under the portion surrendered.

9. **[Outstanding Interests]** Said Lessee shall not be required in any event to increase the delay rental, storage rental, or the gas or oil royalty payments hereunder by reason of any royalty or interest in said oil or gas that may have been heretofore sold, reserved or conveyed by said Lessor or by his predecessors in title or otherwise; and if the Lessor does not have title to all the oil and gas in the leased premises or to the storage rights herein leased, there shall be refunded such part of all payments made by the Lessee hereunder, as shall be proportionate to the outstanding title, and payments thereafter to be made shall be reduced in the same proportion.

10. **[Conveyance Of Premises]** In case of a conveyance of all or a part of the premises leased, the Lessee may continue to make all payments to Lessor until furnished with the original or a certified copy of any such deed of conveyance or other documents or proof to enable Lessee to identify the land conveyed as being all or part of leased land, or on written notice of any such conveyance, may hold all payments until furnished with such copy and other documents and proof, and shall apportion the delay rental, storage rental and royalty, in case of any division, according to acreage.

11. **[Adverse Claim]** In case of notice of, or an adverse claim to the premises, affecting all or any part of the rentals, storage rentals or royalties, Lessee may withhold payment or delivery of the same until their ownership is determined by compromise, or by final decree of a court of competent jurisdiction, and to this end Lessee may file a petition for interpleader.

12. **[Entire Contract]** It is agreed that the entire contract and agreement between Lessor and Lessee is embodied herein, and that no verbal warranties, representations or promises have been made or relied upon by Lessor or Lessee supplementing, modifying or as an inducement to this agreement.

13. **[Heirs And Assigns]** All terms, conditions, limitations and covenants between the parties hereto shall extend to their respective heirs, successors, personal representatives and assigns.

The aggregate annual storage rentals and storage royalties provided herein shall not be less than an amount equal to One (\$1.00) Dollar per acre per annum.

This lease replaces and cancels as of June 30, 1955 a prior oil and gas lease between the parties hereto dated June 30, 1947 and recorded in Misc. Book Vol. N, Page 264.

In Witness Whereof the parties to this agreement have hereunto set their hands and seals the day and year first above written.

WITNESS:

*August H. Frye*  
*August H. Frye*

*Logan L. Bond* (SEAL)

*Mary O. Bond* (SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)



New York State Natural Gas Corporation

*A. J. Trice*

Vice President



EXHIBIT "B"

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF CLEARFIELD } ss

VOL 1978 PAGE 327

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter referred to as "Assignor", and AMERICAN REFINING AND EXPLORATION COMPANY, a Pennsylvania corporation, hereinafter referred to as "Assignee".

WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, assign, set over, transfer and convey, without warranty of title, either expressed or implied, except as to those claiming by, through and under the Assignor, with full rights of substitution and subrogation, unto Assignee all of the Assignor's right, title and interest in and to the following described properties (hereinafter referred to as the "Oil and Gas Properties"), effective as of 7:00 a.m. October 15, 1998 (the "Effective Date"):

1. All those oil and gas wells located in Clearfield County, Pennsylvania, and described on Exhibit A attached hereto (hereinafter referred to as the "Wells") and the oil and gas leases described on Exhibit B attached hereto (hereinafter referred to as the "Oil and Gas Leases").
2. All production equipment, material, fixtures, casing, tubular goods, lines, pumps, tanks and other facilities, both surface and down hole, installed and used in the operation of the Wells.
3. All those well lines listed on Exhibit A and further described on Exhibit C attached hereto and all those gathering lines described on Exhibit C, together with related equipment and facilities used in connection therewith (the well lines and gathering lines hereinafter collectively referred to as the "Pipeline").
4. All those rights-of-way, easements, surface leases, meter site agreements, rights-of-entry or access, permits, options, licenses and franchises related to the Oil and Gas Leases and the Pipeline, including, but not limited to those Pipeline rights of way and easements described on Exhibit C.
5. All those road grants, licenses, permits and miscellaneous grants described on Exhibit D attached hereto.

CLEARFIELD COUNTY  
ENTERED OF RECORD  
TIME 3:50pm 10-21-98  
BY T. Energy  
FEES 51.50  
Karen L. Starch, Recorder

6. All oil, gas and other minerals produced and saved from the Oil and Gas Properties from and after the Effective Date, to include all gas above the meter site and all liquid hydrocarbons in the tanks as of the Effective Date.

This Bill of Sale and Assignment is expressly made subject to the following provisions:

A. Nothing contained in this Bill of Sale and Assignment shall constitute a transfer or assignment of any agreement, instrument, right-of-way, permit, license, franchise or any other document to the extent the transfer or assignment is prohibited by the terms thereof or by law.

B. Should Assignor determine at a later date that any agreement, instrument, right-of-way, permit, license, franchise or any other document was inadvertently transferred by this Bill of Sale and Assignment, the Assignee shall, as a matter of form in order to clear the public records, reassign such document at the request of Assignor.

C. Assignor shall assume and pay any and all State, County or local taxes assessed and levied upon the Oil and Gas Properties prior to and before the Effective Date and Assignee shall assume and pay any and all State, County or local taxes assessed upon the Oil and Gas Properties from and after the Effective Date.

D. Assignee agrees to pay all filing fees, recording fees, documentary stamps, transfer fees or excise taxes required in connection with the filing and recording of this Bill of Sale and Assignment, and all transfer fees, recording fees, sales tax, permit fees and all other fees imposed by any state or federal agency in connection with the sale and transfer of the Oil and Gas Properties.

E. All equipment and other personal property appurtenant to the Oil and Gas Properties is transferred subject to normal wear and tear without warranties of any kind whatsoever, whether expressed or implied, and are sold:

"AS IS WITH ALL FAULTS AND DEFECTS" and "WITH NO WARRANTY AS TO MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE", THIS ASSIGNMENT IS MADE (a) WITHOUT ANY WARRANTY OR REPRESENTATION OF TITLE, EITHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, EXCEPT THAT ASSIGNOR SHALL WARRANT AND DEFEND TITLE TO THE OIL AND GAS PROPERTIES AGAINST THE CLAIMS OF ANY PERSON ASSERTING TITLE BY, THROUGH OR UNDER ASSIGNOR OR ITS AFFILIATES, BUT NOT OTHERWISE; (b) WITHOUT ANY EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION AS TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OR MATERIALS OR

MERCHANTABILITY OF ANY OF THE PERSONAL PROPERTY OR ITS FITNESS FOR ANY PURPOSE; AND (C) WITHOUT ANY OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER.

F. Assignor hereby reserves the right to use concurrently with Assignee the roads or other facilities that constitute part of the Oil and Gas Properties to the extent necessary in connection with the operation of other oil and gas properties owned by Assignor that are not part of the Oil and Gas Properties.

This Bill of Sale and Assignment is made and shall be subject to the terms and provisions of that certain Purchase and Sale Agreement between Assignor and Assignee dated July 31, 1996, which shall prevail in the event of any conflict between the terms and provisions hereof and thereof.

Following recordation of this Bill of Sale and Assignment in the Office of the Recorder of Deeds, Clearfield County, Pennsylvania, Assignee agrees to provide Assignor with a copy of the recorded document showing book and page references and dates.

This Bill of Sale and Assignment shall be executed in duplicate originals, and each duplicate original hereof shall be deemed to be an original instrument.

IN WITNESS WHEREOF, Assignor has executed and delivered this Bill of Sale and Assignment on this 15th day of October, 1998, effective as of the Effective Date.

ASSIGNOR:

CNG TRANSMISSION CORPORATION

By: Mendak G. G. G.

Its: SVP

SLA

ASSIGNEE:

AMERICAN REFINING AND EXPLORATION  
COMPANY

By: Thomas F. Halloran  
Its: President

This instrument was prepared by:  
Stephen L. Atkinson  
445 West Main Street  
Clarksburg, WV 26301

(bos-amrefining2)  
dek2/97ala

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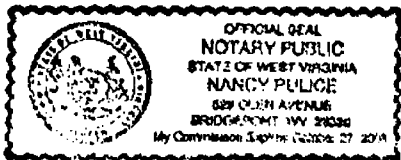
STATE OF WEST VIRGINIA

VOL 1978 PAGE 331

COUNTY OF HARRISON

On this, the 15<sup>th</sup> day of October, 1998, before me appeared Nancy Pulice, the undersigned officer, personally to be Senior Vice President of CNG TRANSMISSION CORPORATION, a corporation, and that he as such Senior Vice 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 Senior Vice President.

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



My commission expires:

October 27, 2003

Nancy Pulice  
Notary Public

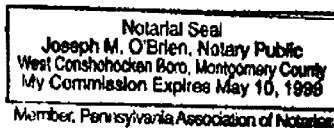
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

On this, the 16<sup>th</sup> day of OCTOBER, 1998, before me appeared JOSEPH M. O'BRIEN, the undersigned officer, personally to be PRESIDENT of AMERICAN REFINING AND EXPLORATION 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.

My commission expires:



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EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

## WELLS

## CLEARFIELD COUNTY, PENNSYLVANIA

<u>Well No.</u>	<u>Line No.</u>	<u>API NO.</u>	<u>Lease No.</u>	<u>Township</u>
507	LN 1275	37-033-00005	58299	Huston
540	LN 1207	37-033-00036	59665	Huston
559	LN 1219	37-033-00035	58935	Union
573	LN 1283	37-033-00130	59665	Huston
577	LN 1251	37-033-00063	59724	Union
578	LN 1244	37-033-00073	57377	Union
580	LN 1257	37-033-00069	57205	Union
581	LN 1238	37-033-00064	60064	Union
584	LN 1277	37-033-00108	58299	Huston
590	LN 1272	37-033-00095	60125	Union
591	LN 1265	37-033-00099	60125	Union
594	LN 1249	37-033-00089	60332	Union
608	LN 1281	37-033-00117	60125	Union
614	LN 1270	37-033-00106	60742	Union
622	LN 1283	37-033-00154	59665	Huston
641	LN 1289	37-033-00146	59665	Huston
673	LN 1312	37-033-00169	59665	Huston
678	LN 1310	37-033-00170	59397	Huston
683	LN 1329	37-033-00178	59665	Huston
691	--	--	59665	Huston
694	LN 1336	37-033-00194	61779	Huston
698	LN 1332	37-033-00203	59397	Huston

EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

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WELLS

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Well No.</u>	<u>Line No.</u>	<u>API NO.</u>	<u>Lease No.</u>	<u>Township</u>
704	LN 1345	37-033-00212	61779	Huston
708	LN 1354	37-033-00216	59397	Huston
714	LN 1353	37-033-00215	61779	Huston
718	LN 1360	37-033-00277	61779	Huston
721	--	37-033-00253	61779	Huston
722	--	--	58602	Huston
727	LN 1308	37-033-00236	59665	Huston
731	LN 1373	37-033-00245	59665	Huston
732	LN 1377	37-033-00247	60441	Sandy
734	LN 1380	37-033-00246	61779	Huston
736	LN 1388	37-033-00257	60970 60971	Huston Huston
737	LN 1378	37-033-00252	66253	Huston
738	LN 1363	37-033-00298	59397	Huston
739	LN 1387	37-033-00261	62221 62106 62119 62118	Huston Huston Huston Huston
753	LN 1414	37-033-00294	62063	Sandy
756	LN 1415	37-033-00295	62063	Sandy
770	LN 1431	37-033-00312	62063	Sandy
889*	LN 1494	37-033-00377	62923	Sandy

EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

## WELLS

## CLEARFIELD COUNTY, PENNSYLVANIA

<u>Well No.</u>	<u>Line No.</u>	<u>API NO.</u>	<u>Lease No.</u>	<u>Township</u>
1455	LN 2003	37-033-20582	64903	Sandy
			77316	Sandy
			77317	Sandy
			88342	Sandy
			88343	Sandy
			98178	Sandy
			63284	Sandy
1548	LN 2049	37-033-20609	48396	Huston
			56731**	--
			59884	Huston
			57806	Huston
1647	LN 2110	37-033-20662	61779	Huston

\* Includes interest acquired from Fairman Drilling Company, see  
Book 1501, Page 4

\*\* Lease 56731 listed as located in Elk County, Pennsylvania.

(bos-amrefining2)



EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT

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LEASES

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
58299	Bond	06-16-55	Huston	M96	489
Modification	Bond	08-19-58	Huston	112	573
59665	Gordon	07-01-51	Huston	M82	99
Assignment	Cabot	12-28-56	Huston	M108	225
Modification	Gordon	09-01-77	Huston	211	488
58935	Orner	02-01-56	Union	M101	207
57377	Dawson	03-04-54	Union	M92	70
57205	Weber	12-08-53	Union	91	83
60064	Bloom	06-19-57	Union	106	452
58299	Bond	06-16-55	Union	M96	489
Modification	Bond	08-19-58	Union	112	573
60125	City of Dubois	06-27-57	Union	106	581
60332	Neeley	07-02-57	Union	M107	567
60742	Neeley	07-02-57	Union	M107	432
59397	Palumbo	08-22-56	Huston	73	398
Modification	Palumbo	01-23-58	Huston	109	427
Modification	Palumbo	08-22-58	Huston	113	235
Modification	Palumbo	03-14-73	Huston	180	59
Amendment	Palumbo	12-09-83	Huston	--	--
Memo of	Palumbo	12-09-83	Huston	1052	38
Amend.					
Amendment	Palumbo	09-13-94	Huston	1645	138
61779	Palumbo	08-05-58	Huston	113	459
Modification	Palumbo	03-14-73	Huston	180	59
Amendment	Palumbo	12-09-83	Huston	--	--
Memo of	Palumbo	12-09-83	Huston	1052	38
Amend.					
Amendment	Palumbo	09-13-94	Huston	1645	135
60441	Desander	09-27-57	Sandy	108	392
60970	Spicker	02-12-58	Huston	M109	577

EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

LEASES

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
60971	Fossler	02-11-58	Huston	M109	580
Ratification	Fossler	03-23-79	Huston	220	181
Modification	Fossler	03-19-79	Huston	214	496
66253	McCool	08-01-62	Huston	M130	516
Ratification	Reitz	08-01-62	Huston	130	538
62221	Saduski	04-01-59	Huston	M115	459
62106	Challingsworth	02-11-59	Huston	M114	577
Modification	Challingsworth	11-04-59	Huston	118	329
62119	Challingsworth	02-18-59	Huston	M114	570
62118	Georgino	02-18-59	Huston	M114	573
62063	DuBois Country Club	12-09-58	Sandy	M114	470
62923	Green Glen Corp	09-16-59	Sandy	M117	564
64903	Green Glen Corp	03-15-61	Sandy	M126	126
Modif.	Green Glen Corp	03-14-63	Sandy	131	571
Modif.	Green Glen Corp	06-21-63	Sandy	132	411
Modif.	Green Glen Corp	10-25-77	Sandy	215	489
77316	H. Dodd	12-20-67	Sandy	M145	449
Modification	H. Dodd	10-19-77	Sandy	215	495
77317	R. Dodd	12-20-67	Sandy	M145	441
Modification	R. Dodd	10-28-77	Sandy	214	599
88342	Heller	06-01-75	Sandy	198	294
Modification	Heller	11-09-77	Sandy	214	596
88343	Kear	05-29-75	Sandy	198	298
Modification	Kear	10-20-77	Sandy	214	593
98178	Yale	10-20-71	Sandy	159	110
Modification	Yale	10-20-77	Sandy	214	577

EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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LEASES

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
63284	Brown	08-14-69	Sandy	M151	34
Modification	Volpe	10-20-77	Sandy	214	586
48396	Donahue	10-21-76	Huston	206	5
59884	Ross	10-26-66	Huston	142	176
57806	Pennell	02-20-74	Huston	192	135
Ratification	Horner	05-25-76	Huston	203	209

(bos-amrefining2)

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT

## PIPELINES, RIGHTS OF WAY AND EASEMENTS

## CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1207	Covered by Lease 59369	07-18-50	Huston	--	--
1219	Orner	03-26-57	Union	104	494
1238	Bloom	08-06-57	Union	107	281
1244	City of DuBois	09-23-57	Union	108	342
	Miller	09-25-57	Union	108	269
	Weber	09-26-57	Union	108	268
	Dawson	10-16-57	Union	108	375
1249	Weber	09-26-57	Union	108	271
1251	Covered by Lease 59724	03-07-57	Union	--	--
1257	Schwen	10-24-57	Union	108	429
1265	Bailey	11-21-57	Union	108	520
1270	Weber	12-19-57	Union	109	264
	Heller	12-19-57	Union	109	271
1272	Covered by Lease 60125	06-27-57	Union	106	581
1281	City of DuBois	02-22-65	Union	137	282
1283	Covered by Lease 61139	03-17-58	Huston	--	--
1289	Covered by Lease 59665	07-01-51	Huston	M82	99

hereby certify that the foregoing  
is recorded in the Recorder's Office of  
Clearfield County, Pennsylvania.



*Karen L. Starck*  
Karen L. Starck  
Recorder of Deeds

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
1308	New Shawmut Mining Co.	05-08-59	Huston	115	363
	Pyle	05-15-59	Huston	115	432
	Whitmore	07-22-59	Huston	116	365
	Weltz	07-24-59	Huston	116	399
	Lewis	07-28-59	Huston	116	366
	Desander	07-28-59	Sandy	116	369
	Desander	07-28-59	Sandy	116	368
	Sherwood	08-20-59	Sandy	117	66
	Delong	08-20-59	Sandy	117	65
	Maloney	08-27-59	Sandy	117	62
	Bundy	08-20-59	Sandy	117	63
	Green Glen Corp	01-20-60	Sandy	119	49
	Van Sice	01-20-60	Sandy	119	491
1310	Covered by Lease 59397	08-22-56	Huston	73	398
1312	Covered by Lease 59665	07-01-51	Huston	M82	99
1329	Covered by Lease 59665	07-01-51	Huston	M82	99
1332	--		Huston	--	--
1334	--		Huston	--	--
1336	Underhill Coal Mining Co	03-11-59	Huston	115	81
1340	Anderson	05-07-59	Huston	115	364
1345	Covered by Lease 61779	08-05-58	Huston	113	459
1353	Covered by Lease 62157	10-03-57	Huston	M108	150

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1354	New Shawmut Mining Co.	06-19-59	Huston	116	142
1360	Covered by Lease 61779	08-05-58	Huston	113	459
1363	--	--	Huston	--	--
1373	Covered by Lease 59665	07-01-51	Huston	M82	94
1377	Covered by Lease 60441	09-27-57	Huston	108	392
1378	Covered by Lease 66253	08-01-62	Huston	M103	516
1380	Covered by Lease 61779	08-05-58	Huston	113	459
1387	New Shawmut Mining Co. Sellers	11-20-59 12-17-59	Huston Huston	118 118	565 568
1388	Lewis	10-27-59	Huston	118	160
1414	--	--	Sandy	--	--
1415	Covered by Lease 62063	12-09-58	Sandy	M114	470
1431	Green Glen Corp	06-21-60	Sandy	121	503
1494	Covered by Lease 62923	09-16-59	Sandy	M117	564
1917	Hutchins	11-28-73	Huston	195	262

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
2003	Kosko	04-15-76	Sandy	204	87
	Marengo	04-07-76	Sandy	204	81
	Kear	03-25-76	Sandy	204	83
	Yale	03-25-76	Sandy	204	85
2049	Hutchins	11-16-76	Huston	206	134
	March	04-13-77	Huston	208	520
2110	--	--	Huston	--	--

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
994	--	--	Huston	--	--
1205	--	--	Huston	--	--
1209	--	--	Huston	--	--
1222	--	--	Huston	--	--
1226	B. Bailey	06-06-57	Union	M106	463
1233	Kimmel	07-18-57	Union	M107	182
	B. Bailey	08-28-57	Union	M107	497
	Holly	07-25-57	Union	M107	177
	P. Bailey	07-25-57	Union	M107	215
1234	Orner	08-27-57	Union	M107	498
	LaRock	08-14-57	Union	M107	337
	City of DuBois	08-30-57	Union	M107	502
	Fair	09-04-57	Union	M107	499
	City of DuBois	09-23-57	Union	M108	342

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1235	City of DuBois	12-11-57	Union	MD109	175
	City of DuBois	02-22-65	Union	M137	298
1239	--	--	Union	--	--
1241	--	--	Union	--	--
1242	--	--	Huston	--	--
1247	--	--	Union	--	--
1248	Miller	09-25-57	Union	M108	266
1250	Reiter	10-17-57	Huston	M108	379
	Graham	10-17-57	Huston	M108	381
	Bennetts	10-25-57	Huston	M108	430
	Valley Rod & Gun Club				
	Lyle	10-08-57	Huston	M108	284
1255	--	--	Huston	--	--
1261	Scholl	12-10-59	Union	M119	152
1269	Lyle	12-19-57	Huston	M109	263
	Williams	01-02-58	Huston	M109	270
	Buhite	05-21-58	Huston	M111	527
1274	City of DuBois	03-06-58	Union	M108	484
	City of DuBois	03-15-65	Union	M137	282
1280	Scholl	05-07-58	Union	M111	419
	Shaffer	05-06-58	Union	M111	420
1282	--	--	Huston	--	--
1286	--	--	Huston	--	--
1290	E. Miller	11-10-64	Union	M136	661
	Bloom	02-11-65	Union	M137	280
1291	--	--	Huston	--	--



EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1292	--	--	Union	--	--
1293	--	--	Huston	--	--
1300	Green Glen Corp.	08-27-58	Huston	M112	495
	Munn	08-21-58	Huston	M112	492
	Hudak	09-02-58	Huston	M112	571
	Dal. Woodward	08-20-58	Huston	M112	491
	Green Glen Corp.	08-27-58	Huston	M112	493
	Dan. Woodward	08-26-58	Huston	M112	569
1304	Lucore	01-27-59	Huston	M114	441
	Park	01-27-59	Huston	M114	442
	Crawford	02-12-59	Huston	M114	540
	Miller	03-04-59	Huston	M115	16
	Anderson	03-11-59	Huston	M115	32
	Geer	02-13-59	Huston	M114	554
1311	--	--	Gordon & Huston	--	--
1316	--	--	Huston	--	--
1317	--	--	Huston	--	--
1318	New Shawmut Mining Co.	01-09-59	Huston	M114	302
	New Shawmut Mining Co.	06-19-59	Huston	M116	140
1320	--	--	Huston	--	--
1321	--	--	Huston	--	--
1328	--	--	Huston	--	--
1338	--	--	Huston	--	--
1341	--	--	Huston	--	--

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

## PIPELINES, RIGHTS OF WAY AND EASEMENTS

## CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1343	--	--	Huston	--	--
1344	--	--	Huston	--	--
1347	--	--	Huston	--	--
1348	Lewis	09-01-59	Huston	M119	268
1351	New Shawmut Mining Co.	09-15-59	Huston	M117	177
	Shutters	09-12-59	Huston	M117	545
	Seduski	10-07-59	Huston	M117	558
1352	--	--	Huston	--	--
1355	--	--	Huston	--	--
1356	--	--	Huston	--	--
1359	New Shawmut Mining Co.	07-09-59	Huston	M116	371
1362	Green Glen Corp.	07-09-59	Huston	M117	544
1364	--	--	Huston	--	--
1366	--	--	Huston	--	--
1369	--	--	Huston	--	--
1371	--	--	Huston	--	--
1379	--	--	Sandy	--	--
1383	--	--	Huston	--	--
1384	New Shawmut Mining Co.	11-20-59	Huston	M118	567

- 7 -

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

VOL 1978 PAGE 345

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1385	--	--	Huston	--	--
1390	Stoyek	01-05-60	Union	M119	321
	City of DuBois	01-20-60	Union	M120	190
1391	--	--	Huston	--	--
1393	--	--	Huston	--	--
1394	--	--	Huston	--	--
1395	--	--	Huston	--	--
1397	Underhill Coal Mining Co.	08-11-60	Huston	M122	291
1400	Bailey	01-12-60	Union	M124	120
	R. Bloom	01-12-60	Union	M119	409
	L. Bloom	01-14-60	Union	M119	408
	Harrington	01-28-60	Union	M120	187
	Pentz Tract Corp.	01-22-93	Union	1556	426
	Green Glen Corp.	01-20-60	Union & Sandy	M119	494
	Russell	01-21-60	Sandy	M119	490
	Treasure Lake Inc.	07-27-71	Sandy	158	98
1402	--	--	Huston	--	--
1403	--	--	Sandy	--	--
1404	--	--	Sandy	--	--
1406	Green Glen Corp.	03-23-60	Sandy	120	503
	Shaffer	03-23-60	Sandy	120	504
1407	--	--	Sandy	--	--
1409	--	--	Sandy	--	--

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1410	Bundy	03-08-60	Sandy	M121	190
1411	--	--	Sandy	--	--
1412	Green Glen Corp.	04-01-60	Huston	M121	49
1413	Green Glen Corp.	06-09-60	Sandy	M121	434
1417	--	--	Sandy	--	--
1418	--	--	Sandy	--	--
1419	--	--	Sandy	--	--
1428	Green Glen Corp.	06-09-60	Sandy	M121	435
	DuBois Country Club	06-14-60	Sandy	M121	501
1433	--	--	Sandy Union	--	--
1493	Green Glen Corp.	08-20-63	Sandy	M133	244
	Ramsey	08-29-63	Sandy	M133	245
	Frost	10-07-63	Sandy	M133	246
	Weitzel	08-28-63	Sandy	M133	249
	Harriger	08-27-63	Sandy	M133	247
	Hallistrom	08-20-63	Sandy	M133	248
1517	--	--	Huston	--	--
1549	Bucktail Council Inc.	05-11-65	Huston	M137	621
	Boy Scouts of America				
	New Shawmut Mining Co.	04-22-65	Huston	M137	567

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIAGATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
2438	(rights of way to assigned by separate document) <sup>1</sup>			

(bos-amrefining2)

<sup>1</sup> Partial assignment only for portion of LN 2438 beginning at Home Camp Compressor Station (Pipeline Station 196+20) and running generally in a northeasterly direction 32,218 feet, more or less, to PA State Route 153 (Pipeline Station 518+38).

EXHIBIT "D"  
TO BILL OF SALE  
AND ASSIGNMENT

## ROAD GRANTS AND MISCELLANEOUS GRANTS

## CLEARFIELD COUNTY, PENNSYLVANIA

ROAD GRANT

<u>Well No.</u>	<u>Grant No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
1455	RG 361	Yale	09-17-75	Sandy	200 145

MISCELLANEOUS GRANTS

<u>Grant No.</u>	<u>Type</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Line No.</u>	<u>Recording Book Page</u>
92427	Tank Site	City of DuBois	06-26-85	Union	LN 1281	1026 433
92429	Tank Site	Scholl	06-26-85	Union	LN 1235	1026 264
92430	Tank Site	Orcutt	06-27-85	Union	LN 1235	1026 266
92463	Tank Site	Boy Scouts of America	01-15-86	Huston	LN 1549	1063 504
92469	Tank Site	New Shawmut Mining Co.	03-06-86	Huston	LN 1308	1069 538
92473	Tank Site	Green Glen Corp.	03-27-86	Sandy	LN 1308	1075 402
92477	Meter Site	Underhill Coal Mining	07-23-86	Huston	LN 1318 LN 1875	1101 321
97838	Compr. Site	Kimmel	07-02-84	Union	--	965 404

(bos-amrefining2)

Entered of Record 10-21-1998:3:50pm Karen L. Stark, Recorder

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

FILED 11/17/00  
m/12.40(w)  
William A. Shaw  
Prothonotary/Clerk of Courts  
20 c/c (64)

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Certificate of Service
AMERICAN EXPLORATION COMPANY, :	Filed on behalf of: Plaintiffs
Defendant, :	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

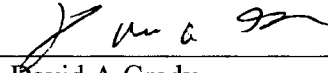
Dated: \_\_\_\_\_

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure), on December 7, 2007, a copy of the Plaintiff's Complaint in the above referenced case was sent by certified mail, return receipt requested, to American Exploration Company at 525 Plymouth Road Suite 320, Plymouth Meeting, PA 19462-1640, and its Attorney, C. Warren Trainor, Esquire, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs



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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Answer  
: and New Matter  
:  
: Filed on behalf of: Defendant  
:  
: Council of Record for the Party:  
: C. Warren Trainor, Esquire  
: PA Bar No: 16025  
: Ehmann, Van Denbergh & Trainor, P.C.  
: Two Penn Center Plaza, Suite 220  
: 1500 John F. Kennedy Boulevard  
: Philadelphia, PA 19102  
: (215) 851-9800

Dated: December 14, 2007

DEC 17 2007  
m/12:42/40  
No CC  
@k

William A. Shaw  
Prothonotary/Clerk of Courts

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**ANSWER AND NEW MATTER**

Comes Now Defendant, American Exploration Company (“AEC”) and files its Answer and New Matter in the above-captioned matter.

1. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

2. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

3. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

4. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

5. Admitted that there is an oil and gas lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Corporation, dated June 16, 1955 ("Lease"). Denied as to the remainder. By way of further answer, the proper recordation of the Lease in Elk County, Pennsylvania is Misc. Book V, at page 285. The Lease is the best evidence of its content.

6. Admitted in part and denied in part. Admitted that AEC received an assignment of the Lease from CNG Transmission Company dated October 15, 1998, recorded in Book 1978, Page 327 of the records of Clearfield County, Pennsylvania, a copy of which is attached to the Complaint as Exhibit "B" ("Assignment"). Denied as to the remainder. By way of further answer, only 652.775 acres, more or less, of the assigned acreage conveyed to AEC by the Assignment and covered by the Lease is located in Clearfield County, with the remaining 217.5 acres, more or less, of the Lease being located in Elk County. The Lease is the best evidence of its content.

7. Admitted. By way of further answer, Defendant's two wells, Well #507 and Well #584, are both located on the 652.775 acres of the Lease located in Clearfield County, Pennsylvania, and produce from the Oriskany formation. In Pennsylvania, the statutory unit for an Oriskany well is 320 acres, more or less, per well. By way of further answer, the Plaintiffs are receiving a monthly royalty payment from these wells.

8. Admitted.

9. Admitted that there are two wells on the Lease operated by a third party. Denied as to the remainder. By way of further answer, the two wells operated by the third party are, upon information and belief, producing from oil and/or gas bearing strata at depths above the Oriskany formation. The Plaintiff's are receiving royalty payments from these wells.

10. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

11. Denied.

12. Admitted that the Defendant's two wells, Well # 507 and Well # 584, produce from the Oriskany formation. Denied as to the remainder. By way of further answer, in Pennsylvania the statutory unit for an Oriskany Well is 320 acres, more or less. The Plaintiffs receive monthly royalty checks attributable to these wells.

13. Admitted.

14. This averment assumes facts not in evidence for which no answer is required. To the extent an answer is required the averments of this paragraph are Denied. By way of further answer, upon information and belief, not less than 7 additional wells were drilled on the acreage covered by the Assignment all of which were dry holes.

15. Denied.

16. Denied.

17. Admitted.

18. Admitted that Pennsylvania law recognizes an implied covenant to develop an oil and gas lease. Denied as to the remainder. By way of further answer, the implied covenant to develop is fact sensitive and must be judged on the individual merits of each case.

19. The averment of this paragraph is an admission by Plaintiff for which no answer is required.

NEW MATTER

1. Plaintiffs lack clear and quiet title to the property in question and thus do not have standing to commence the above captioned cause of action.

2. Plaintiff's Complaint alleges no violation of Defendant's duties under the Lease for which relief may be granted.

3. Plaintiff's Complaint alleges no conduct by Defendant contrary to law or public policy for which relief may be granted.

4. Plaintiff's claim is barred by the principles of equity.

5. Of the 652.775 acres of the Lease in Clearfield County, 345.4125 acres, more or less, are allocated to the unit for Defendant's Well # 584, with the remainder allocated to the unit for Defendant's Well # 507.

6. Prudent oil field practice provides for the depletion of the deepest strata from which a well is producing before moving up to shallower strata potentially containing commercial quantities of hydrocarbons.

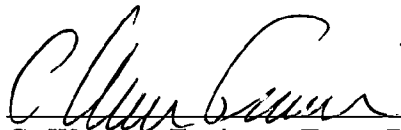
7. Abandonment of the Defendant's current production from the Oriskany formation to attempt to produce from shallower strata that may or

may not contain commercial quantities of oil and/or gas would amount to waste and be contrary to public policy.

8. Plaintiffs' desire that Defendant drill multiple additional wells on their property to accelerate production of strata potentially containing commercial quantities of hydrocarbons is encouraging waste and is environmentally unsound.

WHEREFORE, American Exploration Company respectfully requests that this Court dismiss the complaint with prejudice and grant Defendant American Exploration Company such other relief as is just and appropriate.

Respectfully Submitted



C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: December 14, 2007

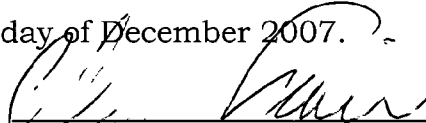
## VERIFICATION

I, Thomas F. Halloran, am President of American Exploration Company and am duly authorized to make this Verification on behalf of American Exploration Company. I have read the foregoing Answer, New Matter and Counterclaim and state that the averments of fact contained therein are true and correct to the best of my knowledge, information and belief. This verification is made subject to 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities.

Thomas F. Halloran

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Answer, New Matter and Counterclaim to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 14<sup>th</sup> day of December 2007.

  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851



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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,  
vs.

AMERICAN EXPLORATION COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Entry of Appearance  
:  
: Filed on behalf of: Defendant  
:  
: Council of Record for the Party:  
: C. Warren Trainor, Esquire  
: PA Bar No: 16025  
: Ehmann, Van Denbergh & Trainor, P.C.  
: Two Penn Center Plaza, Suite 220  
: 1500 John F. Kennedy Boulevard  
: Philadelphia, PA 19102  
: (215) 851-9800

Dated: December 12, 2007

FILED  
m 19:31  
DEC 17 2007  
NO CC  
(6K)

William A. Shaw  
Prothonotary/Clerk of Courts

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


ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**ENTRY OF APPEARANCE**

To the Prothonotary:

Please enter our appearance on behalf of Defendant, American Exploration Company, in the above-captioned matter.

Respectfully Submitted



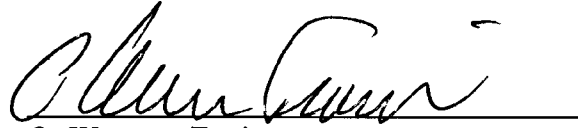
C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 851-9800

Attorney For Defendant  
American Exploration Company

Dated: December 12, 2007

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Answer, Entry of Appearance to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 12<sup>th</sup> day of December 2007.

  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

DEC 20 2007  
01/12/2007  
William A. Shaw  
Prothonotary/Clerk of Courts  
3 cent to Attc

ROBERT M. DAY, CAROL I. DAY and JOHN : CIVIL ACTION- (EQUITY)  
B. BRANDON, :  
Plaintiffs, : No. 07-2000  
vs. : Type of Case: Quiet Title  
AMERICAN EXPLORATION COMPANY, : Type of Pleading: Reply  
Defendant, : Filed on behalf of: Plaintiffs  
: Council of Record for the Party:  
: David A. Grady, Esquire  
: Supreme Court No. 201678  
: PO Box 220  
: 12 North Third Street  
: Reynoldsville, Pa. 15851  
: 814-653-8553

Dated: 12/20/07

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000
	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY,	:	
Defendant,	:	

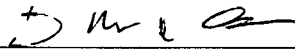
REPLY

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby reply to Defendants' New Matter as follows:

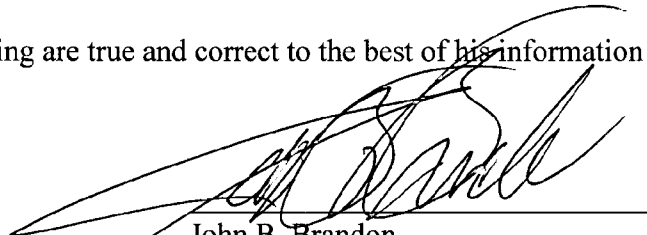
1. Denied. The averments in Defendant's Paragraph 1 are denied. To the contrary Plaintiffs are owners of the subject oil and gas property by virtue of a deed of James L. Bond, Executor Of Logan L. Bond and Mary L. Bond, dated August 23, 1985 and recorded in Clearfield County Deed Book 1045, Page 394. Furthermore, Defendant's interest in the subject premises comes from a lease from said, Logan L. Bond and Mary L. Bond.
2. Denied. The averments in Defendant's Paragraph 2 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. Plaintiffs have alleged a breach of the implied covenant to develop the lease.
3. Denied. The averments in Defendant's Paragraph 3 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.
4. Denied. The averments in Defendant's Paragraph 4 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.

5. Denied. Plaintiffs lack sufficient information regarding the Defendant's unit designation to formulate an answer. To the extent that an answer is required the averments are denied. By way of a further answer the Defendant addresses only 652.775 acres of 1420-acre lease. Defendant's averment assumes that the wells are centrally located on the premises as to place the entire unit on the subject premises. Defendant's averment assumes that the old wells are operating efficiently as to justify such a large unit. Furthermore Plaintiffs are unaware of any Pennsylvania Statute, which sets "the statutory unit for an Oriskany well" at 320 acres.
6. Denied. The averments in Defendant's Paragraph 6 are denied. To the contrary prudent gas field practice is specific to the unique geological properties of an individual gas field. By way of a further answer the Defendant addresses only 652.775 acres of 1420-acre lease.
7. Admitted in part, Denied in part. It is admitted that abandoning producing wells would constitute waste. However, the averments in Defendant's Paragraph 7 are denied in that the Plaintiffs have not suggested or requested that the current wells be abandoned. To the contrary Plaintiffs Complaint requests only the acreage reasonably beyond the current wells be released from the current lease.
8. Denied. The averments in Defendant's Paragraph 8 are denied. To the contrary to allow the Defendant to intentionally hinder the production of "strata potentially containing commercial quantities of hydrocarbons" is encouraging waste. Furthermore, Plaintiffs have no information, with which to respond to the Defendant's assertion that development of the subject premises would be any more or less environmentally unsound than any other gas or oil development.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
\_\_\_\_\_  
John B. Brandon

Sworn to and Subscribed  
before me this 18<sup>th</sup> day  
of December, 2007

Notary Public

③

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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ATT

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Council of Record for the Party:  
David A. Grady, Esquire  
Supreme Court No. 201678  
PO Box 220  
12 North Third Street  
Reynoldsville, Pa. 15851  
814-653-8553

Dated: \_\_\_\_\_



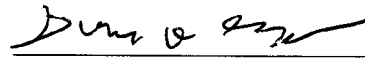
IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

PRAECIPE TO AMEND COMPLAINT

To the Prothonotary:

Pursuant to Pa. R.C.P. 1033, the Plaintiff has received written permission of the Defendant's Attorney to Amend the Complaint. Please file the attached Amended Complaint in the above caption matter.

  
\_\_\_\_\_  
David A. Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN	:	CIVIL ACTION- (EQUITY)
B. BRANDON,	:	No. 07-2000-CD
Plaintiffs,	:	Type of Case: Quiet Title
vs.	:	Type of Pleading: Amended Complaint
AMERICAN EXPLORATION COMPANY,	:	Filed on behalf of: Plaintiffs
Defendant,	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated:\_\_\_\_\_

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

NOTICE TO DEFEND

TO:

C. Warren Trainor, Esquire  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

A COMPLAINT HAS BEEN FILED AGAINST YOU IN COURT. IF YOU WISH TO DEFEND AGAINST THE MATTERS SET FORTH IN THE FOLLOWING PETITION, YOU MUST ENTER A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILE AN ANSWER IN WRITING WITH THE PROTHONOTARY SETTING FORTH YOUR DEFENSES OR OBJECTIONS TO THE MATTER SET FORTH AGAINST YOU AND SERVE A COPY ON THE ATTORNEY OR PERSON FILING THE PETITION. YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEED WITHOUT YOU AND AN ORDER MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR THE RELIEF REQUESTED BY THE PETITIONER. YOU MAY LOSE RIGHTS IMPORTANT TO YOU.

YOU SHOULD TAKE THIS NOTICE 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  
Clearfield County Courthouse  
Sccond & Market Streets  
Clearfield, PA 16830  
(814) 765-2641 ext. 5982

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	

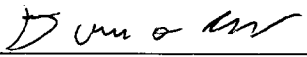
AMENDED COMPLAINT IN CIVIL ACTION

1. Plaintiff, Robert M. Day and Carol I. Day are adult individuals of 3932 Big Run-  
Prescottville Road, Reynoldsville, Pennsylvania 15851.
2. Plaintiff, John B. Brandon, is an adult individual with a mailing address of PO Box 220,  
Reynoldsville, Pennsylvania 15851.
3. Defendant, American Exploration Company (AEC), is a corporation, with a mailing  
address of 525 Plymouth Rd Ste 320 Plymouth Meeting PA 19462-16404.
4. Plaintiffs are owners of real property, consisting of 1420 acres more or less of oil and gas,  
located in Huston Township, Clearfield County, Pennsylvania and Horton Township, Elk  
County, Pennsylvania (the Property) by virtue of a deed of James L. Bond, Executor Of  
Logan L. Bond and Mary L. Bond, Dated August 23, 1985 and recorded in Clearfield  
County Deed Book 1045, Page 394.
5. Said oil and gas is subject to a lease from Logan L. Bond and Mary P. Bond, his wife to  
New York State Natural Gas Corporation, dated June 16, 1955 and recorded in Clearfield  
County Miscellaneous Book 96, Page 489 and Elk County Miscellaneous Book U, Page  
168. (the Lease) Plaintiffs' Exhibit "A"

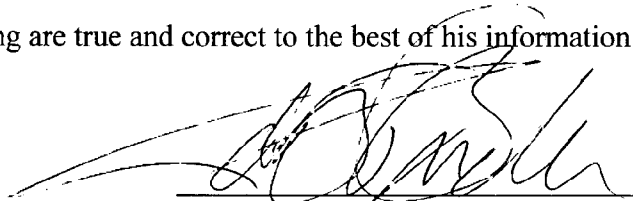
6. Defendant, AEC is the successor in interest of New York State Natural Gas Corporation by virtue of an assignment from CNG Transmission Corporation, dated October 15, 1998 and recorded in Clearfield County Book 1978, Page 327 (Exhibit "B"), and as such holds the rights and duties of the Lessee in the Lease.
7. Defendant operates two wells on the premises, which are identified on the royalty statement, provided by Defendant, as L Bond 507 and L Bond 584.
8. Said wells were assigned to Defendant by CNG Transmission in the assignment attached as Exhibit "B".
9. Two additional wells are operated by Resource Energy, L.L.C.. Based on Plaintiffs information and belief, these wells were drilled under a farm-out agreement from Dominion Exploration to Viking Resources Corporation.
10. One additional well, known as 001930, continues to be operated by Dominion Exploration and Production, successor in interest of CNG Transmission Corporation.
11. At least four of the operating wells are believed to be drilled to a depth where an efficient gas well can effectively draw natural gas from a radius of 800 feet of one strata or gas formation.
12. Defendant claims that two of the wells are Oriskany Wells, which if operating efficiently are capable of drawing as from a radius of 1500 feet of the Oriskany formation.
13. All of the existing wells were drilled prior to Defendant's acquisition of the lease, and are at least ten years old.
14. Defendants believe that there exists at least one and perhaps many more undeveloped strata of natural gas on the property.

15. Defendants have been approached by gas well operators, who have expressed an interest in exploring deeper strata as well as other shallow locations of the property as well as the undeveloped acres of the known strata.
16. Defendants have made numerous requests to the Plaintiff to further develop the property for natural gas.
17. To the best of the Defendants' knowledge, Plaintiffs have done nothing to further develop the property since acquiring the lease in 1998.
18. Pennsylvania Law recognizes an implied covenant to develop and produce oil or gas or terminate the oil and gas owner's contractual obligation under the lease.
19. Defendant has breached this covenant by failing and refusing to develop the bulk of the leased acreage.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

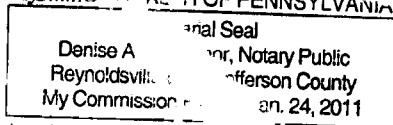
I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
John B. Brandon

Sworn to an Subscribed  
before me this 23<sup>rd</sup> day  
of January, 2007



Notary Public: COMMONWEALTH OF PENNSYLVANIA



Member, Pennsylvania Association of Notaries

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	Type of Case: Quiet Title
	:	
AMERICAN EXPLORATION COMPANY	:	Type of Pleading: Amended Answer
	:	and New Matter
	:	
Defendant.	:	Filed on behalf of: Defendant
	:	
	:	Council of Record for the Party:
	:	C. Warren Trainor, Esquire
	:	PA Bar No: 16025
	:	Ehmann, Van Denbergh & Trainor, P.C.
	:	Two Penn Center Plaza, Suite 220
	:	1500 John F. Kennedy Boulevard
	:	Philadelphia, PA 19102
	:	(215) 851-9800

Dated: February 11, 2008

ICC  
m/11:16:04 Atty Trainor  
CA



C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**ANSWER TO PLAINTIFFS' AMENDED COMPLAINT AND NEW MATTER**

Comes Now Defendant, American Exploration Company ("AEC") and files its Answer to Plaintiffs' Amended Complaint and New Matter in the above-captioned matter.

1. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

2. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

3. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

4. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied. By way of further answer, the oil and gas lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Corporation, dated June 16, 1955 ("Lease") covers approximately 1,130 net acres.

5. Admitted that there is a Lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Corporation, dated June 16, 1955 ("Lease"). Denied as to the remainder. By way of further answer, the Lease is recorded in Misc. Book V, at page 285 of the records of Elk County, Pennsylvania. The Lease is the best evidence of its content.

6. Admitted in part and denied in part. Admitted that AEC received an assignment of the Lease from CNG Transmission Company dated October 15, 1998, recorded in Book 1978, Page 327 of the records of Clearfield County, Pennsylvania, a copy of which is attached to the Complaint as Exhibit "B" ("Assignment"). Denied as to the remainder. The Lease is the best evidence of its content.

7. Admitted. By way of further answer, Defendant's two wells, Well #507 and Well #584, are both located on that portion of the Lease located in Clearfield County, Pennsylvania, and produce from the Oriskany formation. In Pennsylvania, the accepted unit for an Oriskany well is 320 acres, more or less, per well. By way of further answer, the Plaintiffs are receiving monthly royalty payments from these wells.

8. Admitted.

9. Admitted that there are two wells on the Lease operated by a third party. Denied as to the remainder. By way of further answer, the two wells operated by the third party are, upon information and belief, producing from oil and/or gas bearing strata at depths above the Oriskany formation. The Plaintiff's are receiving royalty payments from these wells.

10. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

11. Denied.

12. Admitted that the Defendant's two wells, Well # 507 and Well # 584, produce from the Oriskany formation. Denied as to the remainder. By way of further answer, in Pennsylvania the commonly accepted unit for an Oriskany Well is 320 acres, more or less. The Plaintiffs receive monthly royalty checks attributable to these wells.

13. Admitted.

14. This averment assumes facts not in evidence for which no answer is required. To the extent an answer is required the averments of this paragraph are Denied. By way of further answer, upon information and belief, not less than 7 additional wells were drilled on the Lease all of which were either dry holes or non-commercial wells.

15. Denied.

16. Denied.

17. Admitted.

18. Admitted that Pennsylvania law recognizes an implied covenant to develop an oil and gas lease. Denied as to the remainder. By way of further answer, the implied covenant to develop is fact sensitive and must be judged on the individual merits of each case.

19. This averment is a conclusion of law for which no answer is required. To the extent an answer is required the averment is Denied.

NEW MATTER

1. Plaintiffs' have failed to join all essential parties to this action.

2. Plaintiffs' lack clear and quiet title to the property in question and thus do not have standing to commence the above captioned cause of action.

3. Plaintiffs' Complaint alleges no violation of Defendant's duties under the Lease for which relief may be granted.

4. Plaintiffs' Complaint alleges no conduct by Defendant contrary to law or public policy for which relief may be granted.

5. Plaintiffs' claim is barred by the principles of equity.

6. The Lease does not contain a Pugh Clause. Plaintiffs' Amended Complaint is an attempt to rewrite the Lease and deny Defendant of the benefit of the Lease negotiated with and for which Plaintiffs' predecessors in title received valid consideration.

7. Prudent oil field practice provides for the depletion of the deepest strata from which a well is producing before moving up to shallower strata potentially containing commercial quantities of hydrocarbons. Plaintiffs'

desire to accelerate development of potential shallower horizons while deeper horizons are still producing is wasteful and contrary to good oil field practice and procedure.

8. Plaintiffs' acquired their interest in the Lease with full knowledge of the Lease, terms and past drilling history on the Lease, to include, by way of example and not limitation, the producing wells, all the dry holes and non-commercial wells drilled on the Lease.

9. Plaintiffs' desire that Defendant drill multiple additional wells on their property to accelerate the testing and production of strata potentially containing commercial quantities of hydrocarbons is encouraging waste and is environmentally unsound.

10. No wells are being drilled offsetting the Lease that would or could drain the oil and/or gas underlying the Lease as to mandate the drilling of a well or wells to protect the oil and/or gas strata covered by the Lease.

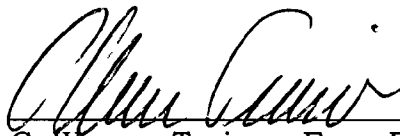
11. There is no need to drill wells on Plaintiff's property to protect Plaintiff's property from drainage. Plaintiff's desire for wells to be drilled on its property is for the sole purpose of accelerating production from potentially productive horizons.

12. The surface estate covering all or a substantial portion of Defendant's oil and gas estate is owned by the Commonwealth of Pennsylvania and forms a portion of the Commonwealth's State Forest System. The placing of multiple wells and drilling locations on the surface estate to appease Plaintiff's desire to have multiple new wells drilled on the Lease would cause

unnecessary environmental damage and/or disturbance to the Commonwealth's forested property.

WHEREFORE, American Exploration Company respectfully requests that this Court dismiss the complaint with prejudice and grant Defendant American Exploration Company such other relief as is just and appropriate.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'C. Warren Trainor', is written over a horizontal line.

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: February 11, 2008

## VERIFICATION

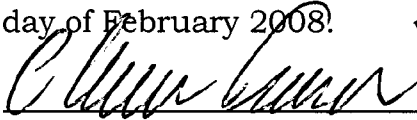
I, Thomas F. Halloran, am President of American Exploration Company and am duly authorized to make this Verification on behalf of American Exploration Company. I have read the foregoing Answer, New Matter and Counterclaim and state that the averments of fact contained therein are true and correct to the best of my knowledge, information and belief. This verification is made subject to 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities.

Thomas F. Halloran

Dated: February 8, 2008

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Answer, New Matter and Counterclaim to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 11th day of February 2008.

  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851



**Prothonotary/Clerk of Courts**

Dated: 2/20/08

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000
	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY,	:	
Defendant,	:	

REPLY

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby reply to Defendants' Amended New Matter as follows:

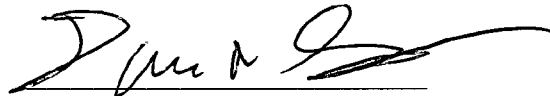
1. Denied. The averments in Defendant's Paragraph 1 are denied. The plaintiffs are the oil and gas owners and successors in interest to the lessors and the Defendant is the successor in interest to the lessee. Plaintiffs have no knowledge of any other persons or entities, which would be a proper party in this action.
2. Denied. The averments in Defendant's Paragraph 2 are denied. To the contrary Plaintiffs are owners of the subject oil and gas property by virtue of a deed of James L. Bond, Executor Of Logan L. Bond and Mary L. Bond, dated August 23, 1985 and recorded in Clearfield County Deed Book 1045, Page 394. Furthermore, Defendant's interest in the subject premises comes from a lease from said, Logan L. Bond and Mary L. Bond.
3. Denied. The averments in Defendant's Paragraph 3 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary Plaintiffs have alleged a breach of the implied covenant to develop the lease. Defendant has admitted in Paragraph 18 of its Amended Answer that Pennsylvania Law recognizes this implied covenant.

4. Denied. The averments in Defendant's Paragraph 4 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary, Pennsylvania Law recognizes that the basis of the implied covenant is a recognition that the lessor has entered into a bargain expecting to be compensated for the lease of the land, and the principles of fairness dictate that the lessee be obligated to make diligent efforts to ensure that the lessor receives the benefit of his bargain.
5. Denied. The averments in Defendant's Paragraph 5 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary the principles of equity favor the Plaintiffs.
6. Admitted in part, Denied in part. It is admitted only that the Lease does not contain a Pugh Clause. It is denied that the Plaintiffs are attempting to achieve any goal not contemplated by the lease. To the contrary the Lessors' predecessors in title entered the lease to receive royalties. Pennsylvania Law recognizes that what constitutes adequate compensation for this purpose must be determined by taking into consideration the facts and circumstances of each individual case. The facts here dictate that the nominal royalties received are inadequate compensation for the bargain.
7. Denied. The averments in Defendant's Paragraph 7 are denied. To the contrary prudent gas field practice is specific to the unique geological properties of an individual gas field. By way of a further answer the Defendant addresses only a fraction of 1420-acre lease. It is further denied that Defendant is operating any wells in the deeper (Oriskany) strata. Based on information and belief, Plaintiffs allege that only one well on the property was drilled to the Oriskany depth and said well was subsequently plugged to a depth of only 2371 feet. Plaintiffs demand proof of Defendant's claims that the deeper (Oriskany) strata is being operated be presented at trial.

8. Admitted. However, Defendant's predecessor in title was actively developing the property at the time. Defendant has made no such effort since acquiring the lease.
9. Denied. The averments in Defendant's Paragraph 9 are denied. To the contrary to allow the Defendant to intentionally hinder the production of "strata potentially containing commercial quantities of hydrocarbons" is encouraging waste. Furthermore, Plaintiffs have no information, with which to respond to the Defendant's assertion that development of the subject premises would be any more or less environmentally unsound than any other gas or oil development.
10. Admitted in part. It is admitted only that there are no wells currently being drilled, which would offset the leased premises. Defendant does not control all adjacent acreage by lease or ownership. Offsetting wells could be drilled at any time in close proximity to Plaintiffs' interest, and deny them enjoyment of their gas reserves.
11. Admitted in part, Denied in part. It is admitted that the Plaintiffs' sole purpose is to accelerate production from potentially productive horizons. Plaintiffs are unaware of any other purpose for an oil and gas lease. Further production will potentially provide the consideration contemplated by the lease. It is denied that drainage is not a concern as there has been dramatic increase in leasing and drilling activity in area.
12. Admitted in part, Denied in part. It is admitted that State Forrest constitutes a significant portion of the surface area. It is denied that development will cause environmental damage. It is assumed that any future development will comply with all governmental regulations and receive the proper permits from the Pennsylvania Department of Environmental Protection. Furthermore, the Commonwealth was aware of the potential for Oil and Gas development when it acquired the surface as the reservation of Oil and

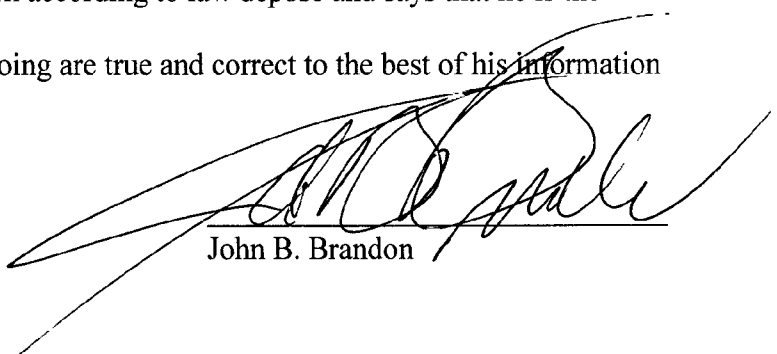
Gas and necessary developmental easements were contained in the deed to the Commonwealth.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.



David A Grady  
Attorney for Plaintiffs

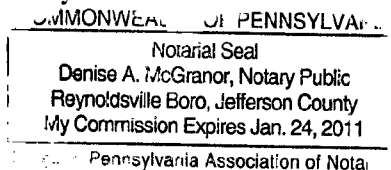
I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.



John B. Brandon

Sworn to an Subscribed  
before me this 20<sup>th</sup> day  
of February, 2008

  
Notary Public



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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION - (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	Type of Case: Quiet Title
	:	
AMERICAN EXPLORATION COMPANY	:	Type of Pleading: Praecipe to Amend
	:	Answer and New Matter
	:	
Defendant.	:	Filed on behalf of: Defendant
	:	
	:	Council of Record for the Party:
	:	C. Warren Trainor, Esquire
	:	PA Bar No: 16025
	:	Ehmann, Van Denbergh & Trainor, P.C.
	:	Two Penn Center Plaza, Suite 220
	:	1500 John F. Kennedy Boulevard
	:	Philadelphia, PA 19102
	:	(215) 851-9800

Dated: March 3, 2008

MAR 05 2008  
M1111111111  
Clerk of Courts  
1 COPY TO ATT  
(NO ATTACHMENT)

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION - (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
AMERICAN EXPLORATION COMPANY	:	
Defendant.	:	

**PRAECIPE TO AMEND ANSWER AND NEW MATTER**

To the Prothonotary:

Pursuant to Pa. R.C.P. 1033, the Defendant has received written permission of the Plaintiff's Counsel to Amend Defendant's Answer and New Matter. Please file the attached Amended Answer to Plaintiff's Amended Complaint and Amended New Matter.

Respectfully Submitted



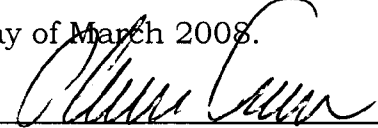
C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: March 3, 2008

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Praecipe to Amend Answer and New Matter to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 3<sup>rd</sup> day of March 2008.

  
\_\_\_\_\_  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851



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

MAR 05 2008

PA/11:45/W

William A. Shaw

Notary Public/Clerk of Courts

1 client to date

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY

Defendant.

CIVIL ACTION – (EQUITY)

No: 07-2000-CD

Type of Case: Quiet Title

Type of Pleading: Amended Answer  
and New Matter

Filed on behalf of: Defendant

Council of Record for the Party:  
C. Warren Trainor, Esquire  
PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 851-9800

Dated: March 3, 2008

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**DEFENDANT’S AMENDED ANSWER TO PLAINTIFFS’ AMENDED**

**COMPLAINT AND AMENDED NEW MATTER**

Comes Now Defendant, American Exploration Company (“AEC”) and files its Answer to Plaintiffs’ Amended Complaint and Amended New Matter in the above-captioned matter.

1. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

2. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

3. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

4. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied. By way of further answer, the oil and gas lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Corporation, dated June 16, 1955 ("Lease") covers approximately 1,130 net acres.

5. Admitted that there is a Lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Corporation, dated June 16, 1955 ("Lease"). Denied as to the remainder. By way of further answer, the Lease is recorded in Misc. Book V, at page 285 of the records of Elk County, Pennsylvania. The Lease is the best evidence of its content.

6. Admitted in part and denied in part. Admitted that AEC received an assignment of the Lease from CNG Transmission Company dated October 15, 1998, recorded in Book 1978, Page 327 of the records of Clearfield County, Pennsylvania, a copy of which is attached to the Complaint as Exhibit "B" ("Assignment"). Denied as to the remainder. The Lease is the best evidence of its content.

7. Admitted. By way of further answer, Defendant's two wells, Well #507 and Well #584, are both located on that portion of the Lease located in Clearfield County, Pennsylvania, which were originally completed in and

produced from the Oriskany formation and which are now producing from formations at a shallower depth.. By way of further answer, the Plaintiffs are receiving monthly royalty payments from these wells.

8. Admitted.

9. Admitted that there are two wells on the Lease operated by a third party. Denied as to the remainder. By way of further answer, the two wells operated by the third party are, upon information and belief, producing from oil and/or gas bearing strata of the Devonian sands. The Plaintiff's are receiving royalty payments from these wells.

10. Defendant lacks sufficient information of this averment upon which to formulate an answer. To the extent an answer is required, the averment is Denied.

11. Denied.

12. Admitted that the Defendant's two wells, Well # 507 and Well # 584, were originally drilled to and produced from the Oriskany formation and are now producing from shallower sands. Denied as to the remainder. The Plaintiffs receive monthly royalty checks attributable to these wells.

13. Admitted.

14. This averment assumes facts not in evidence for which no answer is required. To the extent an answer is required the averments of this paragraph are Denied. By way of further answer, upon information and belief, not less than 7 additional wells were drilled on the Lease all of which were either dry holes or non-commercial wells.

15. Denied.

16. Denied.

17. Admitted.

18. Admitted that Pennsylvania law recognizes an implied covenant to develop an oil and gas lease. Denied as to the remainder. By way of further answer, the implied covenant to develop is fact sensitive and must be judged on the individual merits of each case.

19. This averment is a conclusion of law for which no answer is required. To the extent an answer is required the averment is Denied.

#### NEW MATTER

1. Plaintiffs' have failed to join all essential parties to this action.

2. Plaintiffs' lack clear and quiet title to the property in question and thus do not have standing to commence the above captioned cause of action.

3. Plaintiffs' Complaint alleges no violation of Defendant's duties under the Lease for which relief may be granted.

4. Plaintiffs' Complaint alleges no conduct by Defendant contrary to law or public policy for which relief may be granted.

5. Plaintiffs' claim is barred by the principles of equity.

6. The Lease does not contain a Pugh Clause. Plaintiffs' Amended Complaint is an attempt to rewrite the Lease and deny Defendant of the benefit of the Lease negotiated with and for which Plaintiffs' predecessors in title received valid consideration.

7. Plaintiffs' desire to accelerate development of potential shallower horizons while deeper horizons are still producing is wasteful and contrary to good oil field practice and procedure.

8. Plaintiffs' acquired their interest in the Lease with full knowledge of the Lease, terms and past drilling history on the Lease, to include, by way of example and not limitation, the producing wells, all the dry holes and non-commercial wells drilled on the Lease.

9. Plaintiffs' desire that Defendant drill multiple additional wells on their property to accelerate the testing and production of strata potentially containing commercial quantities of hydrocarbons is encouraging waste and is environmentally unsound.

10. No wells are being drilled offsetting the Lease that would or could drain the oil and/or gas underlying the Lease as to mandate the drilling of a well or wells to protect the oil and/or gas strata covered by the Lease.

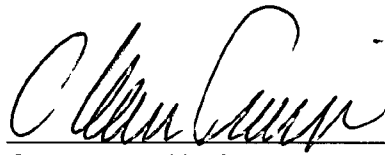
11. There is no need to drill wells on Plaintiff's property to protect Plaintiff's property from drainage. Plaintiff's desire for wells to be drilled on its property is for the sole purpose of accelerating production from potentially productive horizons.

12. The surface estate covering all or a substantial portion of Defendant's oil and gas estate is owned by the Commonwealth of Pennsylvania and forms a portion of the Commonwealth's State Forest System. The placing of multiple wells and drilling locations on the surface estate to appease Plaintiff's desire to have multiple new wells drilled on the Lease would cause

unnecessary environmental damage and/or disturbance to the Commonwealth's forested property.

WHEREFORE, American Exploration Company respectfully requests that this Court dismiss the complaint with prejudice and grant Defendant American Exploration Company such other relief as is just and appropriate.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'C. Warren Trainor', is written over a horizontal line.

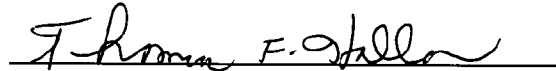
C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: March 3, 2008

## VERIFICATION

I, Thomas F. Halloran, am President of American Exploration Company and am duly authorized to make this Verification on behalf of American Exploration Company. I have read the foregoing Answer, New Matter and Counterclaim and state that the averments of fact contained therein are true and correct to the best of my knowledge, information and belief. This verification is made subject to 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities.

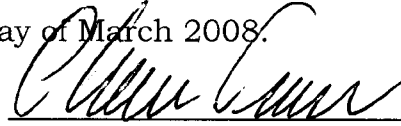
A handwritten signature in cursive script, reading "Thomas F. Halloran", is written over a horizontal line.

Dated: February 29, 2008



Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Answer, New Matter and Counterclaim to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 3<sup>rd</sup> day of March 2008.



\_\_\_\_\_  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

	:	CIVIL ACTION- (EQUITY)
	:	
ROBERT M. DAY, CAROL I. DAY and JOHN :	:	No. 07-2000
B. BRANDON,	:	
Plaintiffs,	:	Type of Case: Quiet Title
	:	
vs.	:	Type of Pleading: Reply To Amended
	:	New Matter
AMERICAN EXPLORATION COMPANY,	:	
Defendant,	:	Filed on behalf of: Plaintiffs
	:	
	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated: \_\_\_\_\_

APR 30 2008  
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William A. Shaw  
Prothonotary/Clerk of Courts  
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IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	: No. 07-2000
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

REPLY

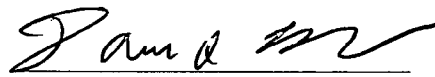
Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby reply to Defendants' Amended New Matter as follows:

1. Denied. The averments in Defendant's Paragraph 1 are denied. The plaintiffs are the oil and gas owners and successors in interest to the lessors and the Defendant is the successor in interest to the lessee. Plaintiffs have no knowledge of any other persons or entities, which would be a proper party in this action.
2. Denied. The averments in Defendant's Paragraph 2 are denied. To the contrary Plaintiffs are owners of the subject oil and gas property by virtue of a deed of James L. Bond, Executor Of Logan L. Bond and Mary L. Bond, dated August 23, 1985 and recorded in Clearfield County Deed Book 1045, Page 394. Furthermore, Defendant's interest in the subject premises comes from a lease from said, Logan L. Bond and Mary L. Bond.
3. Denied. The averments in Defendant's Paragraph 3 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary Plaintiffs have alleged a breach of the implied covenant to develop the lease. Defendant has admitted in Paragraph 18 of its Amended Answer that Pennsylvania Law recognizes this implied covenant.

4. Denied. The averments in Defendant's Paragraph 4 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary, Pennsylvania Law recognizes that the basis of the implied covenant is a recognition that the lessor has entered into a bargain expecting to be compensated for the lease of the land, and the principles of fairness dictate that the lessee be obligated to make diligent efforts to ensure that the lessor receives the benefit of his bargain.
5. Denied. The averments in Defendant's Paragraph 5 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary the principles of equity favor the Plaintiffs.
6. Admitted in part, Denied in part. It is admitted only that the Lease does not contain a Pugh Clause. It is denied that the Plaintiffs are attempting to achieve any goal not contemplated by the lease. To the contrary the Lessors' predecessors in title entered the lease to receive royalties. Pennsylvania Law recognizes that what constitutes adequate compensation for this purpose must be determined by taking into consideration the facts and circumstances of each individual case. The facts here dictate that the nominal royalties received are inadequate compensation for the bargain.
7. Denied. The averments in Defendant's Paragraph 7 are denied. To the contrary prudent gas field practice is specific to the unique geological properties of an individual gas field. By way of a further answer the Defendant addresses only a fraction of 1420-acre lease.
8. Admitted. However, Defendant's predecessor in title was actively developing the property at the time. Defendant has made no such effort since acquiring the lease.

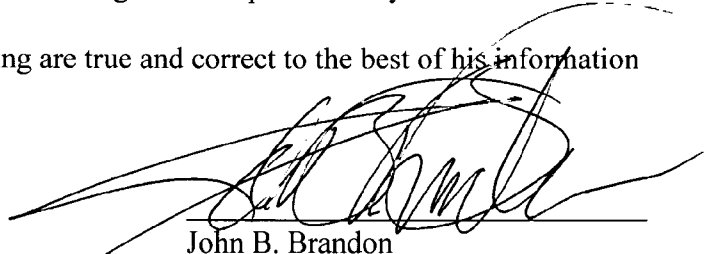
9. Denied. The averments in Defendant's Paragraph 9 are denied. To the contrary to allow the Defendant to intentionally hinder the production of "strata potentially containing commercial quantities of hydrocarbons" is encouraging waste. Furthermore, Plaintiffs have no information, with which to respond to the Defendant's assertion that development of the subject premises would be any more or less environmentally unsound than any other gas or oil development.
10. Admitted in part. It is admitted only that there are no wells currently being drilled, which would offset the leased premises. Defendant does not control all adjacent acreage by lease or ownership. Offsetting wells could be drilled at any time in close proximity to Plaintiffs' interest, and deny them enjoyment of their gas reserves.
11. Admitted in part, Denied in part. It is admitted that the Plaintiffs' sole purpose is to accelerate production from potentially productive horizons. Plaintiffs are unaware of any other purpose for an oil and gas lease. Further production will potentially provide the consideration contemplated by the lease. It is denied that drainage is not a concern as there has been dramatic increase in leasing and drilling activity in area.
12. Admitted in part, Denied in part. It is admitted that State Forrest constitutes a significant portion of the surface area. It is denied that development will cause environmental damage. It is assumed that any future development will comply with all governmental regulations and receive the proper permits from the Pennsylvania Department of Environmental Protection. Furthermore, the Commonwealth was aware of the potential for Oil and Gas development when it acquired the surface as the reservation of Oil and Gas and necessary developmental easements were contained in the deed to the Commonwealth.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.



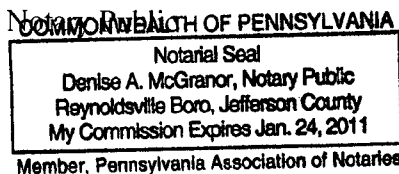
David A Grady  
Attorney for Plaintiffs

I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.



John B. Brandon

Sworn to an Subscribed  
before me this 29<sup>th</sup> day  
of April, 2008

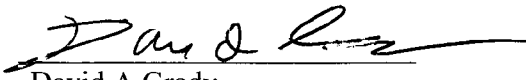


IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY,	:
Defendant,	:

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure), on April 30, 2008 a copy of the Plaintiff's Reply to Amended New Matter in the above referenced case was sent by United States Mail, to C. Warren Trainor, Esquire, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102.

  
David A Grady  
Attorney for Plaintiffs

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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,  
vs.

AMERICAN EXPLORATION COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Preliminary Objection  
: Lack of Jurisdiction  
:  
: Filed on behalf of: Defendant  
:  
: Council of Record for the Party:  
: C. Warren Trainor, Esquire  
: PA Bar No: 16025  
: Ehmann, Van Denbergh & Trainor, P.C.  
: Two Penn Center Plaza, Suite 220  
: 1500 John F. Kennedy Boulevard  
: Philadelphia, PA 19102  
: (215) 851-9800

Dated: May 16, 2008

FILED  
MAY 19 2008  
100  
Amy Trainor  
EK  
William A. Shaw  
Prothonotary/Clerk of Courts



C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**DEFENDANT’S PRELIMINARY OBJECTION TO  
PLAINTIFF’S COMPLAINT FOR PLAINTIFF’S FAILURE  
TO NAME ALL ESSENTIAL PARTIES AND LACK OF CLEAR TITLE**

Comes Now the Defendant, American Exploration Company (“AEC”) and moves to dismiss Plaintiff’s Amended Complaint in that this Court lacks jurisdiction to hear the matters raised by Plaintiff’s Amended Complaint due to the Plaintiff’s failure to name all essential parties to the suit and to have clear title to the property in question.

In support of its Preliminary Objection, AEC would note to the Court as follows:

1. Plaintiff filed its initial complaint on December 7, 2007.
2. Defendant filed its first answer on December 17, 2007 noting in Defendant’s new matter that Plaintiff had failed to name all associated parties and that Plaintiff’s title to the property in question was clouded.

3. On January 23, 2008, Plaintiff failed its amended Complaint and again failed to name all essential parties or resolve the outstanding cloud on its title to the property in question.

4. On February 20, 2008, Plaintiff filed its amended answer to Defendant's Amended New Matter and denied that there were other essential parties or a cloud on its title.

5. By Assignment and Bill of Sale dated October 15, 1998, recorded in Volume 1978, Page 327 of the Records of Clearfield County, Pennsylvania, on October 21, 1998, Defendant acquired all right, title and interest in and to that certain oil and gas lease from Logan L. Bond, et. ux., dated June 16, 1955 unto New York State Natural Gas Corporation and recorded in Deed Book 96, Page 489 of the Records of Clearfield County, Pennsylvania. A modification of this lease was executed by Logan Bond and his wife, Mary P. Bond, to New York State Natural Gas Corporation dated August 19, 1958, and recorded on October 3, 1958 in Deed Book 112, page 58 of the Records of Clearfield County, Pennsylvania ("Logan Bond Lease").

6. By Assignment dated November 17, 2005, and recorded as Instrument No. 200520107, in the records of Clearfield County, Pennsylvania on November 18, 2005, Defendant conveyed an undivided interest in and to the Logan Bond Lease unto Glade Park East, L.P., a Pennsylvania limited partnership.

7. By Assignment dated August 23, 1985 and recorded on November 17, 1985, in Deed and Record Value 1045, Page 294 of the Records of

Clearfield County, Pennsylvania, Plaintiff's took an assignment of lands formerly held by Logan Bond et. ux., subject to and burdened by the Logan Bond Lease.

8. As a result of miscellaneous tax sales involving the lands and mineral estates owned by Logan Bond, et. ux., title to the mineral estate covered by the Logan Bond Lease is subject to potential adverse claims, to include by way of example and not limitation:

(a) Claim of E.M. Brown, Inc. as successor by tax sale to A.H. Reitz;

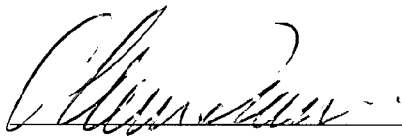
(b) Claim of Compass Coal Company, as successor to A.H. Reitz;

(c) Claim of Cecil B. Highland Jr, Trustee of Pennfield Coal and Cable Company and/or William H. Markus, Receiver of Pennfield Coal and Cable Company.

9. Unless and until the Plaintiff names all essential parties to the action and clears the cloud on its title, Plaintiff's Complaint should be dismissed pursuant to Pennsylvania Rule of Civil Procedure 1028(a)(5), in that this Court lacks jurisdiction to resolve the issues raised by Plaintiff's Amended Complaint and Defendant's Answer and New Matter thereto.

WHEREFORE, Defendant, American Exploration Company respectfully requests that this Court Dismiss Plaintiff's Complaint for lack of jurisdiction stemming from Plaintiffs' failure to name all essential parties and because Plaintiffs' title to the subject property is clouded.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'C. Warren Trainor', is written over a horizontal line.

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: May 16, 2008

# VERIFICATION

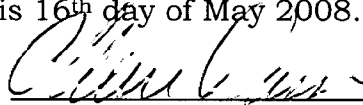
I, Timothy J. Matthews, am Vice President of American Exploration Company and am duly authorized to make this Verification on behalf of American Exploration Company. I have read the foregoing Preliminary Objection to Plaintiff's Complaint for Plaintiff's Failure to Name all Essential Parties and Lack of Clear Title and state that the averments of fact contained therein are true and correct to the best of my knowledge, information and belief. This verification is made subject to 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities.

A handwritten signature in black ink, reading "Timothy J. Matthews", is written over a horizontal line.

Dated: May 15, 2008

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Preliminary Objection to Plaintiff's Complaint for Plaintiff's Failure to Name all Essential Parties and Lack of Clear Title to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 16<sup>th</sup> day of May 2008. .



C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**ORDER**

And Now this \_\_\_\_ day of \_\_\_\_\_, 2008, for good cause shown it is  
hereby Ordered that Plaintiff's Complaint be and hereby is dismissed.

\_\_\_\_\_  
Judge

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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

vs.

AMERICAN EXPLORATION  
COMPANY

:  
:  
:  
:  
:  
:  
:

No. 07-2000-CD

FILED

O 2:35 P.M. GK

MAY 21 2008

William A. Shaw  
Prothonotary/Clerk of Courts

4 CC AMY  
TRAINOR

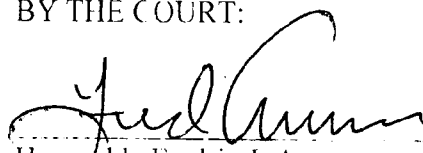
CR

**ORDER**

AND NOW, this 21 day of May 2008, it is the ORDER of the Court that argument on Defendant's Preliminary Objection Lack of Jurisdiction shall be and is hereby scheduled for **Friday, June 20, 2008 at 3:00 P.M.** in Courtroom No. 1, Clearfield County Courthouse, Clearfield, PA. Clearfield County Courthouse, Clearfield, PA.

It is the responsibility of the Defendant's Counsel to serve certified copy of said scheduling Order on the Plaintiff's Counsel.

BY THE COURT:

  
Honorable Fredric J. Ammerman  
President Judge



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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. ERANDON

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Certificate of Service  
:  
: Filed on behalf of: Defendant  
:  
: Council of Record for the Party:  
: C. Warren Trainor, Esquire  
: PA Bar No: 16025  
: Ehmann, Van Denbergh & Trainor, P.C.  
: Two Penn Center Plaza, Suite 220  
: 1500 John F. Kennedy Boulevard  
: Philadelphia, PA 19102  
: (215) 851-9800

Dated: May 23, 2008

FILED <sup>no cc</sup>  
MAY 27 2008  
William A. Shaw  
Prothonotary/Clerk of Courts

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Var. Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

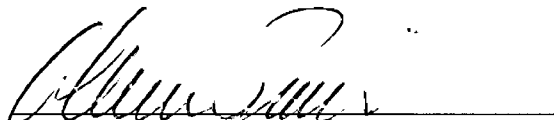
ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
	:	
Defendant.	:	

**CERTIFICATE OF SERVICE**

I, C. Warren Trainor, hereby certify that a true and correct copy of the attached certified Order dated May 21, 2008 has been served upon the counsel of record at the address set forth below:

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

Via: first-class mail, postage prepaid on May 23, 2008.

  
C. Warren Trainor

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

ROBERT M. DAY, CAROL I. DAY :  
and JOHN B. BRANDON :

vs. :

AMERICAN EXPLORATION :  
COMPANY :

: No. 07-2000-CD  
:  
:

**ORDER**

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It is the responsibility of the Defendant's Counsel to serve certified copy of said scheduling Order on the Plaintiff's Counsel.

BY THE COURT:

/s/ Fredric J. Ammerman

and attested copy of the original  
statement filed in this case.

Honorable Fredric J. Ammerman  
President Judge

MAY 21 2008

Attest.

*[Signature]*  
Prothonotary/  
Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS  
COMPANY,

Defendant,

CIVIL ACTION- (EQUITY)

No. 07-2000-CD

Type of Case: Quiet Title

Type of Pleading: Praecipe to  
Amend Complaint

Filed on behalf of: Plaintiffs

Council of Record for the Party:

David A. Grady, Esquire

Supreme Court No. 201678

PO Box 220

12 North Third Street

Reynoldsville, Pa. 15851

814-653-8553

Dated: 29 May 2008

FILED 3cc  
01:20:01  
MAY 29 2008  
Atty Grady  
CK  
William A. Shaw  
Prothonotary/Clerk of Courts

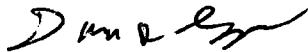
IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

PRAECIPE TO AMEND COMPLAINT

To the Prothonotary:

Pursuant to Pa. R.C.P. 1028(c)(1), the Plaintiffs have amended their complaint in response to the Defendant's preliminary objection for the purpose of joining an additional Defendant. Please file the attached Amended Complaint in the above caption matter.

  
\_\_\_\_\_  
David A. Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Amended Complaint
AMERICAN EXPLORATION COMPANY :	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY, :	Council of Record for the Party:
Defendants, :	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: \_\_\_\_\_

FILED 3cc  
07/2000/ Atty Grady  
MAY 29 2008  
William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY	:
and SNYDER ARMCLAR GAS COMPANY,	:
Defendants,	:

NOTICE TO DEFEND

TO:

C. Warren Trainor, Esquire  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Snyder Armclar Gas Company  
One Glade Park East  
Kittanning, PA 16201

A COMPLAINT HAS BEEN FILED AGAINST YOU IN COURT. IF YOU WISH TO DEFEND AGAINST THE MATTERS SET FORTH IN THE FOLLOWING PETITION, YOU MUST ENTER A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILE AN ANSWER IN WRITING WITH THE PROTHONOTARY SETTING FORTH YOUR DEFENSES OR OBJECTIONS TO THE MATTER SET FORTH AGAINST YOU AND SERVE A COPY ON THE ATTORNEY OR PERSON FILING THE PETITION. YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEED WITHOUT YOU AND AN ORDER MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR THE RELIEF REQUESTED BY THE PETITIONER. YOU MAY LOSE RIGHTS IMPORTANT TO YOU.

YOU SHOULD TAKE THIS NOTICE 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  
Clearfield County Courthouse  
Second & Market Streets  
Clearfield, PA 16830  
(814) 765-2641 ext. 5982

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendants,	

AMENDED COMPLAINT IN CIVIL ACTION

1. Plaintiff, Robert M. Day and Carol I. Day are adult individuals of 3932 Big Run-  
Prescottville Road, Reynoldsville, Pennsylvania 15851.
2. Plaintiff, John B. Brandon, is an adult individual with a mailing address of PO Box 220,  
Reynoldsville, Pennsylvania 15851.
3. Defendant, American Exploration Company (AEC), is a corporation, with a mailing  
address of 525 Plymouth Rd Ste 320 Plymouth Meeting PA 19462-16404.
4. Defendant, Snyder Armclar Gas Company, is a Pennsylvania partnership, with offices at  
One Glade Park East, Kittanning, PA 16201
5. Plaintiffs are owners of real property, consisting of 1420 acres more or less of oil and gas,  
located in Huston Township, Clearfield County, Pennsylvania and Horton Township, Elk  
County, Pennsylvania (the Property) by virtue of a deed of James L. Bond, Executor Of  
Logan L. Bond and Mary L. Bond, Dated August 23, 1985 and recorded in Clearfield  
County Deed Book 1045, Page 394. Plaintiffs' Exhibit "A"
5. Said oil and gas is subject to a lease from Logan L. Bond and Mary P. Bond, his wife to  
New York State Natural Gas Corporation, dated June 16, 1955 and recorded in Clearfield

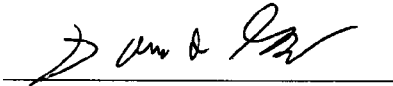


County Miscellaneous Book 96, Page 489 and Elk County Miscellaneous Book U, Page 168. (the Lease) Plaintiffs' Exhibit "B"

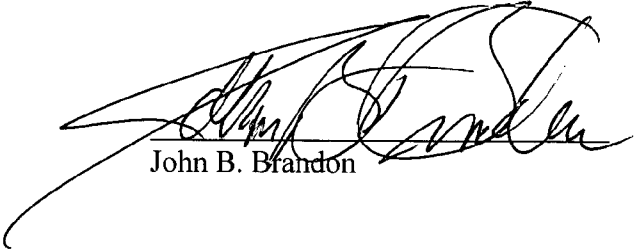
6. Defendant, AEC is the successor in interest of New York State Natural Gas Corporation by virtue of an assignment from CNG Transmission Corporation, dated October 15, 1998 and recorded in Clearfield County Book 1978, Page 327 (Exhibit "C"), and as such holds the rights and duties of the Lessee in the Lease.
7. Defendant, AEC assigned a ½ interest in the lease to Defendant, Snyder Armclar Gas Company, by an Assignment, Bill of Sale and Right of First Refusal, dated December 4, 2000 and recorded as Clearfield County Instrument Number 200102617 (Exhibit "D").
8. Defendant operates two wells on the premises, which are identified on the royalty statement, provided by Defendant, as L Bond 507 and L Bond 584.
9. Said wells were assigned to Defendant by CNG Transmission in the assignment attached as Exhibit "B".
10. Two additional wells are operated by Resource Energy, L.L.C.. Based on Plaintiffs information and belief, these wells were drilled under a farm-out agreement from Dominion Exploration to Viking Resources Corporation.
11. One additional well, known as 001930, continues to be operated by Dominion Exploration and Production, successor in interest of CNG Transmission Corporation.
12. The operating wells are believed to be drilled to a depth where an efficient gas well can effectively draw natural gas from a radius of 800 feet of one strata or gas formation.
13. All of the existing wells were drilled prior to Defendants' acquisition of the lease, and are at least ten years old.
14. Plaintiffs believe that there exists at least one and perhaps many more undeveloped strata of natural gas on the property.

15. Plaintiffs have been approached by gas well operators, who have expressed an interest in exploring deeper strata as well as other shallow locations of the property as well as the undeveloped acres of the known strata.
16. Plaintiffs have made numerous requests to the Defendant to further develop the property for natural gas.
17. To the best of the Plaintiffs' knowledge, Defendants have done nothing to further develop the property since acquiring the lease in 1998.
18. Pennsylvania Law recognizes an implied covenant to develop and produce oil or gas or terminate the oil and gas owner's contractual obligation under the lease.
19. Defendants have breached this covenant by failing and refusing to develop the bulk of the leased acreage.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendants, American Exploration Corporation and Snyder Armclar Gas Company, their assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

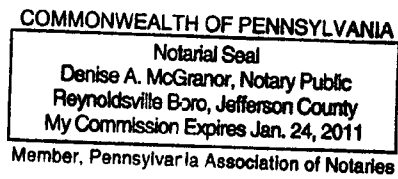
I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
John B. Brandon

Sworn to an Subscribed  
before me this 29<sup>th</sup> day  
of May, 2008



Notary Public



VOL 1045

PAGE 394

BOOK 245 PAGE 614

SEP 24 '85 AM

# This Indenture,

MADE the 23rd day of August  
in the year nineteen hundred and eighty-five (1985)

BETWEEN JAMES L. BOND of 816 Main Street, Brockway, Jefferson County, Pennsylvania, 15824, as executor of the estates of Logan L. BOND, deceased, and Mary P. Bond, deceased, and as administrator of the estate of N. B. Lane, deceased, and JAMES L. BOND and MARY LOUISE BOND, his wife, of 816 Main Street, Brockway, Jefferson County, Pennsylvania, 15824, in their individual capacities, GRANTORS,

A  
N  
D

JOHN B. BRANDON, of Horntown, Route 310, Jefferson County, Pennsylvania, 15851, an undivided 1/2 interest, and ROBERT M. DAY and CAROL I. DAY, his wife, of RD 3, Reynoldsville, Jefferson County, Pennsylvania, 15851, an undivided 1/2 interest, GRANTEES,

WITNESSETH, that in consideration  
of the sum of One and 00/100ths (\$1.00)  
receipt whereof is hereby acknowledged,  
the said grantors do hereby release and quit claim to the said grantees

ALL those certain oil and gas interest situated in the BOROUGH OF BROCKWAY, POLK TOWNSHIP and SNYDER TOWNSHIP, Jefferson County, SPRING CREEK TOWNSHIP, HORTON TOWNSHIP, Elk County and HOUSTON TOWNSHIP, Clearfield County described as follows:

## ITEM I

<u>OWNERSHIP</u>	<u>DESCRIPTION</u>
James L. Bond et ux. 100% interest	475 acres, oil and gas rights, Polk Township, Jefferson County and Spring Creek Township, Elk County as leased by Seneca Resources Corporation by Lease dated April 22, 1982 and recorded in Jefferson County Deed Book Volume 479, page 514

## ITEM II

<u>OWNERSHIP</u>	<u>DESCRIPTION</u>
Mary P. Bond and 100% interest	75 acres, oil and gas rights, Snyder Township, Jefferson County, as leased by Seneca Resources Corporation by Lease dated April 22, 1982 and recorded in Jefferson County Deed Book Volume 479, page 829
Logan L. Bond and N. B. Lane Estates 100%	744 acres, oil and gas rights, Snyder Township, Jefferson County and Horton Township, Elk County, as leased by C & G Producing Company by Lease dated September 29, 1981
N. B. Lane and Logan L. Bond Estates 100% interest	56 acres, oil and gas rights, Horton Township, Elk County, as leased by C & G Producing Company by Lease dated September 29, 1981
Logan L. Bond and N. B. Lane Estates 33-1/3% interest	70 acres, oil and gas rights, Snyder Township, Jefferson County, as leased by C & G Producing Company by Lease dated September 29, 1981

OWNERSHIPDESCRIPTION

N. B. Lane and  
Logan L. Bond Estates  
33-1/3% interest

171 acres, oil and gas rights,  
Snyder Township, Jefferson County,  
as leased by C & G Producing  
Company by Lease dated  
September 29, 1981

Logan L. Bond Estate  
100% interest

82 acres, oil and gas rights,  
Snyder Township and Brockway  
Borough, Jefferson County, as  
leased by Seneca Resources  
Corporation by Lease dated  
April 22, 1982

Logan L. Bond Estate  
14% interest

347 acres, oil and gas rights,  
Horton Township, Elk County, as  
leased by C & G Production Company  
by two (2) Leases both dated  
September 24, 1981

Logan L. Bond Estate  
14% interest

163 acres, oil and gas rights,  
Horton Township, Elk County, as  
leased by Consolidated Gas Supply  
Corporation by Lease dated  
November 23, 1976

Logan L. Bond  
100% interest

1,420 acres, oil and gas rights,  
Houston Township, Clearfield  
County and Horton Township, Elk  
County as leased by New York State  
Natural Gas Corporation by Lease  
dated June 16, 1955

The above described interests are depicted on four pages of plate maps  
which are attached hereto and made apart hereof.

It is certified in compliance with the Pennsylvania Realty Transfer Tax  
Act that the Full, true and complete value of the premises conveyed is \$20,000.00.

NOTICE

To comply with the Act of July 17, 1957, P. L. 984, as amended, (52  
P. S. Sections 1551-1554) notice is hereby given as follows:

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE  
TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE OF 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.

For purposes of the Transfer Tax, 1/2 of the value of  
this land transaction (\$10,000.00) is for land in Jefferson  
County, 1/4 of the value of this transaction (\$5,000) is for  
land in Elk County, and 1/4 of the value of this transaction  
(\$5,000) is for land in Clearfield County.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER  
TAX

SEP-8'85



000.00

PS.11341

1% Local Realty Transfer Tax

*Brockway Area*

AMOUNT \$ *100.00*

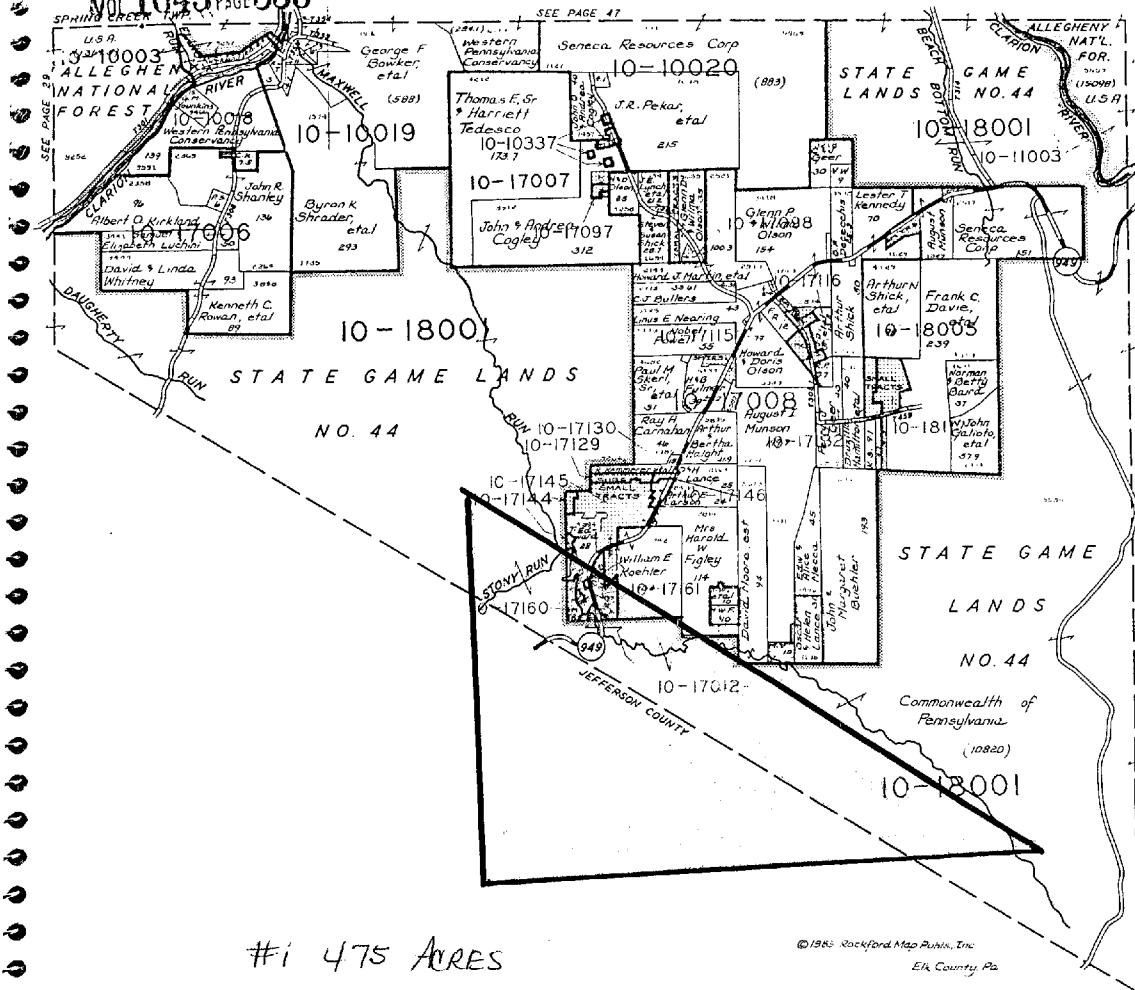
PAID *9-6-85*  
DATE

R. H. Lyle  
AGENT

BOOK 504 PAGE 536

Recorder

E.



#1 475 ACRES

POLK TOWNSHIP - 266 ACRES - JEFFERSON COUNTY

Spring Creek Township - 209 Acres - Elk County

**FLEMING & HAINES INC.**

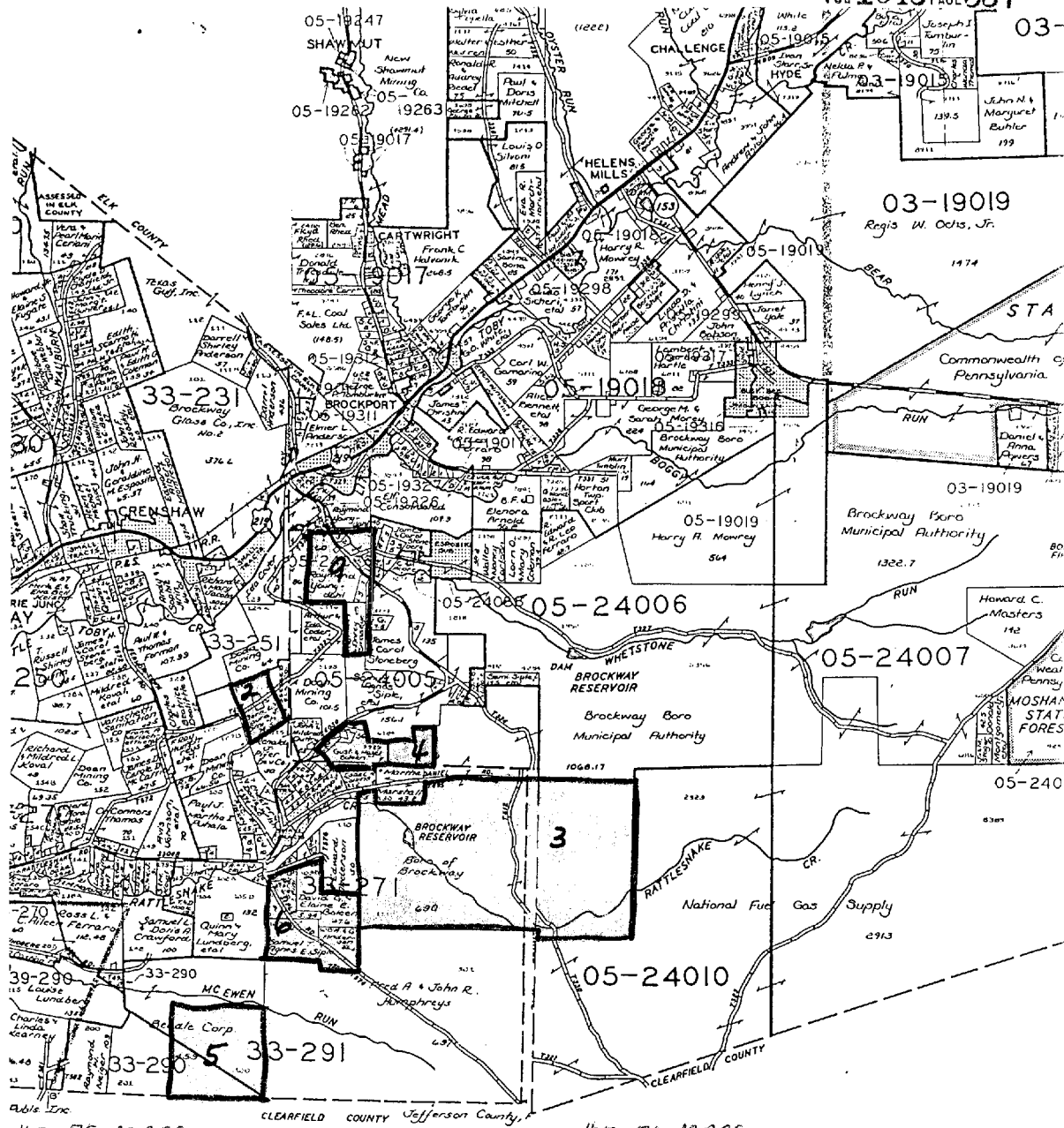
# Plumbing, Heating & Benjamin Moore Paints



301 Bruxelles Street - St. Marys, Pennsylvania 15857

**PHONE: 781-1918**

BOOK 504 PAGE 537



#2 75 ACRES  
SNYDER TOWNSHIP  
JEFFERSON COUNTY

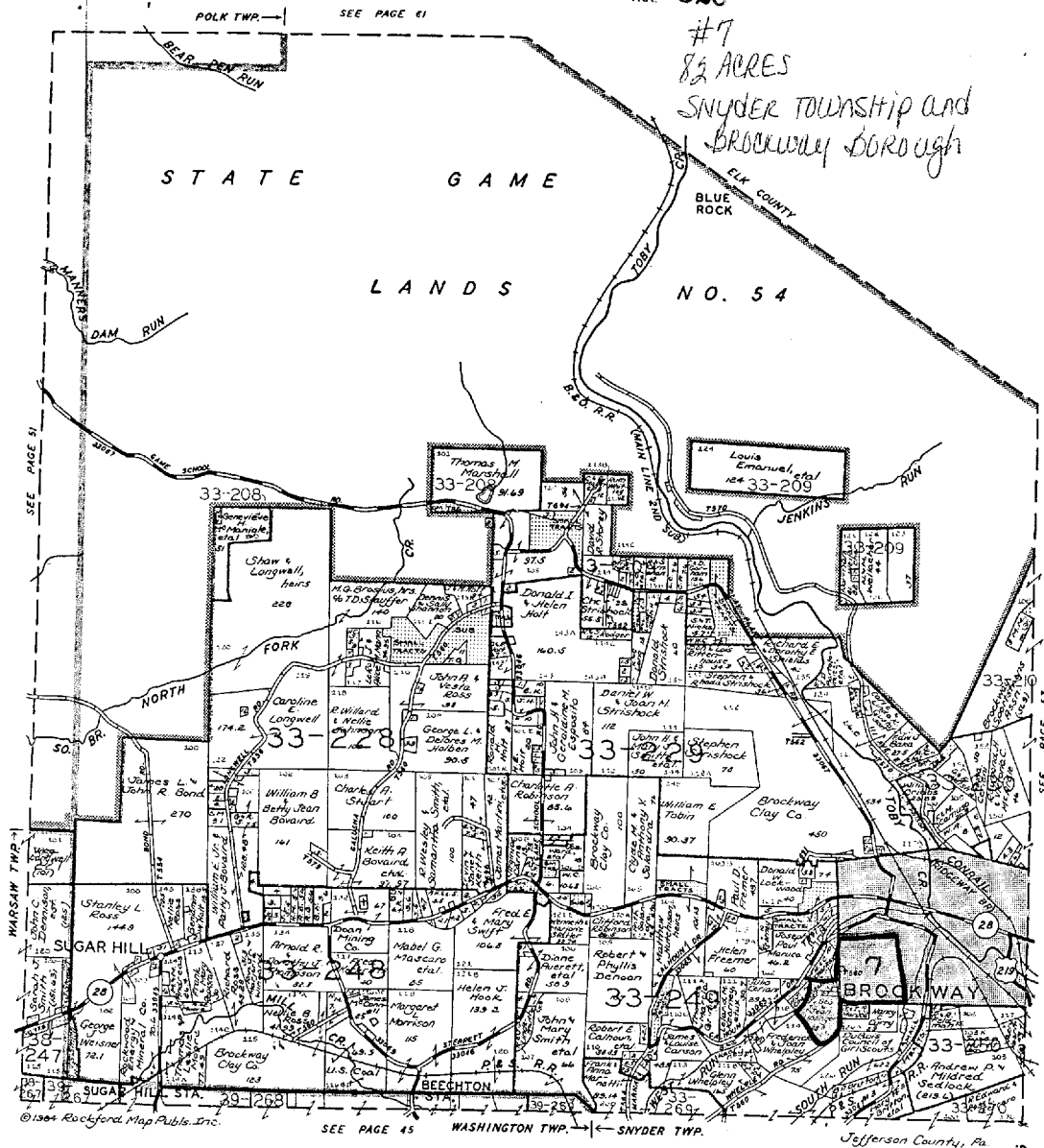
#3 744 ACRES  
SNYDER TOWNSHIP - 535 ACRES - JEFFERSON COUNTY  
HORTON TOWNSHIP - 209 ACRES - ELK COUNTY

#4 56 ACRES  
HORTON TOWNSHIP  
ELK COUNTY

#5 70 ACRES  
SNYDER TOWNSHIP  
JEFFERSON COUNTY

#6 171 ACRES  
SNYDER TOWNSHIP  
JEFFERSON COUNTY

#9 163 ACRES  
HORTON TOWNSHIP  
ELK COUNTY



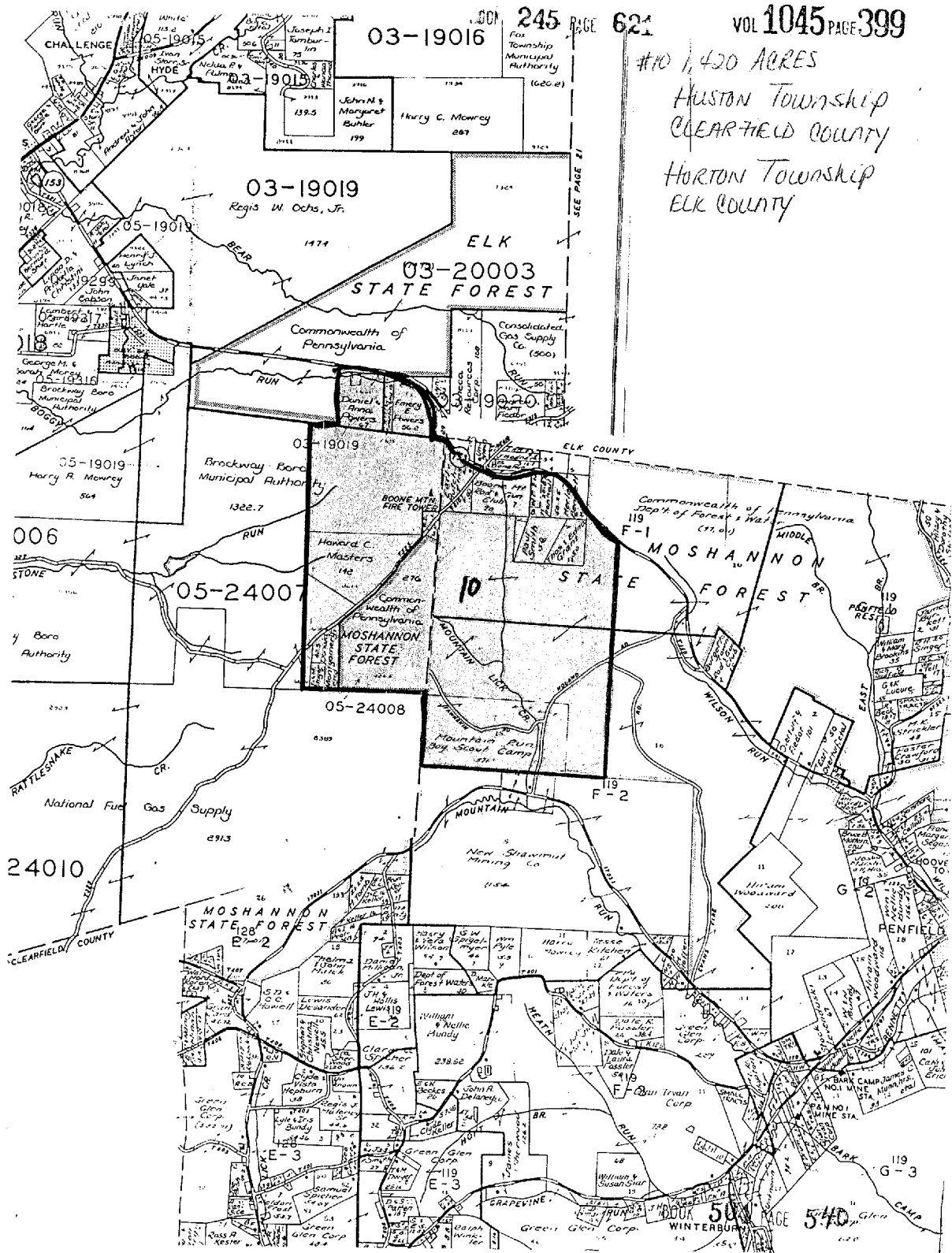
**BROCKWAY PRESSED METALS, INC.**

# Powder Metallurgy at its Finest

**Phone: (814) 268-3455 • Brockway, Pennsylvania 15824**

500. 5014 PAGE 539





#10 1,420 ACRES  
HUSTON TOWNSHIP  
CLEARFIELD COUNTY  
HORTON TOWNSHIP  
ELK COUNTY

IN WITNESS WHEREOF, the said grantors have hereunto set their hands and seal <sup>S</sup> the day and year first above written.

SEALED AND DELIVERED IN THE PRESENCE OF

*James L. Bond* (SEAL)  
James L. Bond as executor of the estate of  
Logan L. Bond and Mary P. Bond (SEAL)

*James L. Bond* (SEAL)  
James L. Bond as administrator of the estate  
of N.B. Lane (SEAL)

*James L. Bond* (SEAL)  
James L. Bond  
*Mary Louise Bond* (SEAL)  
Mary Louise Bond (SEAL)

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER  
TAX

SEP 24 '85

PA. 11370

50.00

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER  
TAX

OCT 17 '85

50.00

COMMONWEALTH OF PENNSYLVANIA

County of JEFFERSON

HORTON TOWNSHIP  
REALTY TRANSFER TAX

AMT. PAID \$ 50.00

DATE 9-24-85

*L. V. UHERNICK*

ss: L. V. UHERNICK, Recorder of Deeds

On this, the 30<sup>th</sup> day of August 19 85 before me a Notary Public

the undersigned officer, personally appeared James L. Bond as executor of the estate of Logan L. Bond, and Mary P. Bond, and as administrator of the estate of N.B. Lane

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 official seal.

*Paula Kay McKinney*  
PAULA KAY McKINNEY, Notary Public  
Brookville Boro, Jefferson Co., Pa.  
My Commission Expires Sept. 19, 1987

COMMONWEALTH OF PENNSYLVANIA

County of JEFFERSON

On this, the 30<sup>th</sup> day of August 1985, before me a Notary Public

the undersigned officer, personally appeared James L. Bond and Mary Louise Bond, his wife,

known to me (or satisfactorily proven) to be the person s whose name s 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 official seal.

*Paula Kay McKinney*  
PAULA KAY McKINNEY, Notary Public  
Brookville Boro, Jefferson Co., Pa.  
My Commission Expires Sept. 19, 1987

Instrument No. 2959  
Recorded Sept 26, 1985  
Time 1:27 P.M.  
*Robert H. Hyle*  
RECORDER OF DEEDS

COMMONWEALTH OF PENNSYLVANIA

SS:

County of .....

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

known to me (or satisfactorily proven) to be the person            whose name            subscribed to the  
within instrument, and acknowledged that            executed the same for the purpose therein contained.

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

DuBOIS AREA SCHOOL DISTRICT  
1% REALTY TRANSFER TAX

My Commission Expires AMOUNT \$ 50.00

COMMONWEALTH OF PENNSYLVANIA

SS:

County of .....

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

known to me (or satisfactorily proven) to be the person            whose name            subscribed to the  
within instrument, and acknowledged that            executed the same for the purpose therein contained.

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

PAID 10-17-85 MICHAEL R. LYTLE

Date Agent

CLEARFIELD COUNTY

ENTERED OF RECORD

TIME 1:54 PM 10-17-85BY John B. GordinFEES 25.00

Michael R. Lytle, Recorder

subscribed to the

My Commission Expires

For oil & gas interest situated in  
Borough of Brockway, Polk Township,  
Snyder Township, Jefferson County,  
Spring Creek Township, Horton Township,  
Elk County, Houston Township, Clearfield  
County  
Consideration \$1.00

Recorded  
Entered for Record in the Recorder's  
Office of            day of            19     
County, the            Tax, \$            Fees, \$             
Recorder

HENRY, BISH & WALLISCH  
Attorneys-at-Law  
340 MAIN STREET  
Brookville, PA 15825

## CERTIFICATE OF RESIDENCE

hereby certify that the correct address and place of residence of the grantee            herein as follows:

RD 3, Reynoldsville, PA 15851

Attorney or Agent for Grantee

RECORDED in the Office for Recording of Deeds, etc., in and for said County, in

Deed Book No.

Vol. 504, Page 535WITNESS my Hand and Official Seal this 6th day of Sept., 1985

My Commission Expires  
First Monday in January, 1988

Entered of Record 10-17-85, 1:54 PM Michael R. Lytle, Recorder

INDEXED

2959

SEP 24 1985

QUIT-CLAIM

JAMES L. BOND et ux.

JOHN B. BRANDON et al.



ENTERED FOR RECORD

Dated

OFFICE OF PENNSYLVANIA  
COUNTY OF CLEARFIELD  
RECORDED in the Office in and for said  
County in Deeds and Records Book No. 1095  
Page 394  
WITNESS my hand and seal of office this  
17th day of Sept. A.D. 1985  
Michael R. Lytle, Recorder

and  
Case  
B  
TOP 10

15.16N  
35.31W

**Lease**

Made and entered into the 16<sup>th</sup> day of June A. D. 1955

and between Logan L. Bond and Mary P. Bond, his wife

116 Main Street, Brockway County of Jefferson and

State of Pennsylvania, parties of the first part, hereinafter called the Lessor, and

NEW YORK STATE NATURAL GAS CORPORATION, a New York corporation, of 140 Stanwix Street, Pittsburgh

Pennsylvania, party of the second part, hereinafter called the Lessee, WITNESSETH:

1. **[Leasing Clause]** That the Lessor, for and in consideration of the sum of One (\$1.00) Dollar in hand paid and truly paid by the Lessee, the receipt whereof is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, has leased and let and by these presents does lease and let unto the Lessee for the purpose of drilling and operating for and producing oil and gas, and for the other purpose and with the exclusive right in the Lessee, as it may see fit to store any kind of gas therein by pumping or otherwise introducing the same into any sand or sands, strata or horizon in and under said land, and the right to move the same by pumping or otherwise through any well or wells on said land or other lands with the right to open, repair, maintain and use a roadway or roadways to wells or well locations on this or other lands and the right to construct, maintain, operate, change and remove pipe lines, telephone and telegraph lines and all other appliances and structures over and through said lands; and with all other rights and privileges, including free oil, gas, gasoline and water from said land, necessary or convenient for the operation of this land alone or conjointly with other lands for the transportation of oil and gas produced from said land or other lands or for introducing, storing or withdrawing of gas from this land or other lands;

ALL that certain tract of land situate in Huston & Horton Township, Clearfield & Elk County and State of Pennsylvania, bounded substantially by the following lands:

North Boone Mt. Road, Earl Hutchins, Guy Ross, Dan Dalulo

East State Lands

South New Shawmut Mining Co., & United Natural Gas Company

West Joseph Pedace, Brockway Water Company

containing One Thousand Four Hundred Twenty - - - (1420) - - - acres, more or less, lying however, two hundred (200) feet from dwelling houses and barns now on the premises, on which no well shall be drilled by either party except by mutual consent. All of the working interest (7/8) of the oil produced and recovered and all of the gas (subject to the reservation or exception of gas for Lessor's own use as hereinafter set forth) produced and recovered under the terms of this lease are hereby granted, bargained and sold unto the said Lessee. Lessor agrees that Lessee may enter upon the leased premises, search for and clean out any abandoned oil or gas well, and such well shall then be considered to have been drilled under the terms of this lease and the same may be properly plugged and abandoned again or refitted and utilized by Lessee for the production or storage of gas. The leased premises may be fully and freely used by the Lessor for farming or other purposes, excepting such parts as are used by the Lessee in operating hereunder.

2. **[Lessor's Covenant]** Lessor hereby covenants that he is seized of an indefeasible fee simple estate in and to all the oil and gas under the premises and being in or on the premises, and that he will forever warrant and defend the leasehold estate hereby demised unto the Lessee against the lawful claims and demands of all persons whomsoever, and that Lessee shall have the exclusive, full, free and quiet possession of said described premises for the purposes and during the term herein set forth. Lessor further agrees that the Lessee at its option may pay and discharge, when defaulted, any taxes, mortgages or other liens existing, levied or assessed on or against the above described lands, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

3. **[Term]** It is agreed that this lease shall remain in force for the term of Ten (10) years from June 30, 1955 and as long thereafter as the above described land, or any portion thereof, or any other land pooled or unitized therewith as provided in paragraph 4 hereof, is operated by the Lessee in the search for or production of oil or gas or as long as gas is being stored, held in storage, or withdrawn from the premises by Lessee. It is agreed that the cessation of production from wells on the leased premises or upon other land unitized therewith, after the expiration of the original term, shall not terminate this lease whether the pooling units have been dissolved or not, if the land is used for the storage of gas prior to the plugging and abandonment of wells from which oil or gas has been produced. It is understood that a well need not be drilled on the premises to permit the storage of gas, and it is agreed that the Lessee shall be the sole judge as to whether gas is being stored within the leased premises and that its determination shall be final and conclusive.

4. **[Unitization]** Lessee is hereby granted the right to pool and unitize the Onondaga, Oriskany or deeper formations under 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 governmental authority having jurisdiction in 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 is 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. The commencement, drilling, completion of or production 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 then a proportionate part of the delay rental reserved shall be paid on the remaining acreage.

5. **[Payment To Lessor]** In consideration of the premises the Lessee covenants and agrees as follows:

**ROYALTIES (Oil):** To deliver to the credit of the Lessor, their heirs and assigns, free of cost, in the pipe line to which Lessee may connect its wells, a royalty of the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

**(Gas):** To make the following payments of royalty for or on account of wells producing gas from sands not utilized for the storage of gas and until said sands shall be utilized for the storage of gas, namely:

To pay a royalty equal to one-eighth (1/8) of the value of all gas (except storage gas) produced, saved and marketed, calculated at the price being paid from time to time by Lessee for like gas purchased by it in the general producing area nearest the leased premises, payment to be made on or before the 25th day of the month for all gas marketed during the preceding month. The time and method of marketing gas produced from any well on the leased premises and the amount thereof that shall be used or marketed within any period of time shall be entirely within the discretion of the Lessee. The unit to which the price herein specified is to be applied is 1000 cubic feet of gas measured according to Boyle's Law (i.e. disregarding deviations), at a temperature of sixty degrees (60°) Fahrenheit (i.e. disregarding temperature changes) and at an absolute pressure of fifteen and three hundred twenty-five thousandths (15.325) pounds per square inch. The atmospheric pressure shall be assumed to be fourteen and four tenths (14.4) pounds per square inch irrespective of the actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time. For testing positive meters and measuring gas with orifice meters the specific gravity of the gas shall be taken at the time of installation and thereafter at least once each year.

**DELAY RENTAL:** Lessee covenants and agrees to pay a rental at the rate of Three Hundred Fifty-five (\$355.00) dollars, quarterly in advance, beginning June 30, 1955 until a well yielding royalty to the Lessor is drilled on the leased premises, or until any sand or sands under the leased premises is utilized for the storage of gas and rental for said storage becomes payable as hereinafter provided, any rental paid for time beyond the date of completion of a well yielding royalty shall be credited upon the first royalty due upon the same. It is agreed that Lessee may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege.

**PAYMENT FOR STORAGE PRIVILEGES:** In full compensation for the storage rights herein granted and in lieu of all delay rental or royalty due or to become due for the right to produce or for the production of oil or gas from the sands, strata, or horizons where gas may be stored as herein provided, Lessee covenants and agrees to pay Lessor, when no wells on the leased premises are utilized for the storage of gas, an annual storage rental of One Thousand Four Hundred Twenty & 00/100 (\$1,420.00) dollars, at the rate of One & 00/100 (\$1.00) dollars, per acre, per annum, payable quarterly in advance, beginning at the next payment date after gas shall have been stored under the terms of this agreement and continuing until the leased premises shall no longer be used for storage purposes, or until wells on the leased premises are utilized for the storage of gas, in which event Lessee shall cease paying storage rental to Lessor and pay in lieu thereof, a storage well rental or royalty of Seventy-five & 00/100 (\$75.00) dollars, per well quarterly in advance, as long as such well shall be so utilized; subject to the right of cancellation or surrender hereinafter provided. Any storage rental paid for time beyond the date of such utilization of a well yielding storage well rental or royalty shall be credited upon the first storage well rental or royalty due upon the same. Lessee agrees to give Lessor written notice of the use of the leased premises and any wells drilled thereon for the storage of gas. Lessee further agrees to pay Lessor for any damage to growing crops, trees and fences caused by Lessee in operating this lease.

6. **[Gas Excepted]** Lessor hereby excepts and reserves from any well on said land producing gas (excepting wells utilized for storage) two hundred thousand (200,000) cubic feet of gas per year or such part thereof as Lessor requires for his own use for heat and light in one dwelling house on said land, at Lessor's own risk; subject, however, to the use, operation, pumping and right of abandonment by Lessee of its wells and pipe lines on the premises. Lessor may at his own expense and upon written application, secure such gas by a service line laid to and connected either to any such well on said land or to Lessor's pipe line leading from such well to market, the point of connection to be designated by Lessee. If Lessor in any year uses gas in excess of the quantity reserved or excepted, he shall pay for the same at the local prevailing price for gas for domestic use, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity reserved or excepted. The measurement and regulation shall be by meter furnished by Lessee and regulators furnished by Lessor. If Lessee uses of the gas herein reserved at any time interferes with

to his credit, or the credit of his respective heirs or assigns in

(Bank) of

or by check or draft payable to the order of Logan L. Bond

and mailed to 816 Main Street, Brockway, Pennsylvania

8. **[Surrender]** It is agreed that said Lessee may at any time remove all machinery and fixtures placed on said premises; and further, upon the payment of one (\$1.00) dollar and all amounts due hereunder Lessee shall have the right to surrender this lease at any time as to all or any part or parts of the land covered by the same and thereupon shall be released and discharged from all payments, obligations, covenants and conditions herein contained whereupon this lease shall be null and void as to the land in respect to which a surrender is made except that Lessee may continue to use the pipe line rights herein granted upon payment of one (\$1.00) dollar per rod to Lessor for right of way for the same. Lessor agrees that the recordation of a deed of surrender in the proper county, and the mailing in the Post Office of a check payable as above provided, for said sum or sums and all amounts then due hereunder, shall be and be accepted as full and legal surrender of the Lessee's rights under this lease, or under the portion surrendered.

9. **[Outstanding Interests]** Said Lessee shall not be required in any event to increase the delay rental, storage rental, or the gas or oil royalty payments hereunder by reason of any royalty or interest in said oil or gas that may have been heretofore sold, reserved or conveyed by said Lessor or by his predecessors in title or otherwise; and if the Lessor does not have title to all the oil and gas in the leased premises or to the storage rights herein leased, there shall be refunded such part of all payments made by the Lessee hereunder, as shall be proportionate to the outstanding title, and payments thereafter to be made shall be reduced in the same proportion.

10. **[Conveyance Of Premises]** In case of a conveyance of all or a part of the premises leased, the Lessee may continue to make all payments to Lessor until furnished with the original or a certified copy of any such deed of conveyance or other documents or proof to enable Lessee to identify the land conveyed as being all or part of leased land, or on written notice of any such conveyance, may hold all payments until furnished with such copy and other documents and proof, and shall apportion the delay rental, storage rental and royalty, in case of any division, according to acreage.

11. **[Adverse Claim]** In case of notice of, or an adverse claim to the premises, affecting all or any part of the rentals, storage rentals or royalties, Lessee may withhold payment or delivery of the same until their ownership is determined by compromise, or by final decree of a court of competent jurisdiction, and to this end Lessee may file a petition for interpleader.

12. **[Entire Contract]** It is agreed that the entire contract and agreement between Lessor and Lessee is embodied herein, and that no verbal warranties, representations or promises have been made or relied upon by Lessor or Lessee supplementing, modifying or as an inducement to this agreement.

13. **[Heirs And Assigns]** All terms, conditions, limitations and covenants between the parties hereto shall extend to their respective heirs, successors, personal representatives and assigns.

The aggregate annual storage rentals and storage royalties provided herein shall not be less than an amount equal to One (\$1.00) Dollar per acre per annum.

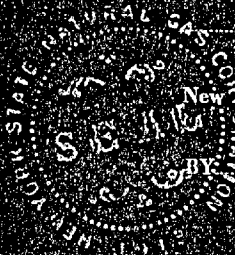
This lease replaces and cancels as of June 30, 1955 a prior oil and gas lease between the parties hereto dated June 30, 1947 and recorded in Misc. Book Vol. N, Page 264.

In Witness Whereof the parties to this agreement have hereunto set their hands and seals the day and year first above written.

WITNESS:

*August K. Prye*  
*August K. Prye*

*Logan L. Bond* (SEAL)  
*Mary O. Bond* (SEAL)  
(SEAL)  
(SEAL)  
(SEAL)  
(SEAL)



New York State Natural Gas Corporation

*W. H. Tice*

Vice President

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF CLEARFIELD } ss

VOL 1978 PAGE 327

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter referred to as "Assignor", and AMERICAN REFINING AND EXPLORATION COMPANY, a Pennsylvania corporation, hereinafter referred to as "Assignee".

WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, assign, set over, transfer and convey, without warranty of title, either expressed or implied, except as to those claiming by, through and under the Assignor, with full rights of substitution and subrogation, unto Assignee all of the Assignor's right, title and interest in and to the following described properties (hereinafter referred to as the "Oil and Gas Properties"), effective as of 7:00 a.m. October 15, 1998 (the "Effective Date"):

1. All those oil and gas wells located in Clearfield County, Pennsylvania, and described on Exhibit A attached hereto (hereinafter referred to as the "Wells") and the oil and gas leases described on Exhibit B attached hereto (hereinafter referred to as the "Oil and Gas Leases").
2. All production equipment, material, fixtures, casing, tubular goods, lines, pumps, tanks and other facilities, both surface and down hole, installed and used in the operation of the Wells.
3. All those well lines listed on Exhibit A and further described on Exhibit C attached hereto and all those gathering lines described on Exhibit C, together with related equipment and facilities used in connection therewith (the well lines and gathering lines hereinafter collectively referred to as the "Pipeline").
4. All those rights-of-way, easements, surface leases, meter site agreements, rights-of-entry or access, permits, options, licenses and franchises related to the Oil and Gas Leases and the Pipeline, including, but not limited to those Pipeline rights of way and easements described on Exhibit C.
5. All those road grants, licenses, permits and miscellaneous grants described on Exhibit D attached hereto.

CLEARFIELD COUNTY  
ENTERED OF RECORD  
TIME 3:50pm 10-21-98  
BY T. J. Energy  
FEES 51.50  
Karen L. Starck, Recorder

6. All oil, gas and other minerals produced and saved from the Oil and Gas Properties from and after the Effective Date, to include all gas above the meter site and all liquid hydrocarbons in the tanks as of the Effective Date.

This Bill of Sale and Assignment is expressly made subject to the following provisions:

A. Nothing contained in this Bill of Sale and Assignment shall constitute a transfer or assignment of any agreement, instrument, right-of-way, permit, license, franchise or any other document to the extent the transfer or assignment is prohibited by the terms thereof or by law.

B. Should Assignor determine at a later date that any agreement, instrument, right-of-way, permit, license, franchise or any other document was inadvertently transferred by this Bill of Sale and Assignment, the Assignee shall, as a matter of form in order to clear the public records, reassign such document at the request of Assignor.

C. Assignor shall assume and pay any and all State, County or local taxes assessed and levied upon the Oil and Gas Properties prior to and before the Effective Date and Assignee shall assume and pay any and all State, County or local taxes assessed upon the Oil and Gas Properties from and after the Effective Date.

D. Assignee agrees to pay all filing fees, recording fees, documentary stamps, transfer fees or excise taxes required in connection with the filing and recording of this Bill of Sale and Assignment, and all transfer fees, recording fees, sales tax, permit fees and all other fees imposed by any state or federal agency in connection with the sale and transfer of the Oil and Gas Properties.

E. All equipment and other personal property appurtenant to the Oil and Gas Properties is transferred subject to normal wear and tear without warranties of any kind whatsoever, whether expressed or implied, and are sold:

"AS IS WITH ALL FAULTS AND DEFECTS" and "WITH NO WARRANTY AS TO MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE", THIS ASSIGNMENT IS MADE (a) WITHOUT ANY WARRANTY OR REPRESENTATION OF TITLE, EITHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, EXCEPT THAT ASSIGNOR SHALL WARRANT AND DEFEND TITLE TO THE OIL AND GAS PROPERTIES AGAINST THE CLAIMS OF ANY PERSON ASSERTING TITLE BY, THROUGH OR UNDER ASSIGNOR OR ITS AFFILIATES, BUT NOT OTHERWISE; (b) WITHOUT ANY EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION AS TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OR MATERIALS OR



MERCHANTABILITY OF ANY OF THE PERSONAL PROPERTY OR ITS FITNESS FOR ANY PURPOSE; AND (C) WITHOUT ANY OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER.

F. Assignor hereby reserves the right to use concurrently with Assignee the roads or other facilities that constitute part of the Oil and Gas Properties to the extent necessary in connection with the operation of other oil and gas properties owned by Assignor that are not part of the Oil and Gas Properties.

This Bill of Sale and Assignment is made and shall be subject to the terms and provisions of that certain Purchase and Sale Agreement between Assignor and Assignee dated July 31, 1996, which shall prevail in the event of any conflict between the terms and provisions hereof and thereof.

Following recordation of this Bill of Sale and Assignment in the Office of the Recorder of Deeds, Clearfield County, Pennsylvania, Assignee agrees to provide Assignor with a copy of the recorded document showing book and page references and dates.

This Bill of Sale and Assignment shall be executed in duplicate originals, and each duplicate original hereof shall be deemed to be an original instrument.

IN WITNESS WHEREOF, Assignor has executed and delivered this Bill of Sale and Assignment on this 15th day of October, 1998, effective as of the Effective Date.

ASSIGNOR:

CNG TRANSMISSION CORPORATION

By: Mendel G. Glick SLA

Its: EVP

ASSIGNEE:

AMERICAN REFINING AND EXPLORATION  
COMPANY

By: Thomas F. Halloran

Its: President

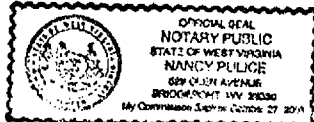
This instrument was prepared by:  
Stephen L. Atkinson  
445 West Main Street  
Clarksburg, WV 26301

(bos-amrefining2)  
dek2/97a1a

- 4 -

On this, the 15<sup>th</sup> day of October, 1998, before me appeared Nancy Pulice, the undersigned officer, personally to be Nancy Pulice of CNG TRANSMISSION CORPORATION, a corporation, and that he as such Nancy Pulice, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Nancy Pulice.

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



My Commission expires:  
October 27, 2003

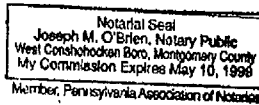
Nancy Pulice  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF MONTGOMERY

On this, the 16<sup>th</sup> day of OCTOBER, 1998, before me appeared Joseph M. O'Brien, the undersigned officer, personally to be Joseph M. O'Brien of AMERICAN REFINING AND EXPLORATION COMPANY, a corporation, and that he as such Joseph M. O'Brien, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Joseph M. O'Brien.

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

My commission expires:



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EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

## WELLS

## CLEARFIELD COUNTY, PENNSYLVANIA

<u>Well No.</u>	<u>Line No.</u>	<u>API NO.</u>	<u>Lease No.</u>	<u>Township</u>
507	LN 1275	37-033-00005	58299	Huston
540	LN 1207	37-033-00036	59665	Huston
559	LN 1219	37-033-00035	58935	Union
573	LN 1283	37-033-00130	59665	Huston
577	LN 1251	37-033-00063	59724	Union
578	LN 1244	37-033-00073	57377	Union
580	LN 1257	37-033-00069	57205	Union
581	LN 1238	37-033-00064	60064	Union
584	LN 1277	37-033-00108	58299	Huston
590	LN 1272	37-033-00095	60125	Union
591	LN 1265	37-033-00099	60125	Union
594	LN 1249	37-033-00089	60332	Union
608	LN 1281	37-033-00117	60125	Union
614	LN 1270	37-033-00106	60742	Union
622	LN 1283	37-033-00154	59665	Huston
641	LN 1289	37-033-00146	59665	Huston
673	LN 1312	37-033-00169	59665	Huston
678	LN 1310	37-033-00170	59397	Huston
683	LN 1329	37-033-00178	59665	Huston
691	--	--	59665	Huston
694	LN 1336	37-033-00194	61779	Huston
698	LN 1332	37-033-00203	59397	Huston

EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

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WELLS  
CLEARFIELD COUNTY, PENNSYLVANIA

Well No.	Line No.	API NO.	Lease No.	Township
704	LN 1345	37-033-00212	61779	Huston
708	LN 1354	37-033-00216	59397	Huston
714	LN 1353	37-033-00215	61779	Huston
718	LN 1360	37-033-00277	61779	Huston
721	--	37-033-00253	61779	Huston
722	--	--	58602	Huston
727	LN 1308	37-033-00236	59665	Huston
731	LN 1373	37-033-00245	59665	Huston
732	LN 1377	37-033-00247	60441	Sandy
734	LN 1380	37-033-00246	61779	Huston
736	LN 1388	37-033-00257	60970 60971	Huston Huston
737	LN 1378	37-033-00252	66253	Huston
738	LN 1363	37-033-00298	59397	Huston
739	LN 1387	37-033-00261	62221 62106 62119 62118	Huston Huston Huston Huston
753	LN 1414	37-033-00294	62063	Sandy
756	LN 1415	37-033-00295	62063	Sandy
770	LN 1431	37-033-00312	62063	Sandy
889*	LN 1494	37-033-00377	62923	Sandy

EXHIBIT "A"  
TO BILL OF SALE  
AND ASSIGNMENT

## WELLS

## CLEARFIELD COUNTY, PENNSYLVANIA

<u>Well No.</u>	<u>Line No.</u>	<u>API NO.</u>	<u>Lease No.</u>	<u>Township</u>
1455	LN 2003	37-033-20582	64903	Sandy
			77316	Sandy
			77317	Sandy
			88342	Sandy
			88343	Sandy
			98178	Sandy
			63284	Sandy
1548	LN 2049	37-033-20609	48396	Huston
			56731**	--
			59884	Huston
			57806	Huston
1647	LN 2110	37-033-20662	61779	Huston

\* Includes interest acquired from Fairman Drilling Company, see Book 1501, Page 4

\*\* Lease 56731 listed as located in Elk County, Pennsylvania.

(bos-amrefining2)

EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT

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LEASES

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
58299	Bond	06-16-55	Huston	M96	489
Modification	Bond	08-19-58	Huston	112	573
59665	Gordon	07-01-51	Huston	M82	99
Assignment	Cabot	12-28-56	Huston	M108	225
Modification	Gordon	09-01-77	Huston	211	488
58935	Orner	02-01-56	Union	M101	207
57377	Dawson	03-04-54	Union	M92	70
57205	Weber	12-08-53	Union	91	83
60064	Bloom	06-19-57	Union	106	452
58299	Bond	06-16-55	Union	M96	489
Modification	Bond	08-19-58	Union	112	573
60125	City of Dubois	06-27-57	Union	106	581
60332	Neeley	07-02-57	Union	M107	567
60742	Neeley	07-02-57	Union	M107	432
59397	Palumbo	08-22-56	Huston	73	398
Modification	Palumbo	01-23-58	Huston	109	427
Modification	Palumbo	08-22-58	Huston	113	235
Modification	Palumbo	03-14-73	Huston	180	59
Amendment	Palumbo	12-09-83	Huston	--	--
Memo of	Palumbo	12-09-83	Huston	1052	38
Amend.					
Amendment	Palumbo	09-13-94	Huston	1645	138
61779	Palumbo	08-05-58	Huston	113	459
Modification	Palumbo	03-14-73	Huston	180	59
Amendment	Palumbo	12-09-83	Huston	--	--
Memo of	Palumbo	12-09-83	Huston	1052	38
Amend.					
Amendment	Palumbo	09-13-94	Huston	1645	135
60441	Desander	09-27-57	Sandy	108	392
60970	Spicker	02-12-58	Huston	M109	577

EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

## LEASES

## CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
60971	Fossler	02-11-58	Huston	M109	580
Ratification	Fossler	03-23-79	Huston	220	181
Modification	Fossler	03-19-79	Huston	214	496
66253	McCool	08-01-62	Huston	M130	516
Ratification	Reitz	08-01-62	Huston	130	538
62221	Saduski	04-01-59	Huston	M115	459
62106	Challingsworth	02-11-59	Huston	M114	577
Modification	Challingsworth	11-04-59	Huston	118	329
62119	Challingsworth	02-18-59	Huston	M114	570
62118	Georgino	02-18-59	Huston	M114	573
62063	DuBois Country Club	12-09-58	Sandy	M114	470
62923	Green Glen Corp	09-16-59	Sandy	M117	564
64903	Green Glen Corp	03-15-61	Sandy	M126	126
Modif.	Green Glen Corp	03-14-63	Sandy	131	571
Modif.	Green Glen Corp	06-21-63	Sandy	132	411
Modif.	Green Glen Corp	10-25-77	Sandy	215	489
77316	H. Dodd	12-20-67	Sandy	M145	449
Modification	H. Dodd	10-19-77	Sandy	215	495
77317	R. Dodd	12-20-67	Sandy	M145	441
Modification	R. Dodd	10-28-77	Sandy	214	599
88342	Heller	06-01-75	Sandy	198	294
Modification	Heller	11-09-77	Sandy	214	596
88343	Kear	05-29-75	Sandy	198	298
Modification	Kear	10-20-77	Sandy	214	593
98178	Yale	10-20-71	Sandy	159	110
Modification	Yale	10-20-77	Sandy	214	577



EXHIBIT "B"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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LEASES

CLEARFIELD COUNTY, PENNSYLVANIA

<u>Lease No.</u>	<u>Lessor</u>	<u>Lease Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
63284	Brown	08-14-69	Sandy	M151	34
Modification	Volpe	10-20-77	Sandy	214	586
48396	Donahue	10-21-76	Huston	206	5
59884	Ross	10-26-66	Huston	142	176
57806	Pennell	02-20-74	Huston	192	135
Ratification	Horner	05-25-76	Huston	203	209

(boa-amrefining2)

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENTPIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIAWELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1207	Covered by Lease 59369	07-18-50	Huston	--	--
1219	Orner	03-26-57	Union	104	494
1238	Bloom	08-06-57	Union	107	281
1244	City of DuBois	09-23-57	Union	108	342
	Miller	09-25-57	Union	108	269
	Weber	09-26-57	Union	108	268
	Dawson	10-16-57	Union	108	375
1249	Weber	09-26-57	Union	108	271
1251	Covered by Lease 59724	03-07-57	Union	--	--
1257	Schwen	10-24-57	Union	108	429
1265	Bailey	11-21-57	Union	108	520
1270	Weber	12-19-57	Union	109	264
	Heller	12-19-57	Union	109	271
1272	Covered by Lease 60125	06-27-57	Union	106	581
1281	City of DuBois	02-22-65	Union	137	282
1283	Covered by Lease 61139	03-17-58	Huston	--	--
1289	Covered by Lease 59665	07-01-51	Huston	M82	99

hereby certify that the above is  
recorded in the Recorder's Office of  
Clearfield County, Pennsylvania.



*Karen L. Starck*  
Karen L. Starck  
Recorder of Deeds

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
1308	New Shawmut Mining Co.	05-08-59	Huston	115	363
	Pyle	05-15-59	Huston	115	432
	Whitmore	07-22-59	Huston	116	365
	Weltz	07-24-59	Huston	116	399
	Lewis	07-28-59	Huston	116	366
	Desander	07-28-59	Sandy	116	369
	Desander	07-28-59	Sandy	116	368
	Sherwood	08-20-59	Sandy	117	66
	Delong	08-20-59	Sandy	117	65
	Maloney	08-27-59	Sandy	117	62
	Bundy	08-20-59	Sandy	117	63
	Green Glen Corp	01-20-60	Sandy	119	49
	Van Sice	01-20-60	Sandy	119	491
1310	Covered by Lease 59397	08-22-56	Huston	73	398
1312	Covered by Lease 59665	07-01-51	Huston	M82	99
1329	Covered by Lease 59665	07-01-51	Huston	M82	99
1332	--		Huston	--	--
1334	--		Huston	--	--
1336	Underhill Coal Mining Co	03-11-59	Huston	115	81
1340	Anderson	05-07-59	Huston	115	364
1345	Covered by Lease 61779	08-05-58	Huston	113	459
1353	Covered by Lease 62157	10-03-57	Huston	M108	150

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
1354	New Shawmut Mining Co.	06-19-59	Huston	116 142
1360	Covered by Lease 61779	08-05-58	Huston	113 459
1363	--	--	Huston	-- --
1373	Covered by Lease 59665	07-01-51	Huston	M82 94
1377	Covered by Lease 60441	09-27-57	Huston	108 392
1378	Covered by Lease 66253	08-01-62	Huston	M103 516
1380	Covered by Lease 61779	08-05-58	Huston	113 459
1387	New Shawmut Mining Co. Sellers	11-20-59 12-17-59	Huston Huston	118 565 118 568
1388	Lewis	10-27-59	Huston	118 160
1414	--	--	Sandy	-- --
1415	Covered by Lease 62063	12-09-58	Sandy	M114 470
1431	Green Glen Corp	06-21-60	Sandy	121 503
1494	Covered by Lease 62923	09-16-59	Sandy	M117 564
1917	Hutchins	11-28-73	Huston	195 262

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EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

WELL LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
2003	Kosko	04-15-76	Sandy	204	87
	Marengo	04-07-76	Sandy	204	81
	Kear	03-25-76	Sandy	204	83
	Yale	03-25-76	Sandy	204	85
2049	Hutchins	11-16-76	Huston	206	134
	March	04-13-77	Huston	208	520
2110	--	--	Huston	--	--

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
994	--	--	Huston	--	--
1205	--	--	Huston	--	--
1209	--	--	Huston	--	--
1222	--	--	Huston	--	--
1226	B. Bailey	06-06-57	Union	M106	463
1233	Kimmel	07-18-57	Union	M107	182
	B. Bailey	08-28-57	Union	M107	497
	Holly	07-25-57	Union	M107	177
	P. Bailey	07-25-57	Union	M107	215
1234	Orner	08-27-57	Union	M107	498
	LaRock	08-14-57	Union	M107	337
	City of DuBois	08-30-57	Union	M107	502
	Fair	09-04-57	Union	M107	499
	City of DuBois	09-23-57	Union	M108	342

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1235	City of DuBois	12-11-57	Union	MD109	175
	City of DuBois	02-22-65	Union	M137	298
1239	--	--	Union	--	--
1241	--	--	Union	--	--
1242	--	--	Huston	--	--
1247	--	--	Union	--	--
1248	Miller	09-25-57	Union	M108	266
1250	Reiter	10-17-57	Huston	M108	379
	Graham	10-17-57	Huston	M108	381
	Bennetts	10-25-57	Huston	M108	430
	Valley Rod & Gun Club				
	Lyle	10-08-57	Huston	M108	284
1255	--	--	Huston	--	--
1261	Scholl	12-10-59	Union	M119	152
1269	Lyle	12-19-57	Huston	M109	263
	Williams	01-02-58	Huston	M109	270
	Buhite	05-21-58	Huston	M111	527
1274	City of DuBois	03-06-58	Union	M108	484
	City of DuBois	03-15-65	Union	M137	282
1280	Scholl	05-07-58	Union	M111	419
	Shaffer	05-06-58	Union	M111	420
1282	--	--	Huston	--	--
1286	--	--	Huston	--	--
1290	E. Miller	11-10-64	Union	M136	661
	Bloom	02-11-65	Union	M137	280
1291	--	--	Huston	--	--

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
1292	--	--	Union	--	--
1293	--	--	Huston	--	--
1300	Green Glen Corp.	08-27-58	Huston	M112	495
	Munn	08-21-58	Huston	M112	492
	Hudak	09-02-58	Huston	M112	571
	Dal. Woodward	08-20-58	Huston	M112	491
	Green Glen Corp.	08-27-58	Huston	M112	493
	Dan. Woodward	08-26-58	Huston	M112	569
1304	Lucore	01-27-59	Huston	M114	441
	Park	01-27-59	Huston	M114	442
	Crawford	02-12-59	Huston	M114	540
	Miller	03-04-59	Huston	M115	16
	Anderson	03-11-59	Huston	M115	32
	Geer	02-13-59	Huston	M114	554
1311	--	--	Gordon & Huston	--	--
1316	--	--	Huston	--	--
1317	--	--	Huston	--	--
1318	New Shawmut Mining Co.	01-09-59	Huston	M114	302
	New Shawmut Mining Co.	06-19-59	Huston	M116	140
1320	--	--	Huston	--	--
1321	--	--	Huston	--	--
1328	--	--	Huston	--	--
1338	--	--	Huston	--	--
1341	--	--	Huston	--	--

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book</u>	<u>Page</u>
1343	--	--	Huston	--	--
1344	--	--	Huston	--	--
1347	--	--	Huston	--	--
1348	Lewis	09-01-59	Huston	M119	268
1351	New Shawmut Mining Co.	09-15-59	Huston	M117	177
	Shutters	09-12-59	Huston	M117	545
	Seduski	10-07-59	Huston	M117	558
1352	--	--	Huston	--	--
1355	--	--	Huston	--	--
1356	--	--	Huston	--	--
1359	New Shawmut Mining Co.	07-09-59	Huston	M116	371
1362	Green Glen Corp.	07-09-59	Huston	M117	544
1364	--	--	Huston	--	--
1366	--	--	Huston	--	--
1369	--	--	Huston	--	--
1371	--	--	Huston	--	--
1379	--	--	Sandy	--	--
1383	--	--	Huston	--	--
1384	New Shawmut Mining Co.	11-20-59	Huston	M118	567

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EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>	
1385	--	--	Huston	--	--
1390	Stoyek	01-05-60	Union	M119	321
	City of DuBois	01-20-60	Union	M120	190
1391	--	--	Huston	--	--
1393	--	--	Huston	--	--
1394	--	--	Huston	--	--
1395	--	--	Huston	--	--
1397	Underhill Coal Mining Co.	08-11-60	Huston	M122	291
1400	Bailey	01-12-60	Union	M124	120
	R. Bloom	01-12-60	Union	M119	409
	L. Bloom	01-14-60	Union	M119	408
	Harrington	01-28-60	Union	M120	187
	Pentz Tract Corp.	01-22-93	Union	1556	426
	Green Glen Corp.	01-20-60	Union & Sandy	M119	494
	Russell	01-21-60	Sandy	M119	490
	Treasure Lake Inc.	07-27-71	Sandy	158	98
1402	--	--	Huston	--	--
1403	--	--	Sandy	--	--
1404	--	--	Sandy	--	--
1406	Green Glen Corp.	03-23-60	Sandy	120	503
	Shaffer	03-23-60	Sandy	120	504
1407	--	--	Sandy	--	--
1409	--	--	Sandy	--	--

EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
1410	Bundy	03-08-60	Sandy	M121 190
1411	--	--	Sandy	-- --
1412	Green Glen Corp.	04-01-60	Huston	M121 49
1413	Green Glen Corp.	06-09-60	Sandy	M121 434
1417	--	--	Sandy	-- --
1418	--	--	Sandy	-- --
1419	--	--	Sandy	-- --
1428	Green Glen Corp.	06-09-60	Sandy	M121 435
	DuBois Country Club	06-14-60	Sandy	M121 501
1433	--	--	Sandy Union	-- --
1493	Green Glen Corp.	08-20-63	Sandy	M133 244
	Ramsey	08-29-63	Sandy	M133 245
	Frost	10-07-63	Sandy	M133 246
	Weitzel	08-28-63	Sandy	M133 249
	Harriger	08-27-63	Sandy	M133 247
	Hallistrom	08-20-63	Sandy	M133 248
1517	--	--	Huston	-- --
1549	Bucktail Council Inc.	05-11-65	Huston	M137 621
	Boy Scouts of America			
	New Shawmut Mining Co.	04-22-65	Huston	M137 567

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EXHIBIT "C"  
TO BILL OF SALE  
AND ASSIGNMENT  
(Continued)

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PIPELINES, RIGHTS OF WAY AND EASEMENTS  
CLEARFIELD COUNTY, PENNSYLVANIA

GATHERING LINES

<u>Line No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
2438	(rights of way to assigned by separate document) <sup>1</sup>			

(boc-amrefining2)

<sup>1</sup>Partial assignment only for portion of LN 2438 beginning at Home  
Camp Compressor Station (Pipeline Station 196+20) and running  
generally in a northeasterly direction 32,218 feet, more or  
less, to PA State Route 153 (Pipeline Station 518+38).

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EXHIBIT "D"  
TO BILL OF SALE  
AND ASSIGNMENTROAD GRANTS AND MISCELLANEOUS GRANTS  
CLEARFIELD COUNTY, PENNSYLVANIAROAD GRANT

<u>Well No.</u>	<u>Grant No.</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Recording Book Page</u>
1455	RG 361	Yale	09-17-75	Sandy	200 145

MISCELLANEOUS GRANTS

<u>Grant No.</u>	<u>Type</u>	<u>Grantor</u>	<u>Date</u>	<u>Township</u>	<u>Line No.</u>	<u>Recording Book Page</u>
92427	Tank Site	City of DuBois	06-26-85	Union	LN 1281	1026 433
92429	Tank Site	Scholl	06-26-85	Union	LN 1235	1026 264
92430	Tank Site	Orcutt	06-27-85	Union	LN 1235	1026 266
92463	Tank Site	Boy Scouts of America	01-15-86	Huston	LN 1549	1063 504
92469	Tank Site	New Shawmut Mining Co.	03-06-86	Huston	LN 1308	1069 538
92473	Tank Site	Green Glen Corp.	03-27-86	Sandy	LN 1308	1075 402
92477	Meter Site	Underhill Coal Mining	07-23-86	Huston	LN 1318 LN 1875	1101 321
97838	Compr. Site	Kimmel	07-02-84	Union	--	965 404

(bom-amrefining2)

Entered of Record 10-21-1998 : 3:50 PM Karen L. Stark, Recorder

HUSTON  
UNION  
SANDY  
GORDONCOMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF CLEARFIELD )**ASSIGNMENT, BILL OF SALE AND RIGHT OF FIRST REFUSAL**

Made this 4TH day of DECEMBER, 2000, by and between American Refining and Exploration Company, a Pennsylvania corporation, with offices at 100 Four Falls Corporate Center, Suite 215, West Conshohocken, Pennsylvania, 19428-0818 (hereinafter referred to as "Assignor")

A  
N  
D

Snyder Armelar Gas Company, a Pennsylvania partnership, with offices at One Glade Park East, P.O. Box 1022 (hereinafter referred to as "Assignee").

**WITNESSETH:**

In consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency which is hereby acknowledged, with the intent to be legally bound, the parties hereto agree as follows:

1. **Assignment.** Assignor grants, conveys, bargains, sells, transfers, assigns, and sets over unto Assignee a one-half (1/2) interest in the properties and the property rights assigned and set over unto Assignor by Bill of Sale and Assignment dated October 15, 1998, and recorded in the Office of the Register and Recorder of Clearfield County at Book 1978, Page 327; Excepting and reserving, all of the oil and gas wells, pipelines, casing, wellhead equipment, meters, compressors and gas sales contracts.

2. **Commonwealth Leases.** Assignor grants, conveys, bargains, sells, transfers, assigns and sets over unto Assignee a one-half (1/2) interest in the gas leases entered into with the Commonwealth of Pennsylvania, Department of Conservation and Natural Resources, Mineral Section, Bureau of Forestry dated May 1, 1999, Contract Nos. M-110049R-09, M-110065R-09, M-110066R-09 and M-110086R-09 together with an agreement of consent to assignment recorded in Clearfield County Record Book Volume 390, Page 1051.

3. **Right Of First Refusal.** Assignor grants and conveys to Assignee the right of first refusal to purchase, lease, receive an assignment or other contractual rights in and to the leases described in Paragraphs 1 and 2 above and/or all oil and gas wells, pipelines, casing, wellhead equipment, meters, compressors, right of way agreements, contracts, and appurtenant rights and privileges assigned and set over to Assignor by the agreements referred to in Paragraph 1 and 2 above ("Benezette Properties"). Assignor agrees that it will not sell, lease, assign or otherwise enter into any contractual agreement with respect to the Benezette Properties (including the reworking of existing wells) with any third party without first giving Assignee the first opportunity to purchase, lease, accept and assignment or other contractual rights to the Benezette Properties on the same terms as offered by third party with sixty (60) days to accept or reject the said terms. If Assignee elects not to exercise this right of first refusal, it shall still have first opportunity to purchase, lease, accept an assignment and/or other contractual rights to the Benezette Properties in the future should the third party fail to close the lease, purchase, assignments and/or contractual agreement offered to Assignor.

4. **Warranty Of Title.** This Assignment and Bill of Sale is expressly made subject to all of the terms and conditions dated October 15, 1998 and recorded with the Register and Recorder of Clearfield County at Book 1978, Page 327, and Assignor warrants specialty title to the rights and

{GL004811.1}

1

properties herein being conveyed. The same are conveyed free and clear of all liens, encumbrances, and security interests.

5. **Further Assurances.** From and after the date hereof, Assignor will execute and deliver to Assignee such further instruments of conveyance, assignment, transfer, endorsement, direction or authorization and take such other action as Assignee or its counsel shall deem advisable in order to convey, transfer, vest and confirm in Assignee one-half (1/2) of the rights, title and interest conveyed to Assignor by the Bill of Sale and Assignment described herein.

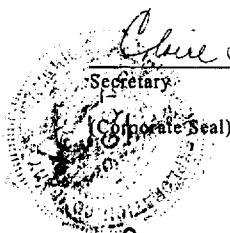
6. **Binding.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, executors, administrators, successors and assigns.

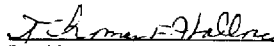
TO HAVE AND TO HOLD the rights, properties and claims described herein, their hereditments and premises hereby granted and mentioned and intending so to be with the appurtenances under the Assignee, and the successors and assigns forever.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement the day and year first above written.

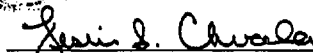
ATTEST:

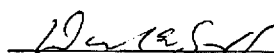
ASSIGNOR: AMERICAN REFINING AND  
EXPLORATION COMPANY

  
Secretary  
(Corporate Seal)

  
President (SEAL)

ASSIGNEE: SNYDER ARMCLAR GAS  
COMPANY

  
Witness

  
Partner (SEAL)


COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

: SS:

On this the 4<sup>TH</sup> day of DECEMBER, 2000, before me, the undersigned officer, personally appeared THOMAS F. HALLORAN, who acknowledged himself to be President of AMERICAN REFINING AND EXPLORATION COMPANY, a Pennsylvania corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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

  
NOTARY PUBLIC (SEAL)

Notarial Seal  
Joseph M. O'Brien, Notary Public  
West Conshohocken Boro, Montgomery County  
My Commission Expires May 10, 2003  
Member, Pennsylvania Association of Notaries



{GL004811.1}

2

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN	:	CIVIL ACTION- (EQUITY)
B. BRANDON,	:	No. 07-2000-CD
Plaintiffs,	:	Type of Case: Quiet Title
vs.	:	Type of Pleading: Certificate of Service
AMERICAN EXPLORATION COMPANY	:	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY,	:	Council of Record for the Party:
Defendant,	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

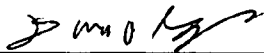
Dated: \_\_\_\_\_

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on May 29, 2008 a copy of the Plaintiff's Amended Complaint in the above referenced case was sent by certified United States Mail, return receipt requested, to C. Warren Trainor, Esquire, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102, attorney for American Exploration Company, and Snyder Armclar Gas Company, at One Glade Park East, Kittanning, PA 16201.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs



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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	Type of Case: Quiet Title
	:	
AMERICAN EXPLORATION COMPANY	:	Type of Pleading: Preliminary Objection
and SNYDER ARMCLAR GAS COMPANY	:	to Plaintiff's Amended Complaint
	:	
Defendant.	:	Filed on behalf of: Defendant
	:	American Exploration Company
	:	
	:	Council of Record for the Party:
	:	C. Warren Trainor, Esquire
	:	PA Bar No: 16025
	:	Ehmann, Van Denbergh & Trainor, P.C.
	:	Two Penn Center Plaza, Suite 220
	:	1500 John F. Kennedy Boulevard
	:	Philadelphia, PA 19102
	:	(215) 851-9800

Dated: June 12, 2008

**FILED** *iec*  
*M 10:53 AM*  
**JUN 13 2008**  
*W. A. Shaw*  
*(60)*  
William A. Shaw  
Prothonotary/Clerk of Courts

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY	:	
Defendant.	:	

**DEFENDANT’S PRELIMINARY OBJECTION TO  
PLAINTIFF’S AMENDED COMPLAINT FOR PLAINTIFF’S FAILURE TO NAME  
ALL ESSENTIAL PARTIES AND  
LACK OF CLEAR TITLE TO THE OIL AND GAS ESTATE**

Comes Now the Defendant, American Exploration Company (“AEC”), and moves to dismiss Plaintiff’s Amended Complaint in that this Court lacks jurisdiction to hear the matters raised by Plaintiff’s Amended Complaint due to the Plaintiff’s failure to name all essential parties and Plaintiff’s lack of clear and unclouded title to the oil and gas estate in question. Additionally, there is pending Defendant’s Preliminary Objection to Plaintiff’s prior Amended Complaint, a hearing on which is currently docketed for June 20, 2008.

In support of its Preliminary Objection, AEC would note to the Court as follows:

1. Plaintiff filed its initial complaint on December 7, 2007.

2. Defendant filed its first answer on December 17, 2007 noting in Defendant's new matter that Plaintiff had failed to name all associated parties and that Plaintiff's title to the property in question was clouded.

3. On January 23, 2008, Plaintiff filed its amended Complaint and again failed to name all essential parties or resolve the outstanding cloud on its title to the property in question.

4. On February 20, 2008, Plaintiff filed its amended answer to Defendant's Amended New Matter and denied that there were other essential parties or a cloud on its title.

5. On May 19, 2008, Defendant filed its Preliminary Objection to Plaintiff's Amended Complaint.

6. On June 2, 2008, Defendant filed its Memorandum of Law in support of its Preliminary Objection.

7. By Order dated May 21, 2008, this Court set a hearing on Defendant's Preliminary Objection for June 20, 2008.

8. On May 29, 2008, Plaintiff filed a Praecipe to Amend Complaint and an Amended Complaint prior to the resolution of the matters then pending before the Court and which are to be heard on June 20, 2008.

9. Plaintiff's Amended Complaint, while naming one additional owner of an undivided interest Logan Bond Lease (as that term is defined below), continues to seek to amend the rights of those parties owning interests in the producing wells drilled on the Logan Bond Lease, by defining the size of the

production units to be assigned to such producing wells, without joining such parties to its lawsuit.

10. By Assignment and Bill of Sale dated October 15, 1998, recorded in Volume 1978, Page 327 of the Records of Clearfield County, Pennsylvania, on October 21, 1998, Defendant acquired all right, title and interest in and to that certain oil and gas lease from Logan L. Bond, et. ux., dated June 16, 1955 unto New York State Natural Gas Corporation and recorded in Deed Book 96, Page 489 of the Records of Clearfield County, Pennsylvania. A modification of this lease was executed by Logan Bond and his wife, Mary P. Bond, to New York State Natural Gas Corporation dated August 19, 1958, and recorded on October 3, 1958 in Deed Book 112, page 58 of the Records of Clearfield County, Pennsylvania ("Logan Bond Lease").

11. By Assignment dated December 4, 2000, Defendant assigned an undivided interest in and to the Logan Bond Lease to Snyder Armclar Gas Company.

12. By Assignment dated August 23, 1985 and recorded on November 17, 1985, in Deed and Record Value 1045, Page 294 of the Records of Clearfield County, Pennsylvania, Plaintiff took an assignment of lands formerly held by Logan Bond et. ux., subject to and burdened by the Logan Bond Lease, the existing producing wells on the Logan Bond Lease, the spacing units therefore and other matters of record.

13. As a result of miscellaneous tax sales involving the lands and oil and gas estates owned by Logan Bond, et. ux., title to the oil and gas estate

covered by the Logan Bond Lease is subject to potential adverse claims, to include by way of example and not limitation:

(a) Claim of E.M. Brown, Inc. as successor by tax sale to A.H. Reitz;

(b) Claim of Compass Coal Company, as successor to A.H. Reitz;

(c) Claim of Cecil B. Highland Jr, Trustee of Pennfield Coal and Cable Company and/or William H. Markus, Receiver of Pennfield Coal and Cable Company. The forgoing clouds on Plaintiff's title are set forth on Exhibits "A" through "G" hereto.

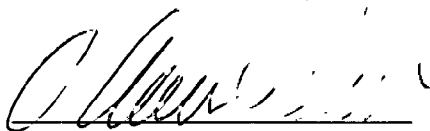
14. Unless and until: (a) this Court rules on the matters presently scheduled to be heard on June 20, 2008 dealing with the same matters as Plaintiff's Praecipe to Amend Complaint; (b) the Plaintiff names all essential parties to the action; and (c) the Plaintiff clears and/or removes the cloud on its title, Plaintiff's Complaint should be dismissed pursuant to Pennsylvania Rule of Civil Procedure 1028(a)(5), in that this Court lacks jurisdiction to resolve the issues raised by Plaintiff's Amended Complaint.

15. Plaintiff's proper course of action herein is to dismiss its present complaint and commence a cause of action to first clear all clouds on its title prior to the initiating of any other action against those parties holding an interests in the Logan Bond Lease; assuming that such an action does exist, which Defendant denies.

16. Defendant, American Exploration Company, incorporates herein its Memorandum of Law in support of its Preliminary Objection filed June 2, 2008, for all purposes.

WHEREFORE, Defendant, American Exploration Company respectfully requests that this Court Dismiss Plaintiff's Complaint for lack of jurisdiction stemming from Plaintiffs' failure to name all essential parties; because Plaintiffs' title to the subject property is clouded and that there are Preliminary Objections pending which have not been cured by Plaintiffs.

Respectfully Submitted



C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: June 12, 2008

VERIFICATION

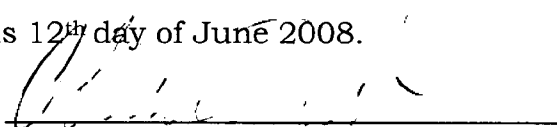
I, Thomas F. Halloran, am the President of American Exploration Company and am duly authorized to make this Verification on behalf of American Exploration Company. I have read the foregoing Preliminary Objection to Plaintiff's Amended Complaint for Plaintiff's Failure to Name all Essential Parties and Lack of Clear Title and state that the averments of fact contained therein are true and correct to the best of my knowledge, information and belief. This verification is made subject to 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities.

Thomas F. Halloran

Dated: June 11, 2008

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Preliminary Objection to Plaintiff's Amended Complaint for Plaintiff's Failure to Name all Essential Parties and Lack of Clear Title to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 12<sup>th</sup> day of June 2008.

  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

Nathan Parker, Esquire  
Greco & Lander, P.C.  
P.O. Box 667  
1390 East Main Street  
Clarion, Pa 16214-0667



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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,  
vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
:  
:  
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:  
:  
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**ORDER**

And Now this \_\_\_\_ day of \_\_\_\_\_, 2008, for good cause shown it is hereby Ordered that Plaintiff's Praeipie to File an Amended Complaint be and hereby is DENIED and its Amended Complaint be and hereby is dismissed.

\_\_\_\_\_  
Judge



protected on any piece or parcel of land covered by said lease. An itemized statement by the lessee, showing all money paid by him or due and payable, such as in part, court costs, attorney fees, recording fees, and taxes and interest shall be considered sufficient evidence for determining the amount of money due Lessee from the first proceeds of royalty under said lease. All expenses of litigation to be borne by Lessor only to the extent of her interest herein.

Lessor acknowledges that said lease, as amended, is valid and in full force and effect and for such purpose Lessor hereby grants, leases and lets to Lessee all of Lessor's interest in the above described lands upon the same terms, conditions and provisions as are contained in said lease as amended hereby and by any amendment heretofore executed.

This agreement and amendment shall be binding upon and inure to the benefit of the parties hereto, their successors, personal representatives and assigns.

EXECUTED the day and year first above set forth.

WITNESSES

Thomas E. Ritz A. H. Ritz (SEAL)  
LESSOR  
Thomas E. Ritz Jack E. McCool (SEAL)  
LESSEE

ACKNOWLEDGMENTS

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF CLEARFIELD ) SS:

On this 18th day of November, 1959, before me a Notary Public in and for the county and State aforesaid, personally appeared A. H. RITZ and JACK E. MCCOOL, personally known to me to be the parties signing the foregoing Agreement and Amendment, and acknowledged to me that the signing of the same was their free act and deed and that they desire the same to be recorded as such.

WITNESS my hand and Notarial Seal the day and year above written.

Mrs. Della W. Egan (SEAL)

MRS. DELLA W. EGAN, Notary Public  
CLEARFIELD CO., PA.  
My Commission Expires Sept. 30, 1962

Entered of Record Nov 18 1959 1:38 P.M. Dick Read, Recorder

THIS AGREEMENT made and entered into this 15th day of April, 1959, by and between Cecil B. Highland, Jr., of the City of Clarkesburg and State of West Virginia, Trustee of the Fenfield Coal and Coke Company, formerly a corporation which is now out-of-existence, duly appointed as such trustee by the Court of Common Pleas of Clearfield County by order dated July 24, 1956, entered of record in the records of said Court of Common Pleas to No. 481 May Term, 1956, hereinafter called the lessor, party of the first part,

A

N

D

E. G. Metzner, of the County of Clearfield and State of Pennsylvania, hereinafter called the lessee, party of the second part:

WITNESSETH: That the lessor-trustee for and in consideration of the sum of ten (\$10.00) dollars cash in hand paid, the receipt whereof is hereby acknowledged and other good and valuable considerations, the receipt of which is also acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has leased and let and by these presents does lease and let unto the said lessee for the sole and only purpose of drilling and operating for and producing oil and gas and of <sup>the</sup> laying of pipe lines and of building all other appliances and structures, and with all other rights and privileges necessary or convenient to produce, save, market and take care of said products;

FIRST: All that certain tract of land situate in Huston Township, Clearfield County, State of Pennsylvania, containing 5.771 acres with allowance, being warrants Nos. 5061, 4183,



5062 and parts of Warrants Nos. 4889, 4902 and 5069, and the J. Nicholson Warrant, and being the same land described under Numeral I, paragraph third, in the deed from B. F. Thompson and wife to Penfield Coal and Coke Company dated the 23rd day of February, 1910, recorded at Clearfield in Deed Book No. 181, page 5.

SECOND: A tract of land situate in Huston Township, Clearfield County, Pennsylvania, containing 330 acres more or less, being the eastern one-third of Warrant No. 5672 and being parcel fourth under Numeral I in the deed above mentioned.

THIRD: All the undivided three-fourths of all that certain tract of land situate in Huston Township, Clearfield County, Pennsylvania, containing 150 acres and allowance, being parts of Warrants Nos. 475 and 79, being parcel fifth under Numeral I in the deed above mentioned.

FOURTH: A certain tract of unsected land in Huston Township, Clearfield County, State of Pennsylvania, surveyed in the warrantee name of Edward Shoemaker, containing 101 acres, more or less, bounded on the north by Warrant No. 475 and on the west by Warrant No. 475, on the south by Warrants Nos. 2000 and 3578 and on the east by the Brown Warrant, and being parcel sixth under Numeral I in the deed above mentioned.

FIFTH: All that certain tract of land containing 340 acres, more or less, off the east end of Warrant No. 5066 and also that certain tract containing 227 acres, more or less, off the east end of Warrant No. 5675, situate in the Township of Huston, County of Clearfield and State of Pennsylvania, being parcel seventh under Numeral I in the deed above mentioned.

SIXTH: All that certain tract of land situate in Huston Township, Clearfield County, Pennsylvania, containing 3,910.65 acres, more or less. Being parts of Warrants as follows: to wit: Nos. 3578, containing 735.05 acres; No. 252

containing 283.9 acres; No. 3600, containing 1018.5 acres; No. 3576, containing 946 acres; No. 3601, containing 571.1 acres; No. 13, containing 100.3 acres; No. 15, containing 108.3 acres; Rose Warrant, containing 147.5 acres. EXCEPTING AND RESERVING therefrom one hundred (100) acres sold and conveyed to Craig and Blanchard; also five (5) acres sold and conveyed to the Allegany River Valley Railroad on the west side of Tract No. 3576; leaving after deducting the above reservations, three thousand eight hundred and five and sixty-five one hundredths (3805.65) acres. Being parcel eighth under Numeral I in the deed above mentioned.

SEVENTH: A tract of land situate in Huston Township, Clearfield County, Pennsylvania, containing 246 acres and 71 perches, more or less. Being a part of the Reynolds Sub-Division of the Nicholson warrants as follows, to wit: Sub-division No. 11 containing 25 acres and 138 perches; sub-division No. 9 containing 105 acres and 10 perches; and sub-division No. 7 containing 95 acres and 91 perches; sub-division Nos. 6 and 8 containing 19 acres and 152 perches. Being parcel ninth under Numeral I in the deed from B. F. Thompson and wife to Penfield Coal and Coke Company dated the 23rd day of February, 1910, recorded at Clearfield in Deed Book No. 181, page 5.

EIGHTH: All the undivided two-fifths interest in a parcel of land containing after reservations 4,945 acres and 114 poles, be the same more or less, as to which there was conveyed to the Penfield Coal and Coke Company by B. F. Thompson in Deed Book No. 181, page 5, all the undivided two-fifths interest in all the coal, coal oil, fire clay and other minerals of every kind and character; it being distinctly understood and agreed that the lessor conveys only the rights

to the gas and only those rights if they are vested in the Penfield Coal and Coke Company. The said parcel being the premises described in Numeral III in the deed from B. F. Thompson and wife to Penfield Coal and Coke Company, recorded at Clearfield in Deed Book No. 181, page 5.

NINTH: All of the surface of all that certain tract of land situate in Huston Township, Clearfield County, Pennsylvania, bounded and described as follows:

BEGINNING at a pine in south line of survey of 1875, No. 215, in the name of J. B. Smith, and being the common southern corner of the farms of John B. Hewitt and Thomas Hewitt as appears by deed of partition dated July 4, 1853, recorded in Clearfield County in Deed Book "N" page 752; thence north  $33\frac{1}{2}$  degrees ( $33\frac{1}{2}^{\circ}$ ) west one hundred three (103) perches to the center of Bennetts Branch as it now runs; thence following the same north  $13$  degrees ( $13^{\circ}$ ) east eleven (11) perches and north  $38\frac{1}{2}$  degrees ( $38\frac{1}{2}^{\circ}$ ) east twenty-three (23) perches to a point at the right of a stream; thence north  $75$  degrees ( $75^{\circ}$ ) east twenty-five (25) perches to the center of stream; thence south  $73\frac{1}{2}$  degrees ( $73\frac{1}{2}^{\circ}$ ) east twenty-six (26) perches; thence mostly at right of stream south  $68\frac{1}{4}$  degrees ( $68\frac{1}{4}^{\circ}$ ) east thirty-two perches; thence north  $87\frac{1}{2}$  degrees ( $87\frac{1}{2}^{\circ}$ ) east twenty-nine (29) perches by the stream to the east line of farm of J. B. Hewitt; thence  $21$  degrees ( $21^{\circ}$ ) east seventy-three (73) perches to a post in south line of Warrant No. 215;  $70\frac{1}{2}$  degrees ( $70\frac{1}{2}^{\circ}$ ) west one hundred two (102) perches to beginning.

Being the premises described under Numeral V in the deed from B. F. Thompson and wife to Penfield Coal and Coke Company, recorded at Clearfield in Deed Book No. 181, page 5.

It is agreed that this lease shall remain in force for the term of one (1) year from this date and as long thereafter as oil and gas or either of them is produced from the premises or as operations continue for the production of oil and gas.

In consideration of the premises said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect its wells on said land, a royalty of the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay a royalty equal to one-eighth (1/8) of the value of all gas saved and marketed from the said premises, payment to be made on or before the 25th day of the month for all gas marketed during the preceding month.

If no well be commenced on said land within one year from the date hereof, this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor for the lessor's credit in the Empire National Bank of Clarksburg at Clarksburg, West Virginia, or its successors, which shall continue as the depository regardless of the ownership of said land, the sum of ~~Six thousand five hundred~~ <sup>Sixteen thousand Dollars</sup> ~~(16,000.00), which~~ <sup>(16,000.00), which</sup> ~~eighty three dollars and thirty five cents (\$8,583.75)~~, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. The payment herein referred to may be made in currency, draft, or check at the option of the lessee; and the depositing of such currency, draft or check in any post office, with sufficient postage and properly addressed to the lessor, or said bank, on or before the said last mentioned date, shall be deemed payment as herein provided. In like manner and upon annual like payments or tenders on or before April 15, of each year, the commencement of a well may be further deferred for like periods of twelve months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.



Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals, in the same amount and in the same manner as heretofore provided. And it is agreed that upon the resumption of the payment of rentals as above provided, that the last preceding paragraph hereof governing the payment of rentals and the effect hereof, shall continue in force just as though there had been no interruption in the rental payments, and if the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operations thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 300 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

The privilege of assigning the estate of either party hereto is expressly allowed but the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, and any change in the ownership of the oil and gas and of the assignments of rental or royalties shall be binding on the lessee only after written notice has been given him.

It is understood that this lease will operate to convey such right, title, interest and claim as lessor may have at law or in equity in and to the aforesaid oil and gas, and that the lessor does not warrant title to said property.

If gas is found in paying quantities and conveyed from the premises and marketed, the lessor may have gas from the well or wells on the premises to an amount not exceeding 150,000 cubic feet per year free of cost, for light and heat in the principal dwelling house on the premises, by laying the necessary line and making connections at the lessor's expense, at such point as may be designated by lessee, provided such gas is used with economical appliances approved by the lessee, and is measured by meter as in the case of other consumers; said gas to be used at lessor's own risk, and lessee is not to be in any way liable for insufficient supply caused by the use of pumping stations, breakage of lines or otherwise; and nothing herein shall prevent the lessee from abandoning any well or wells and removing the pipe therefrom. If more than 150,000 cubic feet per year is so used, the excess shall be paid for at the prevailing rate charged to domestic consumers. The lessee shall have the right to utilize and use free of cost, for power, on these premises, any waste or casing heat gas produced on the premises.

It is further agreed that the lessee shall, by paying all moneys due, have the right to surrender this in its entirety or as to any part thereof at any time to the lessor and thereafter be fully discharged from any and all claims whatsoever arising from any neglect or non-fulfillment of the foregoing contract.

IN WITNESS WHEREOF, the undersigned Trustee of the Penfield Coal and Coke Company has signed this lease as of the 25th day of April, 1959.

IN THE PRESENCE OF:

John M. Cress

Cecil B. Highland, Jr. (SEAL)  
TRUSTEE OF THE PENFIELD COAL  
AND COKE COMPANY

Barney E. Russell

E. Metzner (SEAL)  
LESSOR

STATE OF WEST VIRGINIA :  
COUNTY OF HARRISON : SS.

On this, the 25th day of April, 1959, before me, Anne K. Higlett, personally came the above named Cecil B. Highland, Jr., Trustee of the Penfield Coal and Coke Company, formerly a corporation which is now out of existence, and acknowledged the annexed Indenture to be his act and deed, and desired the same to be recorded as such.

WITNESS my hand and official seal, the day and year aforesaid.

Anne K. Higlett

My commission  
expires July 10, 1968.

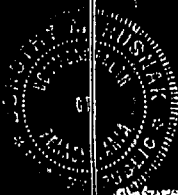


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COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF CLEARFIELD : SS.

On this, the 27th day of April, 1959, before me, DOROTHY M. RUSMAN, Notary Public, personally appeared E. C. Metzner, who acknowledged the annexed Indenture to be his act and deed, and desired the same to be recorded as such.

WITNESS my hand and official seal, the day and year aforesaid.



Dorothy M. Rusman  
DOROTHY M. RUSMAN, Notary Public  
CLEARFIELD, CLEARFIELD CO., PA.  
My Commission expires Oct. 2, 1961

Entered of Record APR. 27 1959, 9:57 am Dick Reed, Recorder

R: DEC 29, 1983

M

D E E D

VOL. 924 PAGE 471

THIS DEED made the 28<sup>th</sup> day of December, 1983  
between THOMAS E. H. REITZ, deceased, late of Sandy Township, Clearfield  
County, Pennsylvania, by DEPOSIT BANK, Administrator C.T.A. of the  
Estate of THOMAS E. H. REITZ, and MARION B. REITZ, surviving spouse and  
sole beneficiary under the Last Will and Testament of the said THOMAS E.  
H. REITZ, also of Sandy Township, Clearfield County, Pennsylvania,  
Grantors

A

N

D

COMPASS COAL CO., INC., a Pennsylvania business corporation with its  
principal place of business in the Borough of Punxsutawney, Jefferson  
County, Pennsylvania, Grantee.

WHEREAS, the said THOMAS E. H. REITZ died testate on July 11,  
1983, a resident and citizen of Sandy Township, Clearfield County, Penn-  
sylvania; and

WHEREAS, under said Last Will and Testament of the said  
THOMAS E. H. REITZ, his surviving spouse, MARION B. REITZ, was named  
Executrix thereof; and

WHEREAS, the said MARION B. REITZ did execute a renunciation  
of right to Letters Testamentary in favor of DEPOSIT BANK, and as a  
result thereof the DEPOSIT BANK, City of DuBois, Clearfield County,  
Pennsylvania, was issued Letters of Administration C.T.A. on his estate;  
and

WHEREAS, at the time of his death, the said THOMAS E. H. REITZ  
was seized of substantial real estate in Clearfield County, Pennsyl-  
vania, as hereafter more particularly described.

( 1 of 11 )

NOW THIS INDENTURE WITNESSETH; That the said Grantors, DEPOSIT BANK, Administrator C.T.A. and MARION B. REITZ, surviving spouse and sole beneficiary, and for and in consideration of the sum of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00), lawful money of the United States, to them well and truly paid by the said Grantee at and before the sealing and delivery hereof, the receipt of which is hereby acknowledged, by virtue of the power granted by law, have granted, bargained, sold, aliened, released and confirmed, and by these presents do grant, bargain, sell, alien, release and confirm unto the said Grantee, its successors and assigns, ALL of the real property and interests therein owned by the Grantors herein in Clearfield County, Pennsylvania, as hereinafter set forth, including but not limited to:

<u>ACRES</u>	<u>INTEREST</u>
BELL TOWNSHIP	
50	coal and minerals
107	coal and minerals
30	coal and minerals
BOGGS TOWNSHIP	
15	in fee
1	in fee
59	in fee

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
REALTY  
TRANSFER DEC 29 '82  
TAX



900.00

( 2 of 11 )

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
Plaintiffs,	:	No. 07-2000-CD
vs.	:	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY and SNYDER ARMCLAR GAS COMPANY,	:	Type of Pleading: Application for a Continuance
Defendants,	:	Filed on behalf of: Plaintiffs
	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated: June 16, 2008

FILED  
JUN 16 2008  
0/3105/2  
David A. Grady  
Filed by Clerk of Court: 610  
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IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	: No. 07-2000-CD
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	:
Defendants,	

APPLICATION FOR A CONTINUANCE

Plaintiff, Robert M. Day, Carol I. Day and John B. Brandon, by their undersigned counsel respectfully request that this Court continue the above-captioned case from the Hearing List, pursuant to Pa. R.C.P. No. 216, and in support represents as follows.

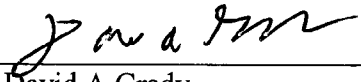
1. Plaintiffs commenced this action on December 7, 2007, seeking to clear the title of the subject premises of the Defendant's lease due to the Defendant's failure to reasonable develop said lease.
2. Defendants filed an Answer and New Matter on December 17, 2007 and subsequent Amended Answers, alleging indispensable parties, but never identified said alleged parties.
3. Defendants filed a Preliminary Objection to the Complaint as amended on May 19, 2008.
4. Said Objection was not accompanied by a Notice to Defend as required when the Objection is made for non-joinder of a necessary party under Pa. R.C.P. No. 1028 (a)(5).
5. In said Objection, Defendant's erroneously averred that they had assigned an undivided interest in the lease to Glade Park East, L.P. in an Assignment, dated November 17, 2005 and recorded as Instrument No. 200520107.

6. In said Objection, Defendant alleges a “cloud” on Plaintiffs’ title. Defendant offered no evidence by either attached documents or reference to documents to support this claim. Thus failing to meet its burden to establish the objection by alleging facts to show the there are any other potential parties, or that any potential party is indispensable.
7. Pursuant to Pa. R.C.P. No. 1028 (c)(1), Plaintiffs filed an Amended Complaint as a matter of course on May 29, 2008, correcting the failure to Join Snyder Armclar Gas Company as a Necessary Party.
8. Plaintiffs’ Amended Complaint included a copy of the Plaintiffs’ deed as evidence of their title.
9. Believing the Defendant’s Preliminary Objection moot due to the Amended Complaint. The Plaintiffs took no further action in regards to the Objection.
10. Defendants filed a Second Preliminary Objection on June 16, 2008, stating in Paragraph 7 that a hearing on the Objection had been scheduled for June 20, 2008.
11. Pa. R.C.P. No. 1028 (c)(1) states, “If a party has filed an amended pleading as of course, the preliminary objections to the original pleading shall be deemed moot.”
12. Plaintiff, John B. Brandon and Attorney, David A. Grady had previously made arrangements to vacation out of the Country from June 18, 2008 to June 25, 2008, and will therefore be unavailable on the date specified.
13. This case has not been previously continued.
14. The cause for this requested continuance was known at the time of the scheduling of the hearing. However Defendants erroneous contention that the Objection survived the Amended Complaint was unknown until June 16, 2008.

WHEREFORE, Plaintiffs request that this Court (a) grant the Plaintiffs’ request for a continuance until sometime after June 27, 2008; (b) in the alternative dismiss the Defendants’ Preliminary



Objection as made moot by the Amended Complaint, pursuant to Pa. R.C.P. No. 1028 (c)(1), allowing the Plaintiffs to respond to the Defendants' Second Preliminary Objection, within 20 days of the filing of the Defendants' Second Preliminary Objection; (c) grant such further relief as may be just and equitable.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

FILED  
JUN 16 2008  
William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
Plaintiffs,	:	No. 07-2000-CD
vs.	:	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY and SNYDER ARMCLAR GAS COMPANY,	:	Type of Pleading: Certificate of Service
Defendant,	:	Filed on behalf of: Plaintiffs
	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated: June 16, 2008

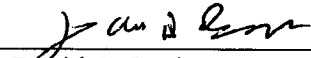
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JUN 16 2008  
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William A. Shaw  
Prothonotary/Clerk of Courts (60)  
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IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on June 16, 2008 a copy of the Plaintiff's Amended Complaint in the above referenced case was sent by United States Mail to C. Warren Trainor, Esquire, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102, attorney for American Exploration Company, and Snyder Armclar Gas Company, at One Glade Park East, Kittanning, PA 16201.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

FILED

JUN 16 2008

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN : CIVIL ACTION- (EQUITY)  
B. BRANDON, :  
Plaintiffs, : No. 07-2000-CD  
vs. :  
AMERICAN EXPLORATION COMPANY :  
and SNYDER ARMCLAR GAS COMPANY, :  
Defendants,

RULE

AND NOW, JUNE 17, 2008, a rule is granted upon Defendants to show why a  
continuance should not be granted in this case. ~~All Proceedings to stay meanwhile. FJA~~

Rule returnable on July 8, 2008, in Courtroom # 1, at 1:45 p.m.

By the Court:

Judith J. Cameron

JUN 17 2008  
0/4:00  
William A. Shaw  
Prothonotary/Clerk of Courts  
3 CLK TO ATT  
(6K)

FILED  
JUN 17 2008  
William A. Shaw  
Prothonotary/Clerk of Courts

DATE: 6-17-08

A 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:

FILED  
JUN 16 2008  
William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
Plaintiffs,	:	No. 07-2000-CD
vs.	:	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY and SNYDER ARMCLAR GAS COMPANY,	:	Type of Pleading: Certificate of Service
Defendant,	:	Filed on behalf of: Plaintiffs
	:	Council of Record for the Party:
	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553

Dated: \_\_\_\_\_

FILED  
07-29-07  
JUL 03 2008  
LM  
William A. Shaw  
Prothonotary/Clerk of Courts




IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on July 3, 2008 a copy of the Plaintiff's Memorandum the above referenced case was sent by United States Mail to C. Warren Trainor, Esquire, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102, attorney for American Exploration Company, and Snyder Armclar Gas Company, at One Glade Park East, Kittanning, PA 16201.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,

vs.


AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY

Defendant.

: CIVIL ACTION – (EQUITY)  
:  
: No: 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Defendant  
: American Exploration Company's  
: Response to Plaintiff's Request  
: for Continuance  
:  
: Filed on behalf of: Defendant  
: American Exploration Company  
:  
: Council of Record for the Party:  
: C. Warren Trainor, Esquire  
: PA Bar No: 16025  
: Ehmann, Van Denbergh & Trainor, P.C.  
: Two Penn Center Plaza, Suite 220  
: 1500 John F. Kennedy Boulevard  
: Philadelphia, PA 19102  
: (215) 851-9800

Dated: July 3, 2008

FILED NO CC  
JUL 07 2008

 William A. Shaw  
Prothonotary/Clerk of Courts

C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

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

ROBERT M. DAY, CAROL I. DAY	:	CIVIL ACTION – (EQUITY)
and JOHN B. BRANDON	:	
	:	No: 07-2000-CD
Plaintiffs,	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY	:	
Defendant.	:	

**DEFENDANT AMERICAN EXPLORATION COMPANY'S  
RESPONSE TO PLAINTIFF'S REQUEST FOR CONTINUANCE**

Comes Now Defendant, American Exploration Company, and responds to Plaintiff's Request for a Continuance as follows:

1. Admitted.
2. Denied that Defendant never identified other indispensable parties.

By way of further answer, Plaintiffs acknowledged the existence of other parties in interest in their Complaint but never sought to join same even through Plaintiffs' prayer for relief affected such other third parties.

3. Admitted.

4. This averment is a conclusion of law for which no answer is required. By way of further answer, Defendant was not required to file a Notice to Defend since it was not seeking, at this time, to join third parties to the

above-captioned matter; rather Defendant's prayer for relief sought dismissal of Plaintiffs' Complaint.

5. Denied. By way of further answer, Glade Park East, L.P. is a party whose rights Plaintiffs' seek to affect by Plaintiff's Complaint.

6. Admitted that Defendant identified clouds on Plaintiff's title. Denied as to the remainder.

7. Admitted that Plaintiff's filed Amended Complaints. Denied that Plaintiff's Amended Complaints joined all essential parties or addressed the clouds on Plaintiff's title.

8. Admitted that a copy of a deed was attached to Plaintiff's Amended Complaint. Denied as to the remainder.

9. The averments of this Paragraph are conclusions of law and fact for which no answer is required. To the extent an answer is required, the averments of this paragraph are denied.

10. Admitted.

11. Admitted that Plaintiff has properly quoted Pa. R.C.P. 1028(c)(1), Denied as to the remainder.

12. Defendant lacks sufficient information upon which to respond to this averment. To the extent an answer is required, the averments of this Paragraph are denied.

13. Admitted.

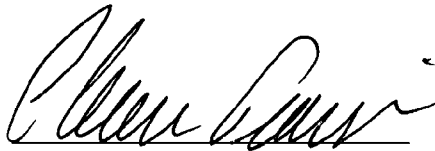
14. Admitted that Plaintiffs and Plaintiffs' counsel were aware of original hearing date. Denied as to the remainder. By way of further answer,

since the filing of Defendant, American Exploration Company's, original Answer and New Matter, Plaintiffs have been on notice that they had failed to name all essential parties, some of whom were referenced in Plaintiffs' Complaint and Amended Complaints and others named in Defendant's Answer and New Matter. Plaintiffs have: (i) failed to research title to the oil and gas estate claimed to be owned by Plaintiffs to discover all those affected by Plaintiffs' Complaint and/or Amended Complaints; (ii) deal with those whose claims form a cloud on Plaintiffs' claimed ownership of the oil and gas estate; or (iii) join those parties that Plaintiffs' Complaint and/or Amended Complaints seek to adversely affect.

15. Plaintiff's Certificate of Service identifies American Exploration Company's counsel as counsel for Snyder Armclar Gas Company. American Exploration Company's counsel is not counsel for Snyder Armclar Gas Company.

WHEREFORE, American Exploration Company does not oppose continuance of the hearing on Defendant, American Exploration Company's, Preliminary Objection to Plaintiff's Complaint until Defendant's counsel returns from his vacation.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "C. Warren Trainor", written over a horizontal line.

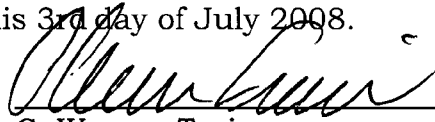
C. Warren Trainor, Esq., PA Bar No: 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza, Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Attorney For Defendant  
American Exploration Company

Dated: July 3, 2008

Certificate of Service

The undersigned hereby certifies that he caused a copy of American Exploration Company's Response to Plaintiff's Request for Continuance to be served upon the counsel of record at the address set forth below, by United States mail, first class, postage prepaid this 3<sup>rd</sup> day of July 2008.

  
C. Warren Trainor

David A. Grady, Esquire  
P.O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

Nathaniel Parker, Esquire  
Greco & Lander, P.C.  
P.O. Box 667  
1390 East Main Street  
Clarion, Pa 16214-0667


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

ROBERT M. DAY, CAROL I. DAY     }  
AND JOHN B. BRANDON               }  
VS                                       } NO. 07-2000-CD  
AMERICAN EXPLORATION COMPANY   }

O R D E R

NOW, this 8th day of July, 2008, following argument on the Defendant's Preliminary Objections, it is the ORDER of this Court that counsel for both parties have no more than Twenty (20) Days from this date to supply the Court with any additional memorandum of law should they wish to do so. The Court notes that it has already received, prior to argument, a memorandum of law from both parties.

BY THE COURT,

  
President Judge

(P)  
FILED 11:00 AM  
JUL 11 2008  
icc Attys:  
Grady  
Brandon  
Trauhor  
William A. Shaw  
Prothonotary/Clerk of Courts



DATE: 7/1/08

\_\_\_\_ You are responsible for serving all appropriate parties.

X The Probationary's office has provided service to the following parties:

\_\_\_\_ Plaintiff(s) X Plaintiff(s) Attorney \_\_\_\_ Other

\_\_\_\_ Defendant(s) X Defendant(s) Attorney

\_\_\_\_ Special Instructions:

FILED

JUL 11 2008

William A. Shaw  
Probationary/Clerk of Courts

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

:  
:  
: CIVIL ACTION  
:  
: **No. 07-2000-CD**  
:  
: Type of Case:  
: **QUIET TITLE**  
:  
: Type of Pleading:  
: **PRAECIPE FOR ENTRY OF**  
: **APPEARANCE**  
:  
:  
: Filed on Behalf of: Defendants  
:  
: Counsel of Record for this Party:  
: AL LANDER, ESQ.  
: Pa. I.D. #25821  
: NATHANIEL PARKER, ESQ.  
: Pa. I.D. #90993  
: Law Offices of Greco & Lander, P.C.  
: P. O. Box 667  
: Clarion, PA 16214  
: (814) 226-6853  
: Fax: (814) 226-4951

**FILED**

m 11:02 a.m. 6/2

**JUL 23 2008**

ICC ATTY PARKER

William A. Shaw  
Prothonotary/Clerk of Courts

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

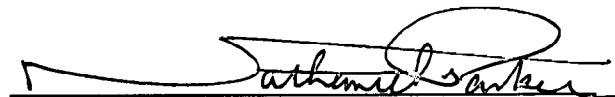
CIVIL ACTION

**No. 07-2000-CD**

**PRAECIPE FOR ENTRY OF APPEARANCE**

TO THE PROTHONOTARY:

Kindly enter our appearance in the above-captioned case as Counsel  
for Defendant, Snyder Armclar Gas Company.



AL LANDER, ESQ.

Pa. ID #25821

NATHANIEL PARKER, ESQ.

Pa. I D #90993

Law Offices of Greco & Lander, P.C.

P. O. Box 667

Clarion, PA 16214

(814) 226-6853

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

:  
:  
: CIVIL ACTION  
:  
: **No. 07-2000-CD**  
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:  
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:

**CERTIFICATE OF SERVICE**

I, Nathaniel C. Parker, Esq., hereby certify that a true and correct copy of the foregoing ***"Praecipe for Entry of Appearance"*** was sent by U.S. mail, postage prepaid, on July 21, 2008, to other counsel of record addressed as follows:


**Counsel for Plaintiffs:**

*David A. Grady  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851*

**Counsel for American Exploration Company:**

*C. Warren Trainor  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza - Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102*

GRECO & LANDER, P.C.:

By   
NATHANIEL C. PARKER, ESQ.

39

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

CIVIL ACTION

**No. 07-2000-CD**

Type of Case:

**QUIET TITLE**

Type of Pleading:

**SNYDER ARMCLAR GAS  
COMPANY'S PRELIMINARY  
OBJECTIONS TO PLAINTIFFS'  
SECOND AMENDED COMPLAINT**

Filed on Behalf of: Defendant  
Snyder Armclar Gas Company

Counsel of Record for this Party:

AL LANDER, ESQ.

Pa. I.D. #25821

NATHANIEL PARKER, ESQ.

Pa. I.D. #90993

Law Offices of Greco & Lander, P.C.

P. O. Box 667

Clarion, PA 16214

(814) 226-6853

Fax: (814) 226-4951

ICC Atty  
9/11/30 cm Parker  
10.1.2006  
William A. Shaw  
Prothonotary/Clerk of Courts

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

CIVIL ACTION

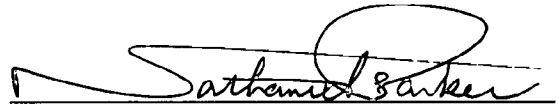
**No. 07-2000-CD**

**NOTICE TO PLEAD**

TO: Plaintiffs, Robert M. Day, Carol I. Day and John B. Brandon.

You are hereby notified to file a written response to the enclosed Preliminary Objections to Plaintiffs' Second Amended Complaint within twenty (20) days from service hereof or a judgment may be entered against you.

Dated: JULY 24, 2008

  
Al Lander, Esq.  
Pa. Id. #25821  
Nathaniel Parker, Esq.  
Pa. Id. #90993  
Law Offices of Greco & Lander, P.C.  
P.O. Box 667  
Clarion, PA 16214  
(814) 226-6853  
Fax: (814) 226-4951

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

ROBERT M. DAY, CAROL I. DAY and	:	
JOHN B. BRANDON,	:	
	:	CIVIL ACTION
Plaintiffs,	:	
	:	<b>No. 07-2000-CD</b>
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
	:	
Defendants.	:	

**SNYDER ARMCLAR GAS COMPANY'S PRELIMINARY  
OBJECTIONS TO PLAINTIFFS' SECOND AMENDED COMPLAINT**

AND NOW, comes the Defendant, Snyder Armclar Gas Company ("Snyder"), by and through its legal counsel, the Law Offices of Greco & Lander, P.C., who brings the within Preliminary Objections to the Plaintiffs' Second Amended Complaint which was filed May 29, 2008 ("Second Amended Complaint"), averring in support thereof as follows:

**I. Preliminary Objection for Lack of Jurisdiction:**

1. Pa.R.C.P. 1028(a)(1) provides that any party may file a preliminary objection to any pleading for lack of jurisdiction over the action.

2. All indispensable parties must be joined in an action to vest the Court with jurisdiction to resolve the controversy.

3. Persons or entities having only a joint interest in the subject matter of the action must be joined pursuant to Pa.R.C.P. 2227(a).

4. A party is indispensable where their rights are so connected with the claims of the litigants that no decree can be made without impairing such rights.

5. Plaintiffs' Second Amended Complaint seeks to confine and delimit the rights granted by Plaintiffs' predecessors in interest under a certain 1955 oil and gas lease concerning 1420 acres as referenced in ¶¶ 5 & 6 of the Second Amended Complaint.

6. The existing named Defendants are only two (2) of the four (4) entities owning an interest in the wells drilled upon the said 1955 oil and gas premises at issue.

7. In ¶¶ 10 & 11 of the Plaintiffs' Second Amended Complaint, Plaintiffs identify Resource Energy, LLC and Dominion Exploration & Production as two (2) additional entities who currently own and operate wells drilled pursuant to the said 1955 lease in question.

8. Plaintiffs' specific prayer for relief seeks to confine and delimit the rights of Resource Energy, LLC and Dominion Exploration & Production in and to these wells by limiting the gas bearing formations which may be produced by these parties' existing wells, and the amount of surrounding leasehold acreage that is secured by the existing wells.

9. The rights of Resource Energy, LLC and Dominion Exploration & Production to use and enjoy the wells located on the lease premises at issue will be affected by this litigation and the Plaintiffs' prayer for relief.

10. A Court's inquiry into whether a party is indispensable to an action is viewed from the perspective of protecting the rights of absent parties, in this case Resource Energy, LLC and Dominion Exploration & Production, not



from the perspective of whether the joinder of a party to an action would make the matter more difficult for a plaintiff to litigate.

11. The Court lacks jurisdiction over this controversy because although Plaintiffs have identified Resource Energy, LLC and Dominion Exploration & Production as parties operating wells upon the lease premises at issue, and Plaintiffs admittedly want to curtail or limit the rights of these non-parties, the Plaintiffs have failed to join these indispensable entities as parties to the within action.

12. Resource Energy, LLC and Dominion Exploration & Production must be joined as parties in order to protect their due process rights, and to vest this court with jurisdiction to resolve the controversy.

WHEREFORE, Defendant Snyder Armclar Gas Company respectfully requests that this Honorable Court either direct Plaintiffs to join Resource Energy, LLC and Dominion Exploration & Production as parties to the within action in a further amended pleading, or dismiss Plaintiffs' action.

## **II. Preliminary Objection for Non-Joinder of Necessary Parties:**

13. Snyder incorporates by reference the averments set forth in paragraph 1-12 herein above the same as if set forth herein in their entirety.

14. Pa.R.C.P. 1028(a)(5) provides that any party may file a preliminary objection to any pleading due to the non-joinder of a necessary party.

15. Necessary parties are parties whose presence is essential if the Court is to **completely** resolve the controversy and render **complete** relief.

16. As referenced hereinabove, Plaintiffs' Second Amended Complaint identifies Resource Energy, LLC and Dominion Exploration & Production as being two (2) entities that own and operate wells upon the subject property.

17. The presence of Resource Energy, LLC and Dominion Exploration & Production is essential if the Court is to completely resolve the controversy before it and render complete relief as the Second Amended Complaint prayer for relief seeks relief as to the entire lease premises at issue.

18. Without Resource Energy, LLC and Dominion Exploration & Production being named parties to this action, they would not be bound by the ultimate decision rendered, and therefore complete relief cannot be granted in their absence.

WHEREFORE, Defendant Snyder Armclar Gas Company respectfully requests that this Honorable Court either direct Plaintiffs to join Resource Energy, LLC and Dominion Exploration & Production as parties to the within action in a further amended pleading, or dismiss Plaintiffs' action.

Respectfully submitted:

Date: JULY 24, 2008

A handwritten signature in black ink, appearing to read "Nathaniel Parker", is written over a horizontal line.

AL LANDER, ESQ.

Pa. ID No. 25821

NATHANIEL PARKER, ESQ.

Pa. ID No. 90993

Law Offices of Greco & Lander, P.C.

P. O. Box 667

Clarion, PA 16214

(814) 226-6853

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

:  
:  
: CIVIL ACTION  
:  
: **No. 07-2000-CD**  
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**ORDER OF COURT**

AND NOW, this \_\_\_\_ day of \_\_\_\_\_, 2008, upon consideration of Snyder Armclar Gas Company's Preliminary Objections to Plaintiffs' Second Amended Complaint, and upon the Court having considered the oral argument and briefs of both parties, it is hereby ORDERED, ADJUDGED, and DECREED, that the said preliminary objections be and hereby are GRANTED. Plaintiffs' Second Amended Complaint is hereby DISMISSED, without prejudice to Plaintiffs to file a Third Amended Complaint joining all necessary and indispensable parties within twenty (20) days of the date of this Order.

BY THE COURT:

\_\_\_\_\_  
J.

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

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: CIVIL ACTION  
:  
: **No. 07-2000-CD**  
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**CERTIFICATE OF SERVICE**

I, Nathaniel C. Parker, Esq., hereby certify that a true and correct copy of the foregoing “**Preliminary Objections to Plaintiffs’ Second Amended Complaint**” was sent by U.S. mail, postage prepaid, on July 24, 2008, to other counsel of record addressed as follows:

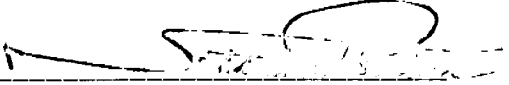
**Counsel for Plaintiffs:**

*David A. Grady  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851*

**Counsel for American Exploration Company:**

*C. Warren Trainor  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102*

GRECO & LANDER, P.C.:

By   
NATHANIEL C. PARKER, ESQ.

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	
vs. :	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY :	Type of Pleading: Certificate of Service
and SNYDER ARMCLAR GAS COMPANY, :	Filed on behalf of: Plaintiffs
Defendant, :	
:	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: 7/12/08

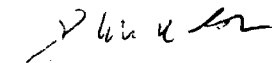
9/11/08 3cc  
AUG 2008  
Atty Grady  
William A. Shaw  
Prothonotary/Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on August 12, 2008 a copy of the Plaintiff's Answer to the Defendant's Preliminary Objections in the above referenced case was sent by United States Mail to C. Warren Trainor, Esquire, attorney for American Exploration Company, at Two Penn Center Plaza, Suite 220, 500 John F. Kennedy Boulevard, Philadelphia, PA 19102, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.



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David A Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Answer to
AMERICAN EXPLORATION COMPANY :	Defendant's Preliminary Objections
and SNYDER ARMCLAR GAS COMPANY, :	Filed on behalf of: Plaintiffs
Defendants, :	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: August 12, 2008

FILED 300  
011-15/07 Amy Grady  
2008 (GK)  
William A. Shaw  
Prothonotary/Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendants,	

PLAINTIFFS' ANSWER TO THE DEFENDANT'S PRELIMINARY OBJECTIONS

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby answer Defendants' Preliminary Objection as follows:

1. The Averments in Defendant's paragraph 1. are conclusions of law and therefore no answer is required.

2. The Averments in Defendant's paragraph 2. are conclusions of law and therefore no answer is required.

3. The Averments in Defendant's paragraph 3. are conclusions of law and therefore no answer is required.

4. The Averments in Defendant's paragraph 4. are conclusions of law and therefore no answer is required.

5. The Averments in Defendant's paragraph 5. are admitted to the extent that Plaintiffs are have the referenced lease declared void as it pertains to undeveloped acreage included in said lease.

6. Admitted in part, denied in part. The Averments in Defendant's paragraph 6. are admitted to the extent that there are 2 additional well owners. It is denied that the oil and gas premises or by implication the wells are at issue. To the contrary the lease is at issue.



7. Admitted.

8. Denied. The Averments in Defendant's paragraph 8. are denied. To the contrary, Plaintiffs' prayer for relief specifically seeks to bar the named defendants, their assigns and subsidiaries from asserting any claim to the undeveloped acreage and declare the lease void as to the undeveloped acreage. Neither Dominion nor Resource Energy are assigns or subsidiaries of the defendants. Furthermore any reference to area around the wells or strata developed is included only for the purposes of defining the undeveloped acreage to be released by the named Defendants.

9. Denied. The Averments in Defendant's paragraph 9. are denied. Resource Energy and Dominion were not named as parties for the purpose of not affecting their rights. Furthermore due to uncertainties regarding rights retained by Dominion, when its processor assigned the subject lease to Defendant, American Exploration, Plaintiffs have secured a release from Dominion, dated December 31, 2007 and recorded in Clearfield County Instrument #200800878 and Elk County Document #2008-001313.

10. The Averments in Defendant's paragraph 10. are conclusions of law and therefore no answer is required.

11. The Averments in Defendant's paragraph 11. are conclusions of law and therefore no answer is required. To the extent an answer is required the averments are denied. As explained above as well as in the two memos filed in response to Defendant, American Exploration's preliminary objections on the same grounds and the oral arguments before this Court regarding said objections, Resource Energy and Dominion are not essential parties to the matter. Furthermore it is denied the Plaintiffs want to curtail or limit rights of any non-parties, or have ever "admit(ed)" any desire to limit or curtail their rights.

12. The Averments in Defendant's paragraph 12. are conclusions of law and therefore no answer is required. To the extent an answer is required the averments are denied.

13. The Averments in Defendant's paragraph 13. are an incorporation and therefore no answer is required. To the extent an answer is required the averments are denied.

14. The Averments in Defendant's paragraph 14. are conclusions of law and therefore no answer is required.

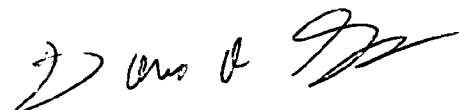
15. The Averments in Defendant's paragraph 12. are conclusions of law and therefore no answer is required. To the extent an answer is required it is denied that complete resolution and relief cannot be obtained without additional parties.

16. Admitted

17. Denied. See paragraphs 9 and 11 above.

18. Admitted in part, Denied in part. It is admitted that Resource Energy and Dominion would not be bound by the ultimate decision rendered. It is denied that complete relief can be granted without binding Resource Energy and Dominion. To the contrary the very fact that would not be bound negates the Defendant's argument that their rights would be affected. Furthermore binding Resource Energy and Dominion would have no affect on the relief granted as neither has any rights or interest, desired by the plaintiff or relevant to the relief sought.

WHEREFORE, Plaintiffs respectfully request that this Court dismiss the Defendant's preliminary objections.



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David A Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendants,	

ORDER

AND NOW, \_\_\_\_\_, 2008, Defendant's Preliminary Objections to Plaintiffs' Second Amended Complaint are overruled, with leave to Defendant to file an Answer within \_\_\_\_\_ days of the entry of this order.

By the Court:

\_\_\_\_\_

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

ROBERT M. DAY, CAROL I. DAY  
and JOHN B. BRANDON

Plaintiffs,

vs.

No. 07-2000-CD

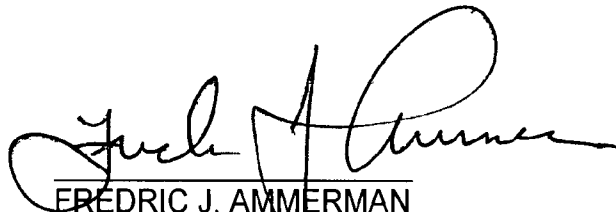
AMERICAN EXPLORATION COMPANY,  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

**ORDER**

NOW this 28<sup>th</sup> day of August 2008, upon consideration of the parties oral arguments and supporting memorandums of law it is the Order of this Court that the Preliminary Objections to Plaintiffs' Second Amended Complaint filed on behalf of Defendants American Exploration Company and Snyder Armclar Gas Company be and are hereby DENIED.

BY THE COURT,

  
FREDRIC J. AMMERMAN  
President Judge

FILED <sup>66</sup>

O 11:05 a.m. 2CC Atty Grady  
AUG 29 2008 1CC Atty's: Trainor  
Parker

William A. Shaw  
Prothonotary/Clerk of Courts

1CC John B. Brandon  
P.O. Box 220  
Reynoldsville, PA 15551

DATE: 8-29-08

\_\_\_\_ You are responsible for serving all appropriate parties.

☒ The Prothonotary's office has provided service to the following parties:

☒ Random Plaintiff(s) ☒ Plaintiff(s) Attorney \_\_\_\_ Other

\_\_\_\_ Defendant(s) ☒ Defendant(s) Attorney

\_\_\_\_ Special Instructions:

FILED

AUG 29 2008

William A. Shaw  
Prothonotary/Clerk of Courts

5. (Delay Rental) The said Lessee covenants and agrees to pay a rental at the rate of Five hundred Twenty-Five and 00/100 Dollars (\$525.00) per acre per year, commencing on the first day of January, 1960, and thereafter quarterly in advance, beginning in 1961, until the date of the first production of oil or gas in commercial quantities from the leased premises, and if no production of oil or gas in commercial quantities shall be credited upon the first royalty due upon the same. If at any time the oil or gas produced on said land shall be marketed, the consideration and rental shall be paid in full and the Lessee shall be entitled to the consideration and rental for such period as may be determined by the Lessee.

6. (Gas Accepted) Lessee hereby accepts and reserves from any well on and from production on only two hundred thousand (200,000) cubic feet of gas per year or such part thereof as may be required for the operation, pumping and flow of the well on said land, and any gas in excess of the quantity reserved shall be delivered to any such well on said land or to Lessee's pipeline leading from such well, and the total amount of gas so delivered shall be designated by Lessee. If Lessee in any year uses gas in excess of the quantity reserved, Lessee shall pay for the same at the published domestic rates of Lessee or at the published rates for gas for domestic use. If Lessee has no published rates, but Lessee assumes no obligation to furnish gas for any purpose of the quantity reserved or accepted. The measurement and regulation shall be as furnished by Lessee and regulated by Lessee and shall be the gas on the well or line. Lessee agrees to account at any time at the option of Lessee a cash payment of \$150 (\$100.00) Dollars per annum in full consideration of the gas accepted and reserved hereunder.

7. (Use of Premises) The leased premises may be fully and freely used by the Lessor for farming purposes, excepting such parts as are used by the Lessee in operating hereunder.

8. (Payments) All payments hereunder may be made direct to the Lessor or deposited to his credit or the credit of his respective heirs or assigns in Bank of \_\_\_\_\_ or by check or draft payable to the order of \_\_\_\_\_ and mailed to \_\_\_\_\_ at \_\_\_\_\_ at 17 N. High Street, Post Office, DuBois, Clearfield County, State of Pennsylvania, or in any of said methods to \_\_\_\_\_ who is hereby appointed agent to receive and receipt for same.

9. (Surrender) It is agreed that said Lessee may at any time remove all machinery and fixtures placed on said premises and, further, upon the payment of One (\$1.00) Dollar and all amounts due hereunder, Lessee shall have the right to surrender this lease at any time as to all or any part or parts of the land covered by the same and thereupon shall be released and discharged from all payments, obligations, covenants and conditions herein contained whereupon this lease shall be null and void as to the land in respect to which the surrender is made. Lessor agrees that the recording of a deed of surrender in the proper county and the mailing in the Post Office of a check payable as above provided for said last mentioned sum and all amounts then due hereunder shall be and be accepted as full and legal surrender of the Lessee's rights under this lease.

10. (Outstanding Interests) Said Lessee shall not be required in any event to increase the rental or the gas or oil royalty payments hereunder by reason of any royalty or interest in said oil or gas that may have been heretofore sold, reserved or conveyed by said Lessor or by his predecessors in title or otherwise, and if the Lessor does not have title to all the oil and gas in the leased premises there shall be returned such part of all payments made by the Lessee hereunder as shall be proportionate to the outstanding title and payments thereafter to be made shall be reduced in the same proportion.

11. (Conveyance of Premises) In case of a conveyance of all or a part of the premises leased, Lessee may continue to make all payments to Lessor until furnished with a certified or sworn copy of any such deed of conveyance or other documents or proof to enable Lessee to identify land conveyed as being all or part of leased land, or on written notice of any such conveyance, may hold all payments until furnished with such copy and other documents and proof, and shall apportion the delay rental and royalty, in case of any division, according to acreage.

12. (Adverse Claims) In case of notice of, or an adverse claim to the premises, or affecting all or any part of the rental or royalties, Lessee may withhold payment or delivery of the same until their propriety is determined by compromise, or by final decree of a court of competent jurisdiction, and to this end Lessee may file a bill of interpleader.

13. (Entire Contract) It is agreed that the entire contract and agreement between Lessor and Lessee is embodied herein, and that no verbal warranties, representations or promises have been made or relied upon by Lessor or Lessee supplementing, modifying or as an inducement to this Agreement.

14. (Heirs and Assigns) All terms, conditions, limitations and covenants between the parties hereto shall extend to their respective heirs, successors, personal representatives and assigns.

15. The royalties to be paid under paragraph 4 shall not be less than the delayed rental under paragraph 5.

In Witness Whereof the parties to this agreement have hereunto set their hands and seals the day and year first above written.

Witness: \_\_\_\_\_  
\_\_\_\_\_ (SEAL)  
\_\_\_\_\_ (SEAL)  
\_\_\_\_\_ (SEAL)  
\_\_\_\_\_ (SEAL)  
By \_\_\_\_\_  
\_\_\_\_\_

(Penn'a. Acknowledgment—Individual)

STATE OF PENNSYLVANIA  
COUNTY OF JeffersonOn this, the 16th day of June, 1952, before me  
a Notary Public, A. H. Reitz, the undersigned officer  
personally appeared A. H. Reitzsatisfactorily proven to me to be the person whose name is subscribed to the within instrument and  
acknowledged that he executed the same for the purposes therein contained.

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



Notary Public

Entered of Record, A. H. Reitz, Notary Public, Jefferson County, Pennsylvania, June 14, 1952, Book 85, Page 158.

56482

## Know All Men by these Presents

That I. H. Rogue, Greensburg, Pennsylvaniafor and in consideration of the sum of Two thousand one hundred three and no/100  
Dollar 2 lawful money of the United States of America unto him in hand well and truly paid  
by New York State Natural Gas Corporationthe receipt of which said sum at and before the enrolling and delivery of these presents is hereby acknowl-  
edged he is granted, bargained, sold, assigned and conveyed and by these presents do as grant, bargain,  
sell, assign and convey unto the said New York State Natural Gas Corporationand assigns all the leasehold oil and gas, and all the leasehold oil and gas rights in  
all and singular that certain estate following, that is to say:That certain estate created, devised and granted in and by that certain agreement bearing date the  
19th day of June, A. D. 1952 made by and betweenA. H. Reitz, widow of the one part  
and I. H. Rogueof the other part in, upon and out of all that certain tract of land situated in the Township of Quarton  
County of ClearfieldState of Pennsylvania bounded  
substantially as follows:On the North by lands of Being 990 acres Warrant No. 4183 and 1113 acres Warrant no. 5061On the East by lands ofOn the South by lands ofOn the West by lands ofcontaining 2103 acres, more or less.



On this, the 19th day of June, 1952, I. H. Hogue personally appeared I. H. Hogue satisfactorily proven to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

W. M. [Signature]  
NOTARY PUBLIC  
My Comm. Expires [blank]

Entered of Record June 19, 1952 (People's Accountancy Co., Inc.)

B-4462, 1952  
MSC 85, 158

56482

## Know All Men by these Presents

That I. H. Hogue, Greensburg, Pennsylvania

for and in consideration of the sum of Two thousand one hundred three and no/100 Dollar, \$ 2103.00 lawful money of the United States of America unto him in hand well and truly paid by New York State Natural Gas Corporation

the receipt of which said sum at and before the enrolling and delivery of these presents is hereby acknowledged he granted, bargained, sold, assigned and conveyed and by these presents do grant, bargain, sell, assign and convey unto the said New York State Natural Gas Corporation

and assigns all the leasehold oil and gas, and all the leasehold oil and gas rights in all and singular that certain estate following, that is to say:

That certain estate created, devised and granted in and by that certain agreement bearing date the 19th day of June, A. D. 19 52 made by and between

A. H. Reitz, widow of the one part and I. H. Hogue

of the other part in, upon and out of all that certain tract of land situated in the Township of Houston, County of Clearfield

State of Pennsylvania bounded substantially as follows:

~~On the North by lands of~~ Being 990 acres Warrant No. 4183 and 1113 acres Warrant no. 5061

On the East by lands of

On the South by lands of

On the West by lands of

containing 2103 acres, more or less



With the same intent and for the same purpose, the execution of this instrument shall not be deemed to constitute an admission of the truth of the statements contained therein.

TO HAVE AND TO HOLD the said shares of and interests in said estate, rights and property by these presents granted, bargained, sold, assigned, and conveyed or intended so to be unto the said New York State Natural Gas Corporation to its own proper use, benefit and behoof its successors and assigns; subject to the terms, limitations, rents, royalties and payments conditioned in the original lease or grant, forever.

IN WITNESS WHEREOF, I. H. Hogue has hereunto set his hand and seal

this 20<sup>th</sup> day of June, A. D. 1952  
 WITNESS: E. B. Pettinger I. H. Hogue



STATE OF PENNSYLVANIA,  
 COUNTY OF Allegheny

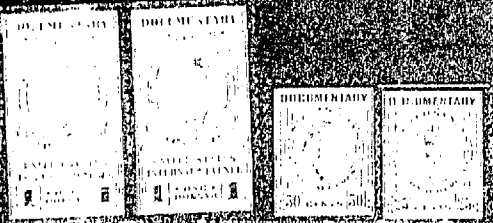
On this, the 20<sup>th</sup> day of June, 1952, before me Edmond C. Pettinger, the undersigned officer, personally appeared I. H. Hogue



satisfactory proven to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.  
Edmond C. Pettinger, Notary Public  
 MY COMMISSION EXPIRES  
 FEBRUARY 3, 1953

STATE OF PENNSYLVANIA,  
 COUNTY OF

On this, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who acknowledged himself to be \_\_\_\_\_.



Entered of Record June 21, 1952, 9:16 am Dick Reed, Recorder

**Agreement** Made and entered into the 19th day of June, A. D. 1952, by and between R. M. Hess and Zola G. Hess (his wife) of Morrisdale County of Clearfield and State of Pennsylvania, parties of the first part, hereinafter called the Lessor, and New York State Natural Gas Corporation, a New York corporation, of 646 William Penn Place, Pittsburgh, Pa., party of the second part, hereinafter called the Lessee, Witnesseth:

STATE OF PENNSYLVANIA :  
COUNTY OF CLEARFIELD : SS:

On this, the 23rd day of June, 1955, before me, the undersigned officer, personally appeared Wesley Hoover and Mary Hoover, 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 purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission Expires  
First Monday in January 1956

*Dick Reed*

RECORDER OF DEEDS

Entered of Record June 23, 1955, 10:12 AM Dick Reed, Recorder

R: JUNE 24, 1955

MISCVO-960406

**This Oil and Gas Lease**, Made the 14th day of June, A.D. 1955  
WITNESSETH, That A. H. REITZ, of the City of DuBois, County of Clearfield, and State of Pennsylvania, Lessor  
In consideration of One Dollar (\$1.00) and other good and valuable consideration in hand duly paid by ALEX. CORBY, of DuBois, Clearfield County, Pennsylvania, Lessee  
does hereby grant, demise and let unto the lessee all the oil and gas in, and under the following described tract of land; also the said tract of land for the purpose of operating thereon for said oil and gas with the right to use water, oil and gas therefrom, and all rights convenient for such operations; also the right at any time to remove all property, machinery or fixtures placed thereon by lessee. Said land being situate in the Township of Hustons, County of Clearfield, State of Pennsylvania, and is bounded as follows:  
North by land of All land or mineral estates which Lessor may own located  
East by land of in Huston Township, Clearfield County, Pennsylvania, which  
South by land of is not now under lease to any other party and containing  
West by land of an unknown number of acres.  
Containing

To have and to hold unto the lessee for the term of Five (5) years from the date hereof, and as much longer as oil or gas can be produced in paying quantities thereon. The lessee shall deliver into tanks or pipe lines to the lessor's credit, the one-eighth part of all the oil produced and saved from the premises; and shall pay one-eighth (1/8th) of the revenue received from each gas well, so long as gas or gasolins is sold or marketed therefrom.

The lessor may have gas free of cost from any gas well on said premises for use in his principal dwelling house thereon at his own risk so long as the lessee continues to operate such well, the lessor making connections for gas at such point or place as may be designated by the lessee.

Doc 55 114-265

BOOK 114 PAGE 565

15

FORM No. 11 Oil & Gas Lease

Printed by F. O. Noy Co., 147 East Fairview, Allentown, Pa. 18101

This Agreement, entered into the 18th day of December, 1958, between Mrs. A. H. Reitz, widow, 17 North High Street, DuBois, Pennsylvania

of the District or Township of \_\_\_\_\_ County of \_\_\_\_\_ and State of \_\_\_\_\_ the party of the first part, Lessor, and JANE DEVELOPMENT COMPANY, 297 Park Avenue, Warren, Pennsylvania

party of the second part, Lessee. Witnesseth, That the said Lessor, in consideration of the sum of One (\$1.00) Dollars in hand paid by the Lessee, the receipt of which is hereby acknowledged, has granted, demised, leased and let unto the Lessee, his heirs, executors, administrators and assigns all the oil and gas in and under all that certain tract of land and also said tract of land hereinafter described, together with the exclusive right of drilling and operating thereon for and producing oil and gas, and all rights necessary, convenient and incident thereto, such in part as the right to construct and maintain buildings, telegraph and telephone and pipe lines leading from adjoining lands on and across this leasehold and other lands of the Lessor, and similar rights for roadway and the right to use water, oil and gas from the premises for operating purposes, and the right of removing either during or at any time after the term hereof, all casing, tubing, machinery, buildings, structures, fixtures and property of the Lessee and his assigns and employees, also the right of subdividing and releasing all or any part of the premises situate in the District or Township of \_\_\_\_\_ County of \_\_\_\_\_ State of \_\_\_\_\_

in the State of \_\_\_\_\_ bounded and described as follows to-wit: ~~that certain tract of land~~ All that land or oil and gas rights not now leased for oil & gas, situated in the aforesaid townships, & now owned by the party of first part, West by lands of \_\_\_\_\_ containing \_\_\_\_\_ an unknown number of \_\_\_\_\_ acres, ~~more or less~~

It is agreed that this Lease shall remain in force for the term of \_\_\_\_\_ years from this date and as long thereafter as oil or gas is produced from the premises or as operations continue for the production of oil and gas.

The Lessor to receive one-eighth part of the oil produced and saved from the premises delivered into tanks or pipe line, in which one-eighth part shall be included any royalty or interest in said oil that may have been heretofore sold, reserved or conveyed by said Lessors or their predecessors in title.

If gas is only found, second party agrees to pay at the rate of 1/8th (one eighth) part of all gas produced and marketed \_\_\_\_\_ per annum payable quarterly, for the product of each well while the same is being used on the premises and marketed and any interest in said gas heretofore conveyed or reserved shall be paid for proportionately out of said amount of gas royalty.

In addition to the above mentioned royalty, first party reserves gas for fuel for one dwelling free of cost and for \_\_\_\_\_ cubic feet per annum (within the premises) for light and heat, and for \_\_\_\_\_ cubic feet per annum for use in the well, and agrees that such use shall be at the expense of the second party, and that no other use of such gas shall be made by the said first party. This reservation is to be binding upon the second party, with approval of the Lessee, and to continue only while gas is being piped on said premises.

All unnecessary damage to growing crops done in operating for oil and gas shall be paid for by the operator.

No well shall be drilled nearer than \_\_\_\_\_ feet to the house or barn on said premises without the consent of both parties hereto.

In case operations are not commenced within \_\_\_\_\_ ninety days \_\_\_\_\_ from this date, then this grant and all rights hereunder shall immediately become null and void as to both parties, and on declaration or notice on the part of either shall be necessary to forfeit or terminate the same, and no liability hereunder from either to the other shall result. Provided that second party may prevent such forfeiture or termination from \_\_\_\_\_ quarter \_\_\_\_\_ to \_\_\_\_\_ quarter \_\_\_\_\_ and no longer, by paying to the first party at the rate of \_\_\_\_\_ One (\$1.00) \_\_\_\_\_ Dollars per \_\_\_\_\_ acre per year \_\_\_\_\_ until such operations are commenced.

The second party shall have the right, free of royalty to use sufficient gas, oil and water to run all necessary machinery placed on the within or neighboring premises owned or operated by said party. Gas produced from wells on other farms may be used to operate wells on the within described tract.

First party waives all right to claim or hold any of the property or improvements placed or created in or upon said land by the Lessee, as fixtures or as part of the realty, and all the said property and improvements may be removed at any time during the term hereof or thereafter. The grantee shall at any time before or after the termination hereof have the right to abandon any well and remove the tubing and casing therefrom.

Any moneys coming due under this instrument may be paid by voucher or check to the order of the \_\_\_\_\_ Lessor \_\_\_\_\_ mailed to the above address.

In the event a commercially productive well is drilled with 2,000 feet of \_\_\_\_\_ demised premises before the said Second Party has commenced drilling operations, the said Second Party agrees to off-set said commercial well.

Second Party further agrees to furnish the said First Party with a copy of all abstracts or title searches made by the said Second Party on the demised land.

This agreement in all its terms and conditions shall bind and extend to the successors, heirs, executors, administrators and assigns to the parties hereto.

In Witness Whereof, The parties hereto have hereunto set their hands and seals this \_\_\_\_\_ 10th \_\_\_\_\_ day of \_\_\_\_\_ December \_\_\_\_\_ A. D. 19 \_\_\_\_\_ 58.

Signed and Delivered in the Presence of \_\_\_\_\_ A. H. Reitz \_\_\_\_\_ Thomas E. A. O. \_\_\_\_\_



Commonwealth of Pennsylvania  
County of Clearfield

On this 30th day of December, A. D. 1957, before me, Albert H. [Signature]  
Notary Public  
came the above named G. H. Rutz  
and acknowledged the foregoing instrument to be his act and  
deed and desired the same to be recorded as such.

And the said G. H. Rutz  
being of full age, and by me examined separately and apart from  
the contents of said instrument being by me first made fully known to  
him, did voluntarily, of his own free will and accord, sign and seal, and  
the same, without any coercion or compulsion of any person.

WITNESS my hand and seal the day and year above written.

Albert H. [Signature]  
Notary Public, Clearfield County, Pennsylvania

State of West Virginia

County of Putnam Entered of Record March 1, 1958 - 11:25 AM - Deed Recd. Recorder

POWER OF ATTORNEY.

KNOW ALL MAN BY THESE PRESENTS

That we, the undersigned heirs at law of the late Celestine Liegey, who died intestate on the 10th Day of July, 1958, and advised as of her date of death, (no tangible assets or personal property) but having an interest in several pieces of real estate in the Townships of Covington and Girard,

Therefore we the undersigned do make, constitute and appoint our brother Leo Liegey, of Covington Township, in Clearfield County, Pennsylvania, our true and lawful attorney, for us and in our names,

1. To Sign and execute deeds in our behalf.
2. To Sign and execute leases, contracts, and such other things as may be necessary in disposing of, and making settlement of the Estate of our Mother.
3. To accept all drafts or Bills of Exchange, which may require endorsements.
4. To endorse Notes, Checks, or Bills of Exchange which may require our endorsement for deposit as cash or for collection.

AMENDMENT OF LEASE

THIS AGREEMENT AND AMENDMENT, Made and entered into this 16th day of November, 1959, by and between Mrs. A. H. REITZ, widow, 17 North High Street, DuBois, Clearfield County, Pennsylvania hereinafter referred to as Lessor, and Jack E. McCool, T/A LANE DEVELOPMENT COMPANY, 297 Park Avenue, Warren, Warren County, Pennsylvania hereinafter referred to as Lessee,

WITNESSETH

WHEREAS, Lessor and Lessee each own interests under and subject to an oil and gas lease dated December 18, 1958, which was entered into by and between the parties hereto covering lands in Huston & Sandy Townships, Clearfield County, Pennsylvania to wit:

"All that land or oil and gas rights not now leased for oil and gas, situated in the aforesaid townships, and now owned by the party of the first part."

such lease having been recorded in Miscellaneous Book 114, Page 265 of the records of said county and Lessor and Lessee now desire to amend certain provisions of said lease,

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby agreed, notwithstanding anything to the contrary in said lease as originally executed or as amended by any previous amendments, that

1. The description of the land leased is hereby amended to read: "All of the land or oil and gas rights owned by the party of the first part that is situated in the townships and counties aforesaid, and not now being under an oil and gas lease from said party of the first part, and in which is specifically included those two tracts of lands in Huston Township, being as designated as the 180 acre surface in Warrant No. 44899 and formerly owned by George J. Baummer; and the 484 acres in Warrant No. 20115 and formerly owned by the Harvey J. Keller Estate."
2. The primary term of the said lease is hereby amended to read: "It is agreed that this lease shall remain in force for the term of five years from this date and so long thereafter as oil or gas is produced from the premises or as operations continue for the production of oil and gas, or for as long a time thereafter as is necessary to receive a final decree from any competent court having jurisdiction over the demised premises, or any proceeds or production therefrom in connection with any litigation arising out of the curing and effecting of good title to the oil and gas into the Lessor."
3. The rental clause is hereby amended to read: "No future delay rentals or quarterly payments shall become due or payable under the said lease. In lieu of said rental or quarterly payments, Lessee agrees to pay all back taxes on those certain pieces or parcels of land that he desires the Lessor to hold the oil and gas thereon, and on which the Lessor or her predecessors in title have let the taxes become delinquent, or unpaid."
4. Lessor hereby waives all rights that she may have to any proceeds from the royalty provided for under the said lease, until Lessee has been fully reimbursed and compensated for costs, fees, taxes and expenses of whatever kind that he has incurred in connection with the curing and effecting good title to the oil and gas into the Lessor, or in which Lessor's interest is thereby

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY and CAROL L. DAY  
JOHN B. BRANDON, Plaintiffs

vs.

AMERICAN EXPLORATION COMPANY  
SNYDER ARMCLAR GAS COMPANY  
Defendants

: NO. 07-2000-CD

: Thomas G. Wagner, Esq.  
115 Lafayette Street  
: St. Marys, Pa. 15857  
(814) 781-3445

:

: Filed on behalf of American  
Exploration Company

:

FILED No CC  
m/11/10/01  
4C1 2008 Copy to CIA  
S William A. Shaw  
Notary/Clerk of Courts (610)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY and CAROL L. DAY : NO. 07-2000-CD  
JOHN B. BRANDON, Plaintiffs :

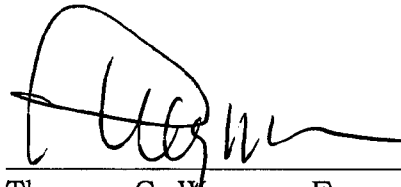
Vs. :

AMERICAN EXPLORATION COMPANY :  
SNYDER ARMCLAR GAS COMPANY :  
Defendants :

ENTRY OF APPEARANCE

TO THE PROTHONOTARY:

Please enter my appearance on behalf of the Defendant, American  
Exploration Company, in the above captioned matter.



---

Thomas G. Wagner, Esq.  
Supreme Court ID #17404  
115 Lafayette Street  
St. Marys, Pa. 15857  
(814) 781-3445 - phone  
(814) 834-9076 - fax  
[meyerwagner@ncentral.com](mailto:meyerwagner@ncentral.com)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY and CAROL L. DAY  
JOHN B. BRANDON, Plaintiffs

vs.

AMERICAN EXPLORATION COMPANY  
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: Filed on behalf of American  
Exploration Company

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William A. Shaw  
Prothonotary/Clerk of Courts



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

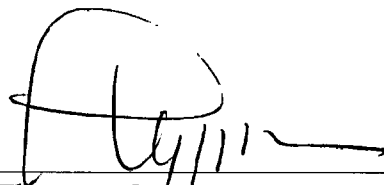
ROBERT M. DAY, CAROL L. DAY and : NO. 07-2000-CD  
JOHN B. BRANDON, Plaintiffs

Vs.

AMERICAN EXPLORATION COMPANY and  
SNYDER ARMCLAR GAS COMPANY  
Defendants

NOTICE

You are hereby required to file an Answer to the within New Matter within twenty (20) days of service or a default judgment may be entered against you.

A handwritten signature in black ink, appearing to read 'T. G. Wagner', is written over a horizontal line.

Thomas G. Wagner, Attorney for Defendant,  
American Exploration Company

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY, CAROL L. DAY and : NO. 07-2000-CD  
JOHN B. BRANDON, Plaintiffs

Vs.

AMERICAN EXPLORATION COMPANY and  
SNYDER ARMCLAR GAS COMPANY  
Defendants

ANSWER AND NEW MATTER TO SECOND AMENDED COMPLAINT

NOW COMES the Defendant, American Exploration Company, and files the following pleading in response to the Amended Complaint in Civil Action filed by Plaintiffs:

1. Admitted.

2. Admitted.

3. Admitted.

4. Denied. After reasonable investigation, this Defendant is without information sufficient to form a belief as to the truth of this averment.

5. Denied. Plaintiffs do not have title for the reasons more specifically set forth in the New Matter which follows.

5(sic). Admitted that there is a lease from Logan L. Bond and Mary P. Bond, his wife, to New York State Natural Gas Company, dated June 16, 1955 ("Lease"). Denied as to the remainder. By way of further answer, the Lease is recorded in Misc. Book V at Page 95 of the records of Elk County, Pennsylvania.

6. Admitted in part and denied in part. Admitted that AEC received an assignment of the Lease from CNG Transmission Company dated October 15, 1998, recorded in Book 1978, Page 327 of the records of Clearfield County, Pennsylvania, a copy of which is attached to the Complaint as Exhibit "B" ("Assignment"). Denied as to the remainder. The Lease is the best evidence of its content.

7. Admitted.

8. Admitted.

9. Admitted.

10. Admitted that there are at least three wells on the lands covered by the Lease ("Leased Premises") operated by third parties. Denied as to the remainder. By way of further answer at least two of the wells operated by third parties are, upon information and belief, producing from oil and/or gas bearing strata of the Devonian sands. The Plaintiffs are receiving royalty payments from these wells.

11. Denied. After reasonable investigation, this Defendant is without information sufficient to form a belief as to the truth of this averment.

12. Denied. This Defendant's two wells, No. 507 and No. 584, were originally drilled to and produced from the Oriskany formation and are now producing from shallower sands. After reasonable investigation, this Defendant is without information sufficient to form a belief as to the truth of these averments with respect to any other wells. Plaintiffs receive monthly royalty checks attributable to this Defendant's wells.

13. Admitted.

14. Denied. This Defendant believes and therefore avers that not less than seven additional wells were drilled on the Leased Premises, all of which were either dry holes or noncommercial wells. After reasonable investigation, this Defendant is without information sufficient to form a belief as to the truth of the averment that there exists at least one and perhaps many more undeveloped strata of natural gas on the Leased Premises.

15. Denied. After reasonable investigation, this Defendant is without information sufficient to form a belief as to the truth of this averment.

16. Denied. Plaintiffs have made some requests for further development, but those requests have not been "numerous".

17. Denied. On the contrary, this Defendant has made investigations and entered into negotiations for further development on the Leased Premises.

18. This is a legal conclusion to which no response is required.

19. This is a legal conclusion to which no response is required. In further answer, this Defendant denies that it has breached any obligation to the Plaintiffs and has in fact produced natural gas from the Leased Premises and paid Plaintiffs the appropriate royalty.

WHEREFORE, this Defendant respectfully requests that the Amended Complaint be dismissed, with costs upon the Plaintiffs.

NEW MATTER

20. Plaintiffs have failed to join all essential parties to this action.

21. Plaintiffs lack clear and quiet title to the property in question and thus do not have standing to commence the above captioned cause of action.

22. Plaintiffs' Complaint alleges no violation of Defendant's duties under the Lease for which relief may be granted.

23. Plaintiffs' Complaint alleges no conduct by Defendant contrary to law or public policy for which relief may be granted.

24. Plaintiffs' claim is barred by the principles of equity.

25. The Lease does not contain a Pugh Clause. Plaintiffs' Amended Complaint is an attempt to rewrite the Lease and deny this Defendant of the benefit of the Lease negotiated with and for the Plaintiffs' predecessors in title who received good and valid consideration for the Lease.

26. Plaintiffs desire to accelerate development of potential shallower horizons while deeper horizons are still producing is wasteful and contrary to good oil field practice and procedure.

27. Plaintiffs acquired their interest in the Lease with full knowledge of the Lease, terms and past drilling history on the Lease, to include, by way of example and not limitation, the producing wells, all the dry holes and noncommercial wells drilled on the Lease.

28. Plaintiffs' desire that Defendant drill multiple additional wells on the Leased Premises to accelerate the testing and production of strata potentially containing commercial quantities of hydrocarbons is encouraging waste and is environmentally unsound.

29. No wells are being drilled offsetting the Lease that would or could drain the oil and/or gas underlying the Leased Premises as to mandate

the drilling of a well or wells to protect the oil and/or gas strata covered by the Lease.

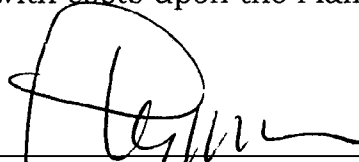
30. There is no need to drill wells on Plaintiffs' property to protect Plaintiffs' property from drainage. Plaintiffs' desire for wells to be drilled on its property is for the sole purpose of accelerating production from potentially productive horizons.

31. The surface estate covering all or a substantial portion of Defendant's oil and gas estate is owned by the Commonwealth of Pennsylvania and forms a portion of the Commonwealth's State Forest system. The placing of multiple wells and drilling locations on the surface estate to appease Plaintiffs' desire to have multiple new wells drilled on the Lease would cause unnecessary environmental damage and/or disturbance to the Commonwealth's forested property.

32. Plaintiffs are estopped from claiming that Defendant is required to drill more wells on the property.

33. Plaintiffs' attempt to establish drilling units for this Defendant's wells to the exclusion of other wells on the Leased Premises is not supported by law or applicable regulation and contrary to the principles of equity.

WHEREFORE, this Defendant respectfully requests that the Amended Complaint be dismissed, with costs upon the Plaintiff.

A handwritten signature in black ink, appearing to read 'T. G. Wagner', is written over a horizontal line.

Thomas G. Wagner, Attorney for Defendant,  
American Exploration Company

VERIFICATION

I, Thomas F. Halloran, President of American Exploration Company, having read the foregoing Answer and New Matter to Second Amended Complaint, endorsed with Notice to Plead, verify that the statements made therein are true and correct to the best of my personal knowledge or information and belief.

This statement and verification is made subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities, which provides that if I make knowingly false averments I may be subject to criminal penalties.

Thomas F. Halloran

Date: 11-5-08

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY and CAROL L. DAY  
JOHN B. BRANDON, Plaintiffs

vs.

AMERICAN EXPLORATION COMPANY  
SNYDER ARMCLAR GAS COMPANY  
Defendants

: NO. 07-2000-CD

: Thomas G. Wagner, Esq.  
115 Lafayette Street  
: St. Marys, Pa. 15857  
(814) 781-3445

:

: Filed on behalf of American  
Exploration Company

:

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William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY, CAROL L. DAY and : NO. 07-2000-CD  
JOHN B. BRANDON, Plaintiffs

Vs.

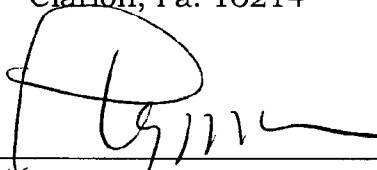
AMERICAN EXPLORATION COMPANY and  
SNYDER ARMCLAR GAS COMPANY :  
Defendants

CERTIFICATE OF SERVICE

I certify that on November 6, 2008, I mailed a true and correct copy of Answer and New Matter to Second Amended Complaint, endorsed with Notice to Plead by first class United States mail, postage prepaid, to the following:

David A. Grady, Esq.  
12 North Third Street  
PO Box 220  
Reynoldsville, Pa. 15851

Nathaniel Parker, Esq.  
PO Box 667  
Clarion, Pa. 16214



---

Thomas G. Wagner, Attorney for Defendant,  
American Exploration Company



IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Certificate of Service
AMERICAN EXPLORATION COMPANY :	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY, :	Council of Record for the Party:
Defendant, :	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: \_\_\_\_\_

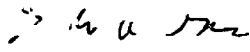
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LSJ  
P.O. Box 220, Reynoldsville, Pa. 15851

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on November 13, 2008 a copy of the Plaintiff's Reply to Defendants' New Matter in the above referenced case was sent by United States Mail to Thomas G. Wagner, Esquire, attorney for American Exploration Company, at 115 Lafayette Street, St. Marys, PA 15857, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Reply To Amended
AMERICAN EXPLORATION COMPANY :	New Matter
and SNYDER ARMCLAR GAS COMPANY, :	Filed on behalf of: Plaintiffs
Defendants, :	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: \_\_\_\_\_

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William A. Shaw  
Notary Public/Clerk of Courts  
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Atty Brandon

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000
	:	
vs.	:	
	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
Defendants,	:	

REPLY

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby reply to Defendants' Amended New Matter as follows:

1. Denied. The averments in Defendant's Paragraph 20 are denied. The plaintiffs are the oil and gas owners and successors in interest to the lessors and the Defendant is the successor in interest to the lessee. Plaintiffs have no knowledge of any other persons or entities, which would be a proper party in this action. Furthermore this Court has already ruled in favor of the Plaintiffs on defendants' preliminary objections regarding the nonjoinder of parties.
  
2. Denied. The averments in Defendant's Paragraph 21 are denied. To the contrary Plaintiffs are owners of the subject oil and gas property by virtue of a deed of James L. Bond, Executor Of Logan L. Bond and Mary L. Bond, dated August 23, 1985 and recorded in Clearfield County Deed Book 1045, Page 394. Furthermore, Defendant's interest in the subject premises comes from a lease from said, Logan L. Bond and Mary L. Bond. This Court has already dismissed Defendants' preliminary objections after hearing Defendants' claims regarding Plaintiffs title.

3. Denied. The averments in Defendant's Paragraph 22 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary Plaintiffs have alleged a breach of the implied covenant to develop the lease, which is recognized under Pennsylvania Law.
4. Denied. The averments in Defendant's Paragraph 23 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary, Pennsylvania Law recognizes that the basis of the implied covenant is a recognition that the lessor has entered into a bargain expecting to be compensated for the lease of the land, and the principles of fairness dictate that the lessee be obligated to make diligent efforts to ensure that the lessor receives the benefit of his bargain.
5. Denied. The averments in Defendant's Paragraph 24 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. To the contrary the principles of equity favor the Plaintiffs.
6. Admitted in part, Denied in part. It is admitted only that the Lease does not contain a Pugh Clause. It is denied that the Plaintiffs are attempting to achieve any goal not contemplated by the lease. To the contrary the Lessors' predecessors in title entered the lease to receive royalties. Pennsylvania Law recognizes that what constitutes adequate compensation for this purpose must be determined by taking into consideration the facts

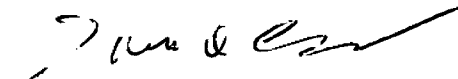
and circumstances of each individual case. The facts here dictate that the nominal royalties received are inadequate compensation for the bargain.

7. Denied. The averments in Defendant's Paragraph 26 are denied. To the contrary prudent gas field practice is specific to the unique geological properties of an individual gas field. By way of a further answer the Defendant addresses only a fraction of 1420-acre lease.
8. Admitted in part, denied in part. The averments in Defendant's Paragraph 27 are admitted in so far as Plaintiffs purchased the property knowing of the lease and existing wells. However, Defendant's predecessor in title was actively developing the property at the time of the purchase, and Defendant has made no such effort since acquiring the lease. It is denied that Plaintiffs had "full knowledge" of drilling history, dry holes and/or non-commercial wells. To the contrary Plaintiffs still have no actual knowledge of the seven dry wells alleged by Defendants in paragraph 14 of their answer.
9. Denied. The averments in Defendant's Paragraph 28 are denied. To the contrary to allow the Defendant to intentionally hinder the production of "strata potentially containing commercial quantities of hydrocarbons" is encouraging waste. Furthermore, Plaintiffs have no information, with which to respond to the Defendant's assertion that development of the subject premises would be any more or less environmentally unsound than any other gas or oil development.
10. Admitted in part. It is admitted only that to the best of Plaintiffs' knowledge there are no wells currently being drilled, which would offset the leased premises. Defendant does not

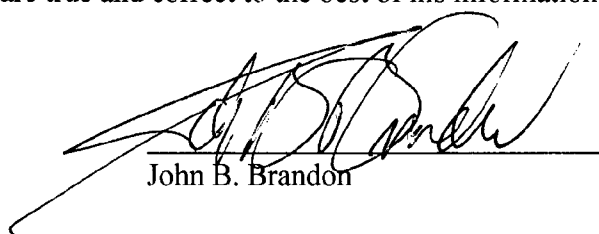
control all adjacent acreage by lease or ownership. Offsetting wells could be drilled at any time in close proximity to Plaintiffs' interest, and deny them enjoyment of their gas reserves.

11. Admitted in part, Denied in part. It is admitted that the Plaintiffs' sole purpose is to accelerate production from potentially productive horizons. Plaintiffs are unaware of any other purpose for an oil and gas lease. Further production will potentially provide the consideration contemplated by the lease. It is denied that drainage is not a concern as there has been dramatic increase in leasing and drilling activity in area.
12. Admitted in part, Denied in part. It is admitted that State Forrest constitutes a significant portion of the surface area. It is denied that development will cause environmental damage. It is assumed that any future development will comply with all governmental regulations and receive the proper permits from the Pennsylvania Department of Environmental Protection. Furthermore, the Commonwealth was aware of the potential for Oil and Gas development when it acquired the surface as the reservation of Oil and Gas and necessary developmental easements were contained in the deed to the Commonwealth.
13. Denied. The averments in Defendant's Paragraph 32 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.
14. Denied. The averments in Defendant's Paragraph 33 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
\_\_\_\_\_  
John B. Brandon

Sworn to an Subscribed  
before me this 12<sup>th</sup> day  
of November, 2008

  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Denise A. McGranor, Notary Public  
Reynoldsville Boro, Jefferson County  
My Commission Expires Jan. 24, 2011  
Member, Pennsylvania Association of Notaries



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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

Type of Pleading:

**ANSWER, NEW MATTER AND  
COUNTERCLAIM TO PLAINTIFFS'  
AMENDED COMPLAINT**

Filed on Behalf of Defendant,  
Snyder Armclar Gas Company

Counsel of Record for Snyder  
Armclar Gas Company:

Al Lander, Esq.  
Pa. Id. # 25821

Nathaniel Parker, Esq.  
Pa. Id. # 90993

Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P.O. Box 667  
Clarion, PA 16214  
(814) 226-6853  
Fax: (814) 226-4951

DATED: November 14, 2008

*WCS*  
11/10/2008  
NOV 17 2008  
*WCS*  
William A. Shaw  
Prothonotary/Clerk of Court

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

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	
	:	Type of Case:
	:	Civil Action – Equity
Plaintiffs,	:	
vs.	:	<b>No.: 07-2000-CD</b>
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
	:	
Defendants.	:	

**NOTICE TO DEFEND**

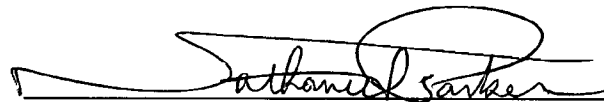
TO: PLAINTIFFS ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON.

**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 IS 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  
Clearfield County Courthouse  
Second & Market Streets  
Clearfield, PA 16830  
(814) 765-2641, Ext. 50-51**

Dated: NOVEMBER 14, 2008

A handwritten signature in black ink, appearing to read "Nathaniel Parker", written over a horizontal line.

Al Lander, Esq.  
Pa. Id. #25821  
Nathaniel Parker, Esq.  
Pa. Id. #90993  
Law Offices of Greco & Lander, P.C.  
P.O. Box 667  
Clarion, PA 16214  
(814) 226-6853  
Fax: (814) 226-4951

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

ROBERT M. DAY, CAROL I. DAY and	:	
JOHN B. BRANDON,	:	Type of Case:
	:	Civil Action – Equity
Plaintiffs,	:	
vs.	:	<b>No.: 07-2000-CD</b>
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
	:	
Defendants.	:	

**ANSWER, NEW MATTER AND COUNTERCLAIM  
TO PLAINTIFFS' AMENDED COMPLAINT**

AND NOW, comes the Defendant, Snyder Armclar Gas Company ("Snyder"), by and through its undersigned counsel, the Law Offices of Greco & Lander, P.C., and files the within Answer, New Matter and Counterclaim to Plaintiffs' Amended Complaint (filed on or about May 29, 2008), averring and support thereof as follows:

**ANSWER**

1. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments contained in ¶ 1 of the Plaintiffs' Amended Complaint, which averments are therefore denied.
2. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments

contained in ¶ 2 of the Plaintiffs' Amended Complaint, which averments are therefore denied.

3. Admitted.

4. Denied. Snyder is a Pennsylvania Limited Partnership. The limited partnership's address is as stated in the Amended Complaint.

5. Denied. The averments contained in ¶ 5 of Plaintiffs' Amended Complaint are conclusions of law to which no responsive pleading is required.

5a. The following is a responsive pleading to the second ¶ 5 contained in Plaintiffs' Amended Complaint: Admitted.

6. Admitted.

7. Admitted.

8. Admitted.

9. Admitted.

10. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments contained in ¶ 10 of the Plaintiffs' Amended Complaint, which averments are therefore denied.

11. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments contained in ¶ 11 of the Plaintiffs' Amended Complaint, which averments are therefore denied.

12. Denied. It is specifically denied, to the extent it is averred, that the existing wells on the Lease (as the term is defined in the second ¶5 of the

Amended Complaint, and similarly referenced hereinafter) premises draw natural gas only from an area limited to a radius of 800 feet surrounding each wells' well bore, and that they are producing from only one strata or gas formation. Strict proof thereof is therefore demanded at the time of trial.

13. Admitted.
14. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments pertaining to what Plaintiffs do and do not believe.
15. Denied. After reasonable investigation Snyder is without knowledge or information sufficient to form a belief as to the truth of the averments contained in ¶ 15 of the Plaintiffs' Amended Complaint, which averments are therefore denied.
16. Denied. Plaintiffs have made no requests to Snyder to further develop the property for natural gas. Upon information and belief, it is averred that Plaintiffs only made a limited request to Defendant American Exploration Company, which request was only made recently after the Marcellus Shale Formation was identified as a possible producible source of gas reserves.
17. Denied. Defendants have in fact actively operated for and produced oil and natural gas from the subject property since it was acquired in 1998.
18. Denied. The averments contained in ¶ 18 of the Amended Complaint are conclusions of law to which no responsive pleading is required. By way of further response, Pennsylvania law regarding implied covenants of oil and

gas leases is necessarily dependent upon the terms of the particular leases or documents at issue, together with the facts and circumstances of each particular situation. By way of further response, Defendants have previously produced, and are currently producing, oil and gas from the premises pursuant to the terms of the Lease.

19. Denied. The averments set forth in ¶ 19 of Plaintiffs' Amended Complaint are conclusions of law to which no responsive pleading is required. To the extent a response is deemed required, it is specially denied that Defendants have breached any lease covenant or failed or refused to develop the lease premises. By way of further response, Defendants are producing oil and gas from the Lease premises, and Defendants intend to, and are working towards, further oil and gas development on the property, all of which has been repeatedly communicated to the Plaintiffs.

*WHEREFORE*, Defendant Snyder Armclar Gas Company respectfully requests that this Honorable Court dismiss Plaintiffs' Amended Complaint.

### **NEW MATTER**

20. Snyder incorporates by reference ¶¶ 1 - 19 of the above Answer to Plaintiffs' Amended Complaint, the same as if set forth herein in their entirety.
21. Snyder incorporates by reference ¶¶ 20 - 33 of Defendant American Exploration Company's New Matter to Second Amended Complaint, the same as if set forth herein in their entirety.

22. Plaintiffs claim they have owned an interest in the subject oil and gas premises since 1985.
23. Plaintiffs have accepted royalty payments pursuant to the Lease from one or more of the Defendants, or their predecessors, and other third parties since Plaintiffs claimed acquisition of an interest in the property and Lease in 1985.
24. The ¶ 5 of the Lease specifically provides that “***It is agreed that Lessee may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege***”.
25. Prior to the fall of 2006, Plaintiffs never voiced any concerns regarding operations on the Lease premises, or the Defendants’ exploration for, and development of, the oil and gas located thereon.
26. It was not until after the Marcellus Shale Formation became identified and valued as a potential gas bearing formation, that the Plaintiffs contacted either of the Defendants regarding additional exploration on the Lease premises.
27. The first Macellus Shale well in Pennsylvania was permitted only recently.
28. A Macellus Shale well in Clearfield County was not permitted until after such wells were permitted in other regions of Pennsylvania.
29. The economic viability and commercial productivity of the Marcellus Shale Formation in Clearfield County Pennsylvania was and is dependant upon



market factors and technological factors, both which change and evolve over time.

30. Early Marcellus Shale wells drilled in Pennsylvania were not economical.
31. Several oil and gas exploration companies have determined that it is not economical to drill Marcellus Shale wells in Pennsylvania.
32. Several oil and gas exploration companies have placed a moratorium on leasing/purchasing additional acreage awaiting actual performance and demonstrated economic viability of existing Marcellus Shale wells.
33. It remains unknown whether or not the Marcellus Shale Formation will be an economically productive formation in Clearfield County, Pennsylvania, and in the particular area of the Lease premises.
34. Since the increased interest in Marcellus Shale wells, and their increased economic impact, the Pennsylvania Department of Environmental Protection and the Susquehanna River Basin Commission have only recently developed and implemented new and additional permitting requirements and timelines which must be complied with in order to obtain a permit for a Marcellus Shale well.
35. Defendants have never refused to undertake further oil and gas development on the Lease premises.
36. Defendants are willing and able to drill additional wells on the Lease premises.
37. Plaintiffs do not seek to compel further development of the Lease premises by the Defendants.

38. Plaintiffs' underlying goal and motivation in the prosecution of this litigation is to terminate or break the Lease that is specifically alleged and admitted by Plaintiffs to be owned by Defendants, and to burden Plaintiffs' oil and gas fee interest.
39. Such termination of the Lease at issue is a necessary prerequisite to Plaintiffs entering into a new lease with a third party and receiving the full benefit thereof at current market prices.
40. Plaintiffs have failed to allege that any specific third party will legally commit to drilling Marcellus Shale wells on the Lease premises.
41. Plaintiffs failed to exercise due diligence in asserting their claims in a timely fashion.
42. Defendants have relied upon Plaintiffs' failure to object to Defendants' operations on the Lease premises, and the Plaintiffs' failure to request additional exploration from the premises, to the Defendants' detriment.
43. Defendants must be allowed a reasonable opportunity to cure any breach of the Lease in question perceived by Plaintiffs before the Lease may be terminated.
44. Plaintiffs did not give Defendants reasonable notice and an opportunity to cure any perceived breach of the Lease by Defendants, prior to instituting the within litigation.
45. At all relevant times, Defendants and other third parties have in fact actually produced oil and gas from the Lease premises, and paid the royalty consideration due therefrom to Plaintiffs.

46. At all relevant times, Plaintiffs have received, and are currently receiving and accepting, their 1/8<sup>th</sup> royalty consideration from all production from the Lease premises.
47. Plaintiffs have continually received, and are currently receiving, the agreed upon Lease specified consideration to fully compensate Plaintiffs for the right to drill or not drill wells on the Lease premises.
48. Upon information and belief, in addition to the currently producing wells, numerous additional wells have been drilled previously on the Lease premises, produced, and have been naturally depleted.
49. Defendants have and are actively seeking to develop additional production from additional wells and additional formations on the Lease premises at issue.
50. The Lease at issue is a complete integrated document.
51. The Lease at issue does not contain any express performance clause, or other contractual requirement that the lessee, now the Defendants, are required to drill any particular number of wells within a particular timeframe.
52. Plaintiffs' claims are barred by the doctrine of unclean hands.
53. Plaintiffs' claims are barred by the affirmative defense of laches.
54. Plaintiffs' claims are barred by the affirmative defense of estoppel.

*WHEREFORE*, Defendant Snyder Armclar Gas Company respectfully requests that this Honorable Court dismiss the Plaintiffs' Amended Complaint.

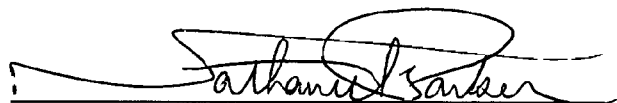
## **COUNTERCLAIM**

55. Defendant Snyder Armclar Gas Company incorporates by reference ¶¶ 1 - 54 herein above, the same as if set forth herein in their entirety.
56. Defendants have operated and developed the Lease premises in a reasonable fashion and in accordance with the Lease terms and industry practices, and provided the contract consideration for the rights granted by the lessors, now claimed to be the Plaintiffs.
57. The oil and gas Lease at issue remains in full force and effect pursuant to the unambiguous provisions thereof.

WHEREFORE, Defendant Snyder Armclar Gas Company respectfully requests that this Honorable Court declare that the Lease burdening the subject property remains in full force and effect, being operated by the Defendants, and that the said Lease shall remain in full force and effect hereafter pursuant to the express terms thereof.

RESPECTFULLY SUBMITTED:

Dated: NOVEMBER 14, 2008



Al Lander, Esq.

Pa. Id. #25821

Nathaniel Parker, Esq.

Pa. Id. #90993

Counsel for Snyder Armclar Gas Company  
Law Offices of Greco & Lander, P.C.

P. O. Box 667

Clarion, PA 16214

(814) 226-6853

Fax: (814) 226-4951

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

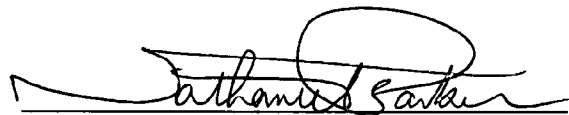
Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

**VERIFICATION**

I, Nathaniel Parker, Esq., counsel for Defendant Snyder Armclar Gas Company, state that Snyder's General Partner is outside the jurisdiction of the Court and that his verification cannot be obtained within the time allowed for the filing of the within pleading. I therefore hereby verify that the statements made in the foregoing Answer, New Matter and Counterclaim to Plaintiffs' Amended Complaint are true and correct based upon knowledge and information provided to me, and are made subject to the penalties of 18 Pa. C.S.A. §4904 relating to unsworn falsification to authorities.

Date: November 14, 2008

  
Nathaniel Parker, Esq.

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing ***“Answer, New Matter and Counterclaim to Plaintiffs’ Amended Complaint”*** was sent by U.S. mail, postage prepaid on NOVEMBER 14, 2008, upon other counsel of record addressed as follows:

**Counsel for Plaintiffs:**

David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**Counsel for American Exploration Company:**

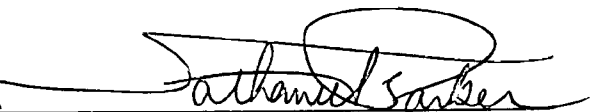
C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**Additional Counsel for  
American Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By



NATHANIEL PARKER, ESQ.

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing **“Defendant Snyder Armclar Gas Company’s Responses to Plaintiffs’ First Set of Interrogatories and Request for Production of Documents”** was sent by U.S. mail, postage prepaid, on November 14, 2008, to other counsel of record addressed as follows:

**Counsel for Plaintiffs:**

David A. Grady, Esq.  
P. O. Box 220  
12 North Third Street  
Reynoldsville, PA 15851

**Counsel for American Exploration Company:**

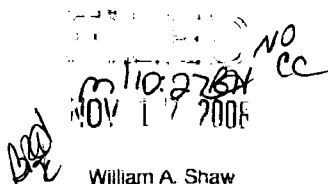
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1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**Additional Counsel for  
American Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
NATHANIEL PARKER, ESQ.

  
William A. Shaw  
Prothonotary/Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Reply and Answer
AMERICAN EXPLORATION COMPANY :	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY, :	Council of Record for the Party:
Defendants, :	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: 12/12/08

5-11-08 4CC Atty  
9/12/05 cm Grady  
DEC 2 2008  
LM  
William A. Shaw  
Prothonotary Clerk of Courts



IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000
	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
Defendants,	:	

REPLY

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby reply to Defendants', Snyder Armclar Gas Company, Amended New Matter as follows:

1. Denied. The averments in Defendant's Paragraph 20 are incorporations and therefore no reply is required. To the extend a reply is required the averments are denied.
2. Denied. The averments in Defendant's Paragraph 21 are incorporations and therefore no reply is required. To the extend a reply is required the averments are denied.
3. Admitted. The averments in Defendant's Paragraph 22 are admitted.
4. Admitted. The averments in Defendant's Paragraph 23 are admitted.
5. Admitted in part and denied in part. The averments in Defendant's Paragraph 24 are admitted in so much that the lease contains said language. It is denied the averments are relevant to the matter at hand as the language appears in section titled "Delay Rental", which by its own terms expired when the first well was drilled. Furthermore neither party has alleged "rentals" have been paid or due to the Plaintiffs.
6. Admitted. The averments in Defendant's Paragraph 25 are admitted.
7. Admitted. The averments in Defendant's Paragraph 26 are admitted.

8. Denied. The averments in Defendant's Paragraph 27 are too indefinite to allow an adequate response. The term "recently" lacks the required specificity to be able to reply to the averment. By way of an answer Plaintiffs reply that numerous Marcellus Shale wells have been drilled in Pennsylvania.
9. Admitted. The averments in Defendant's Paragraph 28 are admitted.
10. Admitted. The averments in Defendant's Paragraph 29 are admitted.
11. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 30. The averments are therefore denied.
12. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 31. The averments are therefore denied.
13. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 32. The averments are therefore denied.
14. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 33. The averments are therefore denied. By way of further reply while economic information is unavailable to the Plaintiffs, ongoing Marcellus development within 5 miles of the subject tract would tend to contradict the averments.
15. Admitted. The averments in Defendant's Paragraph 34 are admitted.
16. Admitted in part Denied in part. The averments in Defendant's Paragraph 35 are admitted in so much that Snyder Armclar has never refused to undertake further development. It is denied that the codefendant, American Exploration, has never refused

to develop further. Furthermore, neither defendant has responded to requests for drilling schedules or information regarding development plans for the lease premises.

17. Denied. After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 36. The averments are therefore denied.
18. Denied. The averments in Defendant's Paragraph 37 are denied. To the contrary Plaintiffs have repeatedly stated their only goal is to have the premises developed if not by the defendants then by another party.
19. Denied. The averments in Defendant's Paragraph 38 are denied. To the contrary Plaintiffs' underlying and stated goal is to have the premises developed.
20. Admitted. The averments in Defendant's Paragraph 39 are admitted to the extent that Plaintiffs are not receiving the full benefit of their ownership interest and can not unless the Defendants agree to develop the premises or the lease is terminated allowing a third party to develop.
21. Admitted. The averments in Defendant's Paragraph 40 are admitted.
22. Denied. The averments in Defendant's Paragraph 41 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.
23. Denied. The averments in Defendant's Paragraph 42 are denied as the Defendant has failed to allege any action made in reliance or any detriment resulting from alleged reliance. Furthermore, the duty is on the Lessee to develop the lease in a reasonable manner not on the Lessor to demand development.
24. Denied. The averments in Defendant's Paragraph 43 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied. Furthermore, Plaintiffs have requested a drilling schedule as a cure for said Breach.

25. Admitted in part Denied in part. The averments in Defendant's Paragraph 44 are admitted in so much that Snyder Armclar was added as a Defendant after litigation had commenced, as Plaintiffs were unaware of Snyder Armclar's interest at the time. It is denied that the codefendant, American Exploration, was not given an opportunity to cure.
26. Admitted. The averments in Defendant's Paragraph 45 are admitted.
27. Admitted The averments in Defendant's Paragraph 46 are admitted.
28. Denied. The averments in Defendant's Paragraph 47 are denied as the contractual language referred to in the averment applies to the delay rental as detailed in Paragraph 5 of this reply. The Defendant's right to drill or not drill became void when the Defendant's predecessor drilled the first well under the lease.
29. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 48. The averments are therefore denied. Plaintiffs are aware of only one nonproductive well site, and on information and belief believe the failure of that one well site was caused by technical not geological problems.
30. Denied After reasonable investigation the Plaintiffs are without knowledge of information sufficient to form a belief as to the truth of the averments contained in Defendant's Paragraph 49. The averments are therefore denied.
31. Denied. The averments in Defendant's Paragraph 50 are denied. To the contrary Pennsylvania Law recognizes an implied duty to develop a leasehold.
32. Admitted in part, Denied in part. The averments in Defendant's paragraph 51 are admitted as far as they pertain to contractual language. It is denied that the Defendant's are not required to develop additional wells. To the contrary Pennsylvania Law recognizes an implied duty to develop a leasehold.

33. Denied. The averments in Defendant's Paragraph 52 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.

34. Denied. The averments in Defendant's Paragraph 53 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.

35. Denied. The averments in Defendant's Paragraph 54 are a conclusion of law. Therefore no answer is required. To the extent that an answer is required the averments are denied.

WHEREFORE, Plaintiffs request that this Court (a) enter an order declaring that Defendant, American Exploration Corporation, its assigns and subsidiaries, are barred from asserting any right, lien, title, or interest in the 1420 acres of oil and gas on the basis of the June 16, 1955 lease beyond 800 feet from any existing and producing wells only to the strata of horizon of natural gas now produced; (b) The lease be declared null and void in regards to all to the property or gas strata or horizons beyond an 800 foot radius surrounding each of the currently operating wells; (c) grant such further relief as may be just and equitable.

#### ANSWER

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby answer Defendants', Snyder Armclar Gas Company, Counterclaim as follows:

36. Denied. The averments in Defendant's Paragraph 55 are incorporations and therefore no reply is required. To the extent a reply is required the averments are denied.

37. Denied. The averments in Defendant's Paragraph 56 are denied. To the contrary Plaintiffs are unaware of any development of the leased premises conducted by the Defendants.

38. Denied. The averments in Defendant's Paragraph 57 are denied. To the contrary

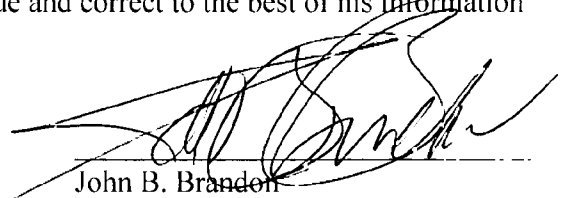
Pennsylvania Law recognizes an implied duty to develop a leasehold, and the lease is made void by the Defendant's breach of this implied covenant.

WHEREFORE, Plaintiffs respectfully request that this Court dismiss the Defendants Counterclaim.



David A Grady  
Attorney for Plaintiffs

I, John B. Brandon, being duly sworn according to law depose and says that he is the Plaintiff, and the facts set forth in the foregoing are true and correct to the best of his information and belief.

  
John B. Brandon

Sworn to an Subscribed  
before me this 10<sup>th</sup> day  
of December, 2008



Notary Public

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Denise A. McGranor, Notary Public  
Reynoldsville Boro, Jefferson County  
My Commission Expires Jan. 24, 2011

Member, Pennsylvania Association of Notaries

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	Type of Case: Quiet Title
vs. :	Type of Pleading: Certificate of Service
AMERICAN EXPLORATION COMPANY :	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY, :	Council of Record for the Party:
Defendant, :	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: 12/12/08

5  
4CC Atty  
0/12:05cm Grady  
DEC 12 2008  
(M)  
William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on December 12, 2008 a copy of the Plaintiff's Reply and Answer to Defendants' New Matter and Counterclaims in the above referenced case was sent by United States Mail to Thomas G. Wagner, Esquire, attorney for American Exploration Company, at 115 Lafayette Street, St. Marys, PA 15857, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.



David A Grady  
Attorney for Plaintiffs



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

ROBERT M. DAY and CAROL L. DAY : NO. 07-2000-CD  
JOHN B. BRANDON, Plaintiffs  
vs. : Thomas G. Wagner, Esq.  
115 Lafayette Street  
: St. Marys, Pa. 15857  
AMERICAN EXPLORATION COMPANY (814) 781-3445  
SNYDER ARMCLAR GAS COMPANY :  
Defendants : Filed on behalf of American  
Exploration Company  
:

STIPULATION

WHEREAS, the Plaintiffs have served on the Defendants First Set of Interrogatories and Requests for Production of Documents; and any party may subsequently conduct additional discovery (hereinafter collectively described as "Discovery Requests";

AND WHEREAS, Discovery Requests may seek the disclosure of information in the possession of the parties which may be proprietary and/or confidential;

AND WHEREAS, the parties desire to cooperate in the production of information responsive to the Discovery Requests while at the same time protecting proprietary and/or confidential information from entering the public domain, to the detriment of the parties;

AND WHEREAS, Pennsylvania Rule of Civil Procedure 4012(a)(9) authorizes a trial court to enter a protective order restricting the disclosure of any trade secret or other confidential commercial information (hereinafter a "protective order");

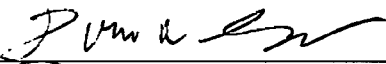
NOW THEREFORE, the parties, by their respective attorneys, stipulate as follows:

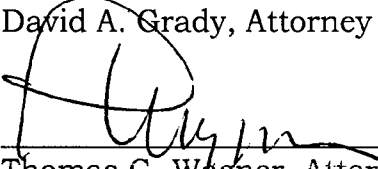
1. Information supplied by any of the parties to this action to any other party to this action in response to a discovery or other request, which the providing party shall designate as "Confidential" ("Confidential Information") shall not be disclosed to any person, firm, corporation or other entity without either the express consent of the party providing the

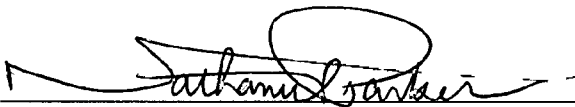
Confidential Information or otherwise in accordance with this Stipulation. In the event that a party to this action deems it necessary to disclose any information covered by this stipulation to an attorney, expert witness or other person ("third party") for reasons related to this action, said disclosing party shall, prior to the dissemination of the Confidential Information to such third party, obtain a written acknowledgment from said third party to whom the disclosure is to be made whereby the third party recognizes and agrees to be bound by the provisions of this stipulation and that the Confidential Information may only be used, in conjunction with such third party's involvement in this action.

2. None of the Confidential Information disclosed by a party in response to a Discovery Requests shall be filed in the public record of this action without having first obtained the permission of the Court to do so. Any motion by a party to place any Confidential Information in the public record of this action must specifically set forth the moving party's need to publicly disclose Confidential Information and why justice cannot be served by protecting the Confidential Information from public disclosure. Any such motion shall be heard by the Court and not by a motion master or other non-judicial officer.

3. Nothing in this stipulation is intended to prohibit a party from filing a motion for Protective Order at any time.

  
\_\_\_\_\_  
David A. Grady, Attorney for Plaintiffs

  
\_\_\_\_\_  
Thomas G. Wagner, Attorney for Defendant  
American Exploration Company

  
\_\_\_\_\_  
Nathaniel Parker, Attorney for Defendant  
Snyder Armclar Gas Company

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

JUN 01 2000  
William A. Shaw  
Prothonotary/Clerk of Court

ROBERT M. DAY, CAROL I. DAY and JOHN : CIVIL ACTION- (EQUITY)  
B. BRANDON, : No. 07-2000-CD  
Plaintiffs, :  
vs. : Type of Case: Quiet Title  
AMERICAN EXPLORATION COMPANY : Type of Pleading: Certificate of  
and SNYDER ARMCLAR GAS COMPANY, : Readiness  
Defendant, : Filed on behalf of: Plaintiffs  
: Council of Record for the Party:  
: David A. Grady, Esquire  
: Supreme Court No. 201678  
: PO Box 220  
: 12 North Third Street  
: Reynoldsville, Pa. 15851  
: 814-653-8553

Dated: \_\_\_\_\_

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

Civil Trial Listing/Certificate of Readiness

Plaintiff(s): Robert M. Day  
Carol I. Day  
John B. Brandon

Case Number: 07-2000-CD

Defendant(s): American Exploration Company  
Snyder Armclair Gas Company

**To the Prothonotary:**

Arbitration Limit: N/A (Quiet Title)

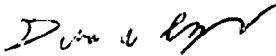
Type Trial Requested: Jury ☒ Non-Jury ☐ Arbitration

Estimated Trial Time: \_\_\_\_\_

Jury Demand Filed By: \_\_\_\_\_

Date Jury Demand Filed: \_\_\_\_\_

Please place the above-captioned case on the trial list. I certify that all discovery in the case has been completed; all necessary parties and witnesses are available; serious settlement negotiations have been conducted; the case is ready in all respects for trial, and a copy of this Certificate has been served upon all counsel of record and upon all parties of record who are not represented by counsel.



(Signature)

5-28-09

(Date)

For the Plaintiff: David A. Grady 814-653-8553 Telephone Number

For the Defendant: Thomas G. Wagner 814-781-7445 Telephone Number

For Additional Defendant: Nathaniel C. Parker 814-226-6853 Telephone Number

Certification of Current Address for all parties or counsel of record:

Name: Nathaniel Parker, Esq Address: P. O. Box 667 City/State/Zip: Clarion, PA 1621

Name: Thomas G. Wagner, Esq Address: 115 Lafayette Street City/State/Zip: St. Marys, PA

Name: \_\_\_\_\_ Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_ 15857

Name: \_\_\_\_\_ Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Prothonotary/Clerk of Courts  
William A. Shaw  
JUN 01 2006

Received back from CA 6/12/07

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

ROBERT M. DAY, CAROL I. DAY, and  
JOHN B. BRANDON

vs.

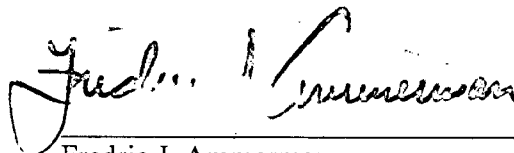
AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY

:  
:  
:  
: No. 07-2000-CD  
:  
:

**ORDER**

AND NOW, this 29<sup>th</sup> day of June, 2009, it is the Order of the  
Court that a pre-trial conference in the above-captioned matter shall be and is  
hereby scheduled for Friday, September 4, 2009 at 11:00 A.M. in Judges  
Chambers, Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:



Fredric J. Ammerman  
President Judge

6  
07/04/2009  
2009

W. Brian A. Shaw  
Clerk of Court

ICC Attys: Grady/Brandon  
Wagner/Trainer  
Parker/Lander

10/28/09

William A. Shaf  
Prothonotary/Clerk of Court

DATE: 10/28/09

     You are responsible for serving all appropriate parties.  
  X   The Prothonotary's office has provided service to the following parties:  
     Plaintiff(s)   X   Plaintiff(s) Attorney      Other  
     Defendant(s)   X   Defendant(s) Attorney  
     Special Instructions:

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS COMPANY,

Defendants.

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

5  
118:59/01  
AUG 31 2009  
William A. Shaw  
Prothonotary/Clerk of Courts

**CERTIFICATE OF SERVICE**

I, Al Lander, Esq., hereby certify that a true and correct copy of the foregoing ***“Defendants’ Pre-Trial Memorandum”*** was sent to the persons and in the manner indicated below, on August 27, 2009, as follows:

**Federal Express**

**Court Administrator**

Mr. Daniel Nelson  
Court Administrator’s Office  
Clearfield County Court House  
230 E. Market Street  
Clearfield, PA 16830

**U.S. First Class Mail**

**Counsel for American Exploration Company:**

C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**U.S. First Class Mail**

**Counsel for Plaintiffs:**

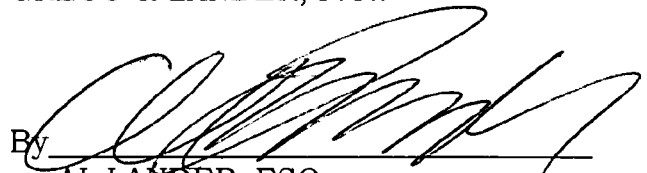
David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**U.S. First Class Mail**

**Additional Counsel for American Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
AL LANDER, ESQ.



68

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

ROBERT M. DAY, CAROL I. DAY and JOHN  
B. BRANDON,

Plaintiffs

vs.

AMERICAN EXPLORATION COMPANY and  
SNYDER ARMCLAR GAS COMPANY,  
Defendants


NO. 07-2000-CD

**ORDER**

AND NOW, this 8 day of September, 2009, following pre-trial conference among the Court and counsel for the parties, the parties having requested a case management Order and having agreed on the same; it is the ORDER of this Court as follows:

1. With the exception of the provisions of paragraph 2 herein, all discovery is to be completed within no more than 120 days from this date. This includes the identification of expert witnesses and the exchange of all expert reports;
2. Any party which has previously received a request for discovery shall answer the previously received discovery request within no more than 30 days from this date;
3. Any motion for Summary Judgment relative the issue of whether the gas lease in question is subject to an implied covenant of prudent operator to develop shall be filed within no more than 30 days from this date;
4. Second pre-trial conference is hereby scheduled for the 28th day of January, 2010 at 9:00 a.m. in Chambers. Thirty minutes has been reserved for this conference.

BY THE COURT,

  
FREDRIC J. AMMERMAN  
President Judge

9/11/08  
SEP 16 7 39  
William A. Shaw

Prothonotary/Clerk of Courts

ICC Atty's:

Grady

Trainor

Parkes/Lander

Wagner

ICC J. Brandon

(610)

1000 1000 1000  
1000 1000 1000  
1000 1000 1000

DATE: 9/19/08

     You are responsible for serving all appropriate parties.  
  X   The Prothonotary's office has provided service to the following parties:  
  X   Plaintiff(s)   J. Brown   Plaintiff(s) Attorney      Other       
     Defendant(s)   X   Defendant(s) Attorney       
     Special Instructions:

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

ROBERT M. DAY, CAROL I. DAY and :  
JOHN B. BRANDON, :

Plaintiffs, :

vs. :

AMERICAN EXPLORATION COMPANY :  
and SNYDER ARMCLAR GAS COMPANY, :

Defendants. :

Type of Case:  
Civil Action – Equity

No.: 07-2000-CD

Type of Pleading:

**MOTION FOR SUMMARY  
JUDGMENT**

Filed on Behalf of Defendants

Counsel of Record for Defendant, Snyder  
Armclar Gas Company:

Al Lander, Esq.  
Pa. Id. # 25821  
Nathaniel Parker, Esq.  
Pa. Id. # 90993  
Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853

Counsel of Record for Defendant, American  
Exploration Company:

C. Warren Trainor, Esq.  
Pa. Id. # 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 851-9800

Thomas G. Wagner, Esq.  
Pa. Id. # 17404  
Meyer & Wagner, Attorneys  
115 Lafayette Street  
St. Marys, PA 15857  
(814) 781-3445

**FILED** <sup>EW</sup>  
OCT 08 2009  
01 a.m. /   
William A. Shaw  
Prothonotary/Clerk of Courts  
no 4/c.

Dated: OCTOBER 8, 2009

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

ROBERT M. DAY, CAROL I. DAY and :	:
JOHN B. BRANDON,	:
	:
Plaintiffs,	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	:
and SNYDER ARMCLAR GAS COMPANY, :	:
	:
Defendants.	:

Type of Case:  
Civil Action – Equity  
  
**No.: 07-2000-CD**

**MOTION FOR SUMMARY JUDGMENT**

AND NOW, come the Defendants, Snyder Armclar Gas Company and American Exploration Company, by and through their legal counsel, and file the within Motion for Summary Judgment respectfully requesting that the Court grant judgment in Defendants' favor with respect to Plaintiffs' Second Amended Complaint, and in support thereof aver as follows:

1. The pleadings in this matter are closed.
2. No trial date has been set, therefore the trial will not be unreasonably delayed by the within Motion.
3. This case calls upon the Court to construe and give effect to an oil and gas lease (Second Amended Complaint, Exhibit B, hereinafter "Lease").
4. Plaintiffs' seek to have the Court declare a forfeiture of the Defendants' Lease rights beyond the existing wells and facilities on the Lease premises.

5. ¶ 3 of the Lease specifically provides that the term of the Lease would extend beyond its primary term for as long as the Lease is operated by Defendants.

6. It is admitted that numerous wells have been drilled on the property (see Amended Complaint ¶¶ 8, 10, & 11).

7. It is admitted that oil and/or gas has been found and is being produced in paying quantities by Defendants (see Snyder New Matter ¶ 45, & Plaintiffs' Reply thereto ¶ 26).

8. It is admitted that production royalty is being paid to, and accepted by, Plaintiffs (See Snyder New Matter ¶¶ 23, 45, & 46 and Plaintiffs' Reply thereto ¶¶ 4, 26, & 27).

9. ¶ 5 of the Lease specifically provides that, *"It is agreed that [Defendants] may drill or not drill on the leased premises, as [they] may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege."*

10. The Lease does **not** contain any provision authorizing Plaintiffs to declare a forfeiture.

11. No express provision of the Lease is alleged to be in breach.

12. No bad faith or fraud is alleged by Plaintiffs.

13. Plaintiffs' entire cause of action is premised on the legal theory that Pennsylvania common law requires an oil and gas lessee such as Defendants to continually enlarge and expand development on an oil and gas lease premises, or risk forfeiture of the lease.

14. Pennsylvania common law implies certain duties to an oil and gas lease only ***if*** the lease is silent regarding a particular subject or duty.

15. The Lease in question, ¶ 5, specifically addresses the decision of drilling or not drilling on the Lease premises, therefore precluding any application of any implied common law covenant regarding lease development.

16. Even if the Lease did not address it, Pennsylvania common law does ***not*** create an implied duty to continually expand development and drill additional wells on a lease premises as Plaintiffs' claim.

17. When an implied duty is recognized, Pennsylvania common law applies the '*good faith standard*' as the standard of care owed to determine whether or not an implied duty under an oil and gas lease has been satisfied.

18. Pennsylvania common law does ***not*** apply the '*prudent operator standard*' as the standard of care owed under an implied duty under an oil and gas lease.

19. Under the '*good faith standard*', a lessee's actions are presumptively proper, unless bad faith or fraud is alleged and proven.

20. Plaintiffs' cause of action fails because Pennsylvania common law does not create or imply the onerous duty that Plaintiffs wish to impose, which duty is the sole legal theory of relief advanced by Plaintiffs.

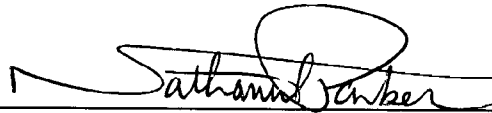
21. Even if such a duty did apply, Plaintiffs have failed to even allege bad faith or fraud which is a necessary prerequisite to challenge Defendants' conduct under the good faith standard.

22. Plaintiffs' cause of action fails because the Lease is not in breach, the Lease does not provide the relief Plaintiffs' seek, and pursuant to its express terms the Lease is still in full force and effect.

WHEREFORE, Defendants respectfully request this Honorable Court enter Summary Judgment in Defendants' favor, and against Plaintiffs, and hold that based on the undisputed and admitted facts as alleged, the Lease is valid and in full force and effect concerning the entire Lease premises.

RESPECTFULLY SUBMITTED:

Dated: OCTOBER 8, 2009



Al Lander, Esq.  
Pa. Id. # 25821  
Nathaniel Parker, Esq.  
Pa. Id. # 90993  
Counsel for Snyder Armclar Gas Company  
Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853

C. Warren Trainor, Esq.  
Pa. Id. # 16025  
Counsel for American Exploration Company  
Ehmann, Van Denbergh & Trainor, P.C.  
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1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 851-9800

Thomas G. Wagner, Esq.  
Pa. Id. # 17404  
Meyer & Wagner, Attorneys  
115 Lafayette Street  
St. Marys, PA 15857  
(814) 781-3445

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

ROBERT M. DAY, CAROL I. DAY and :	:	Type of Case:
JOHN B. BRANDON,	:	Civil Action – Equity
	:	
Plaintiffs,	:	
	:	<b>No.: 07-2000-CD</b>
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY :	:	
and SNYDER ARMCLAR GAS COMPANY, :	:	
	:	
Defendants.	:	

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing ***“Motion for Summary Judgment”*** was sent by U.S. mail, postage prepaid on OCTOBER 8, 2009, upon other counsel of record addressed as follows:

**Counsel for Plaintiffs:**

David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**Counsel for American Exploration Company:**

C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**Additional Counsel for  
American Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
NATHANIEL PARKER, ESQ.



**FILED**  
**OCT 08 2009**  
William A. Shat:  
Prothonotary/Clerk of Courts

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William A. Shaw  
Prothonotary/Clerk of Courts  
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William A. Sharv  
Prothonotary/Clerk of Courts  
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Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**


## ORDER OF COURT

AND NOW, this 12<sup>th</sup> day of October, 2009, upon consideration of Defendants' Motion for Summary Judgment, it is hereby ORDERED as follows:

1. a Rule is issued upon the Plaintiffs to show cause why the Defendants are not entitled to the relief requested;
2. the Plaintiffs shall file an answer to the Motion within 20 days of this date;
3. argument shall be held on November 12, 2009, in Courtroom No. 1 <sup>① 10:30 A.M.</sup> of the Clearfield County Courthouse; and
4. notice of the entry of this Order shall be provided to all parties by the Defendants.

5 FILED ICC  
013:34/BK Amy Parker  
OCT 12 2009

BY THE COURT:

  
FREDERIC J. AMMERMAN, P.J.

**William A. Shaw**  
Prothonotary/Clerk of Courts

FILED

OCT 12 2009

William A. Shea/  
Prothonotary/Clerk of Courts

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

ROBERT M. DAY, CAROL I. DAY and :  
JOHN B. BRANDON, :

Plaintiffs, :

vs. :

AMERICAN EXPLORATION COMPANY :  
and SNYDER ARMCLAR GAS COMPANY, :

Defendants. :

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

Type of Pleading:

***Certificate of Service of Order of  
Court dated October 12, 2009***

Filed on Behalf of Defendants

Counsel of Record for Defendant, Snyder  
Armclar Gas Company:

Al Lander, Esq.  
Pa. Id. # 25821  
Nathaniel Parker, Esq.  
Pa. Id. # 90993  
Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853

Counsel of Record for Defendant, American  
Exploration Company:

C. Warren Trainor, Esq.  
Pa. Id. # 16025  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 851-9800

Thomas G. Wagner, Esq.  
Pa. Id. # 17404  
Meyer & Wagner, Attorneys  
115 Lafayette Street  
St. Marys, PA 15857  
(814) 781-3445

Dated: OCTOBER 14, 2009

NOTED  
William A. Sharr  
Prothonotary/Clerk of Courts  
Sent to Amy  
(6)

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

ROBERT M. DAY, CAROL I. DAY and :	:
JOHN B. BRANDON,	:
	:
Plaintiffs,	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	:
and SNYDER ARMCLAR GAS COMPANY, :	:
	:
Defendants.	:

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the Court's "**October 12, 2009 Order of Court**" was sent by U.S. mail, postage prepaid on October 14, 2009, upon other counsel of record addressed as follows:

**Counsel for Plaintiffs:**

David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**Counsel for American Exploration Company:**

C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**Additional Counsel for  
American Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
NATHANIEL PARKER, ESQ.

OCT 30 2009  
 William A. Shattuck  
 Prothonotary/Clerk of Courts

3 Cont to  
Att

Dated: October 30, 2009

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON,	:	CIVIL ACTION- (EQUITY)
	:	
Plaintiffs,	:	No. 07-2000-CD
	:	
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
Defendants,	:	

PLAINTIFFS' ANSWER TO THE DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

Plaintiffs ROBERT M. DAY, CAROL I. DAY and JOHN B. BRANDON, by and through their undersigned counsel, hereby answer Defendants' Preliminary Objection as follows:

1. Admitted
2. Admitted
3. Admitted.
4. Admitted
5. Admitted.
6. Admitted
7. Admitted
8. Admitted
9. Admitted in part, Denied in part. The Averments in Defendants' Paragraph 9 are admitted to the extent that the quoted language is contained in the lease. It is Denied that said language is controlling or relevant to the question before the Court. To the contrary the quoted language is contained in the Delay Rental Clause and has been taken out of context by the Defendants. When read in the context of the complete paragraph, the language clearly gives the Defendants the option to drill or not drill



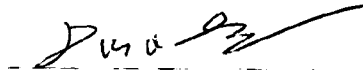
during the primary term, while delay rentals are being paid. This option expired and the clause made moot when the Defendants' predecessor in title exercised the option and drilled the first well.

10. Admitted
11. Admitted
12. Admitted
13. Denied. The Averments in Defendants' Paragraph 13 are denied. Plaintiffs have never claimed the legal theory stated by the Defendants. To the contrary, Plaintiffs have claimed and Pennsylvania Law states that there is an implied obligation on the lessee to proceed with the exploration and development of the land with reasonable diligence, according to the usual course of the business, and a failure to do so amounts to an abandonment, which will sustain a re-entry by the lessor. Furthermore, Plaintiffs contend and Defendants have presented no evidence to the contrary during discovery that Defendants have done nothing during their 10-year ownership of the lease interest to develop the property. Therefore they have breached the implied duty develop the leased property with reasonable diligence, according to the usual course of the business.
14. Admitted
15. Denied. The Averments in Defendants' Paragraph 15 are Denied for the reasons stated in Plaintiffs Paragraph 9 (above). Furthermore, the lease in question is nearly identical to the lease at issue in the most recent Pennsylvania Supreme Court ruling on the issue of the implied duty to develop, *Jacobs v. CNG Transmission Corp.*, 565 Pa. 228, 772 A.2d 445 (Pa. 2001). The same right to drill or not drill was contained in that lease, and the implied duty to develop was found to exist.

16. Admitted in part, Denied in part. The Averments in Defendants' Paragraph 16 are admitted to the extent that the Law does not create the duty as stated by the Defendants. It is Denied that the Plaintiffs have ever claimed such an implication exists. See Plaintiffs' Paragraph 13 above.
17. Denied. The Averments in Defendants' Paragraph 17 are Denied. To the contrary Pennsylvania Law applies the 'good faith standard' when the determining if the secondary term of a lease has expired due to a failure of a well to "produce in paying quantities." Defendants are quoting the standard for a legal theory not at issue in this case.
18. Denied. The Averments in Defendants' Paragraph 18 are Denied. To the contrary the prudent operator rule is the proper test to determine the case at issue.
19. Admitted in part, Denied in part. It is admitted only that the definition contained in Defendants' Paragraph 19 is correct. It is Denied that said definition has any relevance to this case for the reasons contained in Plaintiffs' Paragraphs 17 and 18 above.
20. Denied. The Averments in Defendants' Paragraph 20 are Denied for the reasons contained in Plaintiffs' Paragraphs 13 and 16 above. To the contrary, the legal theory recited by the Defendants is solely their creation and has never been claimed by the Plaintiffs.
21. Admitted in part, Denied in part. Defendant has again correctly stated the good faith standard. It is denied that the good faith standard applies for the reasons detailed above.

22. Denied. The Averments in Defendants' Paragraph 22 are conclusions of law and therefore no answer is required. To the extent an answer is required the Averments are denied. By way of further answer the Plaintiffs have not claimed that any expressed terms of the lease have been breached, but have claimed a breach of the implied duty to develop as defined by Pennsylvania Courts.

WHEREFORE, Plaintiffs respectfully request this Honorable Court deny the Defendants Motion for Summary Judgment and set a date for trial to resolve the factual matter of whether or not the Defendants inaction is a breach of the implied duty to develop the leased premises.

  
\_\_\_\_\_  
David A Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN	:	CIVIL ACTION- (EQUITY)
B. BRANDON,	:	No. 07-2000-CD
Plaintiffs,	:	Type of Case: Quiet Title
vs.	:	Type of Pleading: Certificate of Service
AMERICAN EXPLORATION COMPANY	:	Filed on behalf of: Plaintiffs
and SNYDER ARMCLAR GAS COMPANY,	:	Council of Record for the Party:
Defendant,	:	David A. Grady, Esquire
	:	Supreme Court No. 201678
	:	PO Box 220
	:	12 North Third Street
	:	Reynoldsville, Pa. 15851
	:	814-653-8553


Dated: October 29, 2009

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on October 29, 2009 a copy of the Plaintiff's Reply and Answer to Defendants' Motion for Summary Judgment in the above referenced case was sent by United States Mail to Thomas G. Wagner, Esquire, attorney for American Exploration Company, at 115 Lafayette Street, St. Marys, PA 15857, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.

  
David A Grady  
Attorney for Plaintiffs

**LAW OFFICES  
OF  
GRECO & LANDER, P.C.**

Attorneys At Law  
P. O. Box 667  
1390 East Main Street, Suite 2  
Clarion, Pennsylvania 16214-0667

NOV 10 2009  
William A. Shaw  
Prothonotary/Clerk of Courts  
no c/c

DOM W. GRECO  
AL LANDER  
NATHANIEL C. PARKER

Telephone ..... (814) 226-6853  
FAX ..... (814) 226-4951  
e-mail ..... nparker@usachoice.net

November 6, 2009

Mr. William A. Shaw, Prothonotary  
Clearfield County Courthouse  
230 E. Market Street  
P.O. Box 549  
Clearfield, PA 16830

Re: **Robert M. Day, Carol I. Day and John B. Brandon vs.  
American Exploration Company and Snyder Armclar Gas  
Company: Clearfield County No. 07-2000-CD**

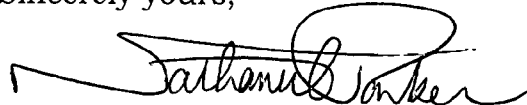
Dear Mr. Shaw:

Enclosed please find one (1) original and one (1) copy of the **Certificate of Service** for Defendants' First Set of Interrogatories and Request for Production of Documents Directed to Plaintiffs in the above-captioned case.

Please timestamp both documents; filing the original of record, and returning the copy to me in the enclosed self-addressed, postage paid envelope.

Should you have any questions, please contact me. Thank you.

Sincerely yours,



Nathaniel C. Parker, Esq.

NCP/las  
748.1245

Enclosures

cc: Snyder Armclar Gas Company  
David A. Grady, Esq.  
C. Warren Trainor, Esq.  
Thomas G. Wagner, Esq.

{GL107787.1}

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

ROBERT M. DAY, CAROL I. DAY and :	:	Type of Case:
JOHN B. BRANDON,	:	Civil Action – Equity
	:	
Plaintiffs,	:	
	:	<b>No.: 07-2000-CD</b>
vs.	:	
	:	
AMERICAN EXPLORATION COMPANY :	:	
and SNYDER ARMCLAR GAS COMPANY,	:	
	:	
Defendants.	:	

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing ***“Defendants’ First Set of Interrogatories and Request for Production of Documents directed to Plaintiffs”*** was sent by U.S. mail, postage prepaid on November 6, 2009, upon other counsel of record addressed as follows:

**Counsel for Plaintiffs:**  
David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**Counsel for American Exploration Company:**  
C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**Additional Counsel for  
American Exploration Company:**  
Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
NATHANIEL PARKER, ESQ.

④

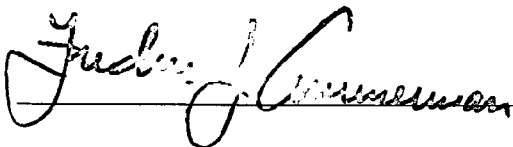
IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL DIVISION

ROBERT M. DAY, CAROL I.                    }  
DAY AND JOHN B. BRANDON                } NO. 07-2000-CD  
VS   }  
AMERICAN EXPLORATION                   }  
COMPANY AND SNYDER                      }  
ARMCLAR GAS COMPANY                    }

O R D E R

NOW, this 12th day of November, 2009, this being the date set for Argument on Defendant's Motion for Summary Judgment, following argument, it is the ORDER of this Court that counsel supply this Court with appropriate letter brief within Twenty (20) Days from this date.

BY THE COURT,

  
\_\_\_\_\_  
President Judge

William A. Shaw  
Prothonotary/Clerk of Courts

ICC Atty's.  
Grady  
Brandon  
Trainer  
Wagner  
Parker/Kender  
GR



2010

William A. Strick  
Probationary Clerk of Court

DATE: 11/13/09

\_\_\_\_ You are a Probationary Clerk of Court

X The Probationary Clerk of Court has been sworn to the following duties:

\_\_\_\_ Probationary Clerk of Court

\_\_\_\_ Probationary Clerk of Court

\_\_\_\_ Probationary Clerk of Court

\_\_\_\_ Probationary Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,  
Plaintiffs,

vs.

AMERICAN EXPLORATION COMPANY  
and SNYDER ARMCLAR GAS  
COMPANY,  
Defendant,

: CIVIL ACTION- (EQUITY)  
:  
: No. 07-2000-CD  
:  
: Type of Case: Quiet Title  
:  
: Type of Pleading: Praeipe to  
: Enter a Document to the Record  
:  
: Filed on behalf of: Plaintiffs  
:  
: Council of Record for the Party:  
: David A. Grady, Esquire  
: Supreme Court No. 201678  
: PO Box 220  
: 12 North Third Street  
: Reynoldsville, Pa. 15851  
: 814-653-8553

Dated: December 1, 2009

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William A. Shaw  
Prothonotary/Clerk of Courts

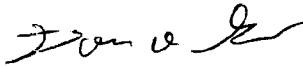
IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

PRAECIPE TO ENTER A DOCUMENT TO THE RECORD

To the Prothonotary:

Whereas the Court instructed the Plaintiff to make the attached map a part of the record.  
The Plaintiffs request that attached map be made a part of the record of the above captioned case.

  
\_\_\_\_\_  
David A. Grady  
Attorney for Plaintiffs

Lick

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	
vs. :	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY :	Type of Pleading: Certificate of Service
and SNYDER ARMCLAR GAS COMPANY, :	Filed on behalf of: Plaintiffs
Defendant, :	
:	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: December 1, 2009

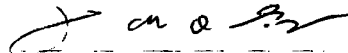
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William A. Shaw  
Prothonotary/Clerk of Court

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on December 1, 2009 a copy of the Plaintiff's Praecipe to Enter a Document to the Record in the above referenced case was sent by United States Mail to Thomas G. Wagner, Esquire, attorney for American Exploration Company, at 115 Lafayette Street, St. Marys, PA 15857, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.



David A Grady  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON, :	No. 07-2000-CD
Plaintiffs, :	
vs. :	Type of Case: Quiet Title
AMERICAN EXPLORATION COMPANY :	Type of Pleading: Certificate of Service
and SNYDER ARMCLAR GAS COMPANY, :	Filed on behalf of: Plaintiffs
Defendant, :	
:	Council of Record for the Party:
:	David A. Grady, Esquire
:	Supreme Court No. 201678
:	PO Box 220
:	12 North Third Street
:	Reynoldsville, Pa. 15851
:	814-653-8553

Dated: December 1, 2009

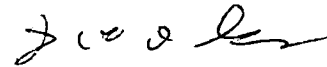
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William A. Shaw  
Prothonotary/Clerk of Court  
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Grady

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

ROBERT M. DAY, CAROL I. DAY and JOHN :	CIVIL ACTION- (EQUITY)
B. BRANDON,	:
Plaintiffs,	:
	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	
and SNYDER ARMCLAR GAS COMPANY,	
Defendant,	

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Pennsylvania Civil Rules of Procedure, on December 1, 2009 a copy of the Plaintiff's Memorandum of Law in the above referenced case was sent by United States Mail to Thomas G. Wagner, Esquire, attorney for American Exploration Company, at 115 Lafayette Street, St. Marys, PA 15857, and Nathaniel Parker, Esquire, attorney for Snyder Armclar Gas Company, at P.O. Box 667 Clarion, PA 16214.



David A Grady  
Attorney for Plaintiffs



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

ROBERT M. DAY, CAROL I. DAY and :  
JOHN B. BRANDON, :

Plaintiffs, :

vs. :

AMERICAN EXPLORATION COMPANY :  
and SNYDER ARMCLAR GAS COMPANY, :

Defendants. :

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

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2009  
William A. Shaw  
Prothonotary/Clerk of Court  
No CC

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing ***“Brief in Support of Defendants’ Motion for Summary Judgment”*** was sent to the persons and in the manner indicated below, on December 2, 2009, as follows:

**U.S. First Class Mail**

**Counsel for Plaintiffs:**

David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**Hand Delivery**

**Court Administrator:**

Mr. Daniel Nelson  
Court Administrator’s Office  
Clearfield County Court House  
230 E. Market Street  
Clearfield, PA 16830

**U.S. First Class Mail**

**Counsel for American Exploration Company:**

C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**U.S. First Class Mail**

**Additional Counsel for American  
Exploration Company:**

Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By



NATHANIEL PARKER, ESQ.

CA

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

ROBERT M. DAY, CAROL I. DAY and  
JOHN B. BRANDON,

Plaintiffs

vs.

AMERICAN EXPLORATION  
COMPANY and SNYDER ARMCLAR  
GAS COMPANY,

Defendants

NO. 07-2000-CD

FILED

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William A. Shaw  
Prothonotary/Clerk of Courts

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Wagner  
Parker/Lander  
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ICC Law Library  
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OPINION

Plaintiffs, Robert M. Day, Carol I. Day and John B. Brandon, (hereinafter "Plaintiffs"), initiated this action to Quiet Title on December 7, 2007. On October 8, 2009, Defendants, American Exploration Company and Snyder Armclar Gas Company, (hereinafter "Defendants"), filed a Motion for Summary Judgment. Argument on said Motion was held on November 12, 2009 and each party submitted briefs, which were timely received. The matter is now ripe for decision.

Summary judgment should be granted only in cases where the right is clear and free of doubt. *Swords v. Harleysville Ins. Companies*, 584 Pa. 382, 883 A.2d 562 (2005); *401 Fourth Street, Inc. v. Investors Ins. Group*, 583 Pa. 445, 879 A.2d 166 (2005); *Fine v. Checcio*, 582 Pa. 253, 870 A.2d 850 (2005); *Lackner v. Glosser*, 892 A.2d 21 (Pa. Super. Ct. 2006). "After the relevant pleadings are closed, but within such time as not to unreasonably delay trial, any party may move for summary judgment in whole or in part as a matter of law:

- (1) whenever there is no genuine issue of any material fact as to a necessary element of the cause of action or defense which could be established by additional discovery or expert report, or

- (2) if, after the completion of discovery relevant to the motion, including the production of expert reports, an 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.”

PA. R.C.P. § 1035.2. On considering a motion for summary judgment, the court must examine the record in a light most favorable to the non-moving party and resolve all doubts against the moving party when determining if there is a genuine issue of material fact. *Chada v. Chada*, 756 A.2d 39 (Pa. Super. Ct. 2000).

The law will not imply a different contract than that which the parties have expressly adopted. To imply covenants on matters specifically addressed in the contract itself would violate this doctrine. *Hutchinson v. Sunbeam Coal Corp.*, 513 Pa. 192, 198, 519 A.2d 385, 3888 (1986). The rule in regard to contracts is that, where the parties have expressly agreed on what shall be done, there is no room for the implication of anything not so stipulated for, and this rule is equally applicable to oil and gas leases as to any other contracts. *Jacobs v. CNG Transmission Co.*, 565 Pa. 228, 242, 772 A.2d 445, 453 (2001). When the parties “**have not expressly agreed**” on what shall be done, there is an implied obligation on the lessee to proceed with the exploration and development of the land with reasonable diligence, according to the usual course of the business, and a failure to do so amounts to an abandonment which will sustain a re-entry by the lessor.” *Id.* at 242, 453-54 (citing *Aye v. Philadelphia*, 193 Pa. 451, 455-56, 44 A. 555, 555-56 (1899))(emphasis added).

In the present matter, Plaintiffs seek to quiet title to land based on the existence of an implied covenant to develop and produce oil or gas, arguing that Defendants have failed to

develop the land that is the subject of the June 12, 1955 Lease, and Defendants' alleged failure operates to terminate the obligations under the Lease. The Court finds that any such implied covenant is not applicable in this case because the parties (or their predecessors in title) had previously expressly agreed what shall be done in regards to the land in question.

Paragraph 3 of the Lease defines the Lease term as extending the primary term (10 years) for "as long thereafter as the above described land, or *any portion thereof*, or any other land pooled or unitized therewith as provided in paragraph 4 thereof, is operated by the Lessee in the search for or production of oil or gas or as long as is being stored, held in storage, or withdrawn from the premises by Lessee." (emphasis added). Further, paragraph 5 of the Lease specifically provides that "Lessee may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege." Also, the Court notes that paragraph 12 of the Lease signals that the Lease is a complete integrated document.

The Court finds that Plaintiffs' cause of action fails and Defendants should be granted Summary Judgment, because under the terms of the Lease (paragraph 3) the Lease remains in full force and effect if "any portion thereof" is being operated for the production of oil or gas. Plaintiffs' admit that oil and gas is being produced from multiple portions (no less than five (5) producing wells) of the leased premises, and therefore pursuant to the terms of the Lease, it shall remain in full force and effect as to the entire leased premises. The Court will not upset the express terms of the Lease.

The Court also notes that there exists no language in the Lease which limits the application of paragraph 3 to less than the whole Lease, or limits the acreage retained by producing wells, or requires any certain drilling requirements on Defendants. As stated prior,

paragraph 5 of the Lease expressly provides that Defendants "may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid and to be paid constitute adequate compensation for such privilege." The unambiguous language of the Lease precludes the Court from implying a duty on Defendants to further develop and drill wells on the leased premises.

Accordingly, the Court finds that the Defendants' have met their burden of proof and are entitled to Summary Judgment in this matter because by the express terms of the Lease the Court is precluded from implying any covenant to further develop the leased premises.

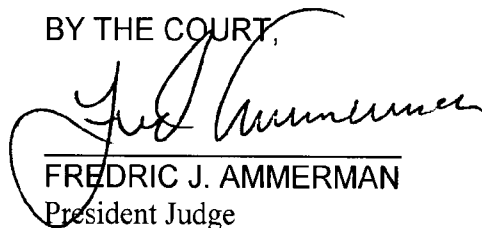
Therefore, Plaintiffs' action to quiet title based on an implied covenant fails and they are not entitled to relief sought. Having found that that the Defendants are entitled to the grant of Summary Judgment on those grounds, the Court will not address the Defendants' remaining grounds related to implied duties and subjective good faith standard of review for those duties.


**ORDER**

AND NOW, this 10<sup>th</sup> day of December 2009, upon consideration of the Parties' oral arguments and briefs, it is the ORDER of this Court as follows:

1. Defendants' Motion for Summary Judgment is hereby GRANTED.
2. Plaintiff's Action to Quiet Title is hereby DISMISSED.

BY THE COURT,

  
FREDRIC J. AMMERMAN  
President Judge



DEC 11 2009

**William A. Shaw**  
**Prothonotary/Clerk of Courts**

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WILLIAM A. GRECO  
Judge/Clerk of Court  
1 clerk TO  
ATTY

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

ROBERT M. DAY, CAROL I. DAY and :  
JOHN B. BRANDON, :

Plaintiffs, :

vs. :

AMERICAN EXPLORATION COMPANY :  
and SNYDER ARMCLAR GAS COMPANY, :

Defendants. :

Type of Case:  
Civil Action – Equity

**No.: 07-2000-CD**

Type of Pleading:

**PRAECIPE TO DISCONTINUE  
WITHOUT PREJUDICE  
DEFENDANT SNYDER  
ARMCLAR GAS COMPANY'S  
COUNTERCLAIM**

Filed on Behalf of Defendant Snyder  
Armclar Gas Company

Counsel of Record for Defendant Snyder  
Armclar Gas Company:

Al Lander, Esq.  
Pa. Id. # 25821

Nathaniel Parker, Esq.  
Pa. Id. # 90993

Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853  
Fax: (814) 226-4951

Dated: FEBRUARY 17, 2010

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

ROBERT M. DAY, CAROL I. DAY and :	:
JOHN B. BRANDON,	:
	:
Plaintiffs,	:
vs.	:
	:
AMERICAN EXPLORATION COMPANY :	:
and SNYDER ARMCLAR GAS COMPANY,	:
	:
Defendants.	:

Type of Case:  
Civil Action – Equity  
  
**No.: 07-2000-CD**

**PRAECIPE TO DISCONTINUE WITHOUT PREJUDICE  
DEFENDANT SNYDER ARMCLAR GAS COMPANY'S  
COUNTERCLAIM**

TO THE PROTHONOTARY:

Please discontinue without prejudice Defendant Snyder Armclar Gas Company's Counterclaim filed in the above-captioned action on November 17, 2008.

RESPECTFULLY SUBMITTED:

Dated: February 17, 2010



Al Lander, Esq.  
Pa. Id. # 25821

Nathaniel Parker, Esq.  
Pa. Id. # 90993

Counsel for Snyder Armclar Gas Company  
Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853  
Fax: (814) 226-4951



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

ROBERT M. DAY, CAROL I. DAY and : JOHN B. BRANDON, :  Plaintiffs, :  vs. :  AMERICAN EXPLORATION COMPANY : and SNYDER ARMCLAR GAS COMPANY, :  Defendants. :	Type of Case: Civil Action – Equity  <b>No.: 07-2000-CD</b>
---	--

**CERTIFICATE OF SERVICE**

I, Nathaniel Parker, Esq., hereby certify that a true and correct copy of the foregoing ***“Praeceptum to Discontinue Without Prejudice Defendant Snyder Armclar Gas Company’s Counterclaim”*** was sent to the persons and in the manner indicated below, on February 17, 2010, as follows:

**U.S. First Class Mail**  
**Counsel for Plaintiffs:**  
David A. Grady, Esq.  
Attorney at Law  
12 North Third Street  
P. O. Box 220  
Reynoldsville, PA 15851

**U.S. First Class Mail**  
**Counsel for American Exploration Company:**  
C. Warren Trainor, Esq.  
Ehmann, Van Denbergh & Trainor, P.C.  
Two Penn Center Plaza – Suite 220  
1500 John F. Kennedy Boulevard  
Philadelphia, PA 19102

**U.S. First Class Mail**  
**Additional Counsel for American  
Exploration Company:**  
Thomas G. Wagner, Esq.  
Meyer & Wagner  
115 Lafayette Street  
St. Marys, PA 15857

GRECO & LANDER, P.C.:

By   
NATHANIEL PARKER, ESQ.

AA  
Copy

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

ROBERT M. DAY, CAROL I.                    }  
DAY AND JOHN B. BRANDON                } NO. 07-2000-CD  
VS   }  
AMERICAN EXPLORATION                   }  
COMPANY AND SNYDER                      }  
ARMCLAR GAS COMPANY                    }

O R D E R

NOW, this 12th day of November, 2009, this being  
the date set for Argument on Defendant's Motion for  
Summary Judgment, following argument, it is the ORDER of  
this Court that counsel supply this Court with appropriate  
letter brief within Twenty (20) Days from this date.

BY THE COURT,

\_\_\_\_\_  
President Judge