

RECORD BOOK PAGE

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WARREN COUNTY, PA.

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COUNTY, PA. FEB. 9. 2005

OIL AND GAS LEASE

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MADE AND EXECUTED Dec 20th, 2004, by and between JOHN A.

COCHRAN, individually and as Trustee of the JOHN A. COCHRAN TRUST

ESTABLISHED MAY 5, 1998, of Baltimore City, Maryland ("Lessor"), and

PENNSYLVANIA ROCK OIL COMPANY, INC., a corporation having offices in
Warren, Warren County, Pennsylvania ("Lessee").WITNESSETH THAT LESSOR AND LESSEE ENTER INTO THE
FOLLOWING OIL AND GAS LEASE ("Lease"):

1. Lessor, for and in consideration of the sum of one dollar (\$1.00), in hand paid by Lessee, and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements herein contained, does hereby grant, demise, lease and let exclusively unto Lessee, to a depth of 3,000 feet below the surface, various oil and gas interests owned by Lessor in lands hereinafter described for the purposes of exploring, drilling and operating for, producing, removing and marketing oil and gas, or either of them, and/or their constituents, together with all rights now held by Lessor to enter into, in, on and upon said lands for the aforesaid purposes, and with all rights now held by Lessor to possess, use and occupy portions of said lands as may be necessary or convenient for the aforesaid purposes, and to install and maintain lines to transport oil, gas, water and electricity from, to over and across said lands ("the leased premises"), being:

All those parcels of land located in Sheffield Township, Warren County,
Pennsylvania, described as follows:

RECORDED

1439 0299

(a) Lot 408, except for 20 acres, whether overlapping or not, around each of four wells drilled by North Coast Energy, Inc.

(b) Lot 437, except for 20 acres, whether overlapping or not, around each of thirteen wells drilled by North Coast Energy, Inc., and except for 20 acres around Well No. KC-4.

(c) Part of Lot 7, 157.4 acres, bounded on the north by the Stewart Tract, bounded on the east by the South Branch of the Tionesta Creek, bounded on the south by Lot 14 (Howe Township, Forest County, Pennsylvania), and bounded on the west by the Davis Tract.

2. Subject to all other provisions herein contained, this Lease shall remain in force pursuant to paragraph 4 below, provided, however, that if at the termination of this lease, there is a well on the leased premises being drilled, deepened, reworked or plugged back in search of production, then this Lease shall continue in force for so long as drilling, deepening, reworking or plugging back is carried on with reasonable diligence and so much longer and in the manner and to the extent provided by paragraph 4 below.

3. In consideration of the premises, Lessee covenants and agrees as follows:

(a) Relative to Lot 7, to deliver to the credit of Lessor in tanks or pipelines, as royalty, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the premises; and to pay to Lessor, as royalty, free of cost, for the gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the market value of gas so marketed and used.

RECORD PAGE

1439 0300

HARRISBURG, PA.

(b) Relative to Lots 408 and 437, to pay to Lessor a one-sixteenth (1/16)

overriding royalty on all oil produced and saved from the premises, and to pay Lessor, as royalty, free of cost, for the gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the market value of gas so marketed and used.

As used in subparagraphs (a) and (b) above, the term "market value of gas so marketed and used" shall mean the wellhead price which Lessee receives from time to time in actual arms' length sales of the gas to unrelated parties. In the event Lessee disposes of gas produced from any well on the leased premises in a manner other than in an arms' length sale of the gas to an unrelated parties, the term "market value of gas so marketed and used" shall mean the wellhead price prevailing in the region where the premises are located for arms' length sales of gas between unrelated producers and purchasers.

4. For purposes of this paragraph, the first anniversary date of this Lease shall be JAN. 15th 2005. Each anniversary thereafter shall be JAN. 15th. Lessee covenants and agrees to complete at least four (4) wells as dry holes or producers prior to the first anniversary date of this Lease, at least one of which shall be on Lot 7. Thereafter, Lessee covenants and agrees to complete an additional four (4) wells as dry holes or producers during each additional lease year (defined as the one-year period between successive anniversary dates) to be completed by the anniversary date at which that lease year ends. Lessee's obligation set forth in the preceding sentence shall continue in force until Lots 408 and 437 are fully developed. If as of any anniversary date Lessee shall not have completed the number of wells specified herein for the lease

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year ending on that anniversary date, this Lease shall thereupon terminate; provided, however, that Lessee shall be entitled to retain pursuant to the provisions hereof 20 acres in square form (sides running north-south and east-west) around any well drilled by Lessee pursuant to this Lease (or recompleted by Lessee pursuant to paragraph 6 below) capable of producing oil and/or gas and/or their constituents in paying quantities. Notwithstanding the foregoing sentence, if Lessee has failed to complete the required number of wells in a lease year, Lessee may, one time only, extend the term of this Lease for one year by payment of a delay rental in the amount of one thousand dollars (\$1,000.00), payable on the anniversary date on which the particular lease year ends. Any well drilled and completed (or recompleted pursuant to paragraph 6 below) in any lease year in excess of the number required for that lease year may be carried forward by Lessee and applied to its completion requirement for the subsequent lease year.

5. All rental and royalty due Lessor hereunder shall be deducted by the purchaser of the oil and/or gas, and remitted to Lessor by first class mail directed to Lessor at 5614 St. Albans Way, Baltimore, MD 21212.

6. Lessor does not grant, demise, lease or let, but rather remises, releases and quitclaims to Lessee, all of Lessor's right, title and interest, in and to any and all wells and well equipment (including, but not limited to, drilling equipment, casing, tubing, rods, well heads, lines, tanks, valves and regulators) presently on, in and/or under the leased premises; provided, however, that by entering into this Lease, Lessee expressly undertakes and assumes all duties and obligations set forth in, and agrees to comply with, any and all statutes, rules, regulations, orders and directives of any government, governmental agency, entity or authority, pertaining to such wells and equipment, and

RECORD BOOK PAGE

1439 0302

MAY 1, 1964

specifically any and all duties and obligations to maintain the integrity of and to seal and plug the wells. In the event Lessee obtains production from any such well, such production shall be subject to all obligations to Lessor set forth in this Lease, including payment of royalties thereon. The successful recompletion of any such well by means of hydraulic fracturing as a producer of oil and/or gas in paying quantities shall be considered the drilling of a well for purposes of paragraph 4 of this Lease. Two unsuccessful attempts to recomplete any such wells by means of hydraulic fracturing shall be considered the drilling of a single well for purposes of the provisions of paragraph 4.

7. All equipment placed upon the leased premises by Lessee pursuant to this Lease shall remain the property of Lessee, and Lessee shall, within six (6) months after termination of this Lease or abandonment of producing properties operated hereunder, remove any and all equipment and structures from the leased premises.

8. Lessee expressly undertakes and assumes all duties and obligations set forth in, and agrees to comply with, any and all statutes, rules, regulations, orders and directives of any government, governmental agency, entity or authority, pertaining to this Lease or any act or omission of Lessee upon or related to the leased premises. During or after Lessee's operations under this Lease, should it appear or be determined that the plugging of a well which took place prior to the date of this Lease, or during the term of this Lease, has become, or is inadequate or improper, Lessee agrees, at its sole expense, to remedy such deficiency in accordance with applicable statutes, rules, regulations, orders and directives. In addition, Lessee assumes responsibility for the plugging of all open holes on the leased premises, whether presently existing or drilled during the term of this Lease

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DECEMBER 11, 1960

or any extension thereof. Further, no termination, abandonment, surrender or forfeiture of this Lease shall relieve Lessee of any duty, obligation, covenant or undertaking set forth in paragraphs 6, 8 or 9 of this Lease.

9. Lessee shall pay for any and all damages caused by Lessee and/or its agents, servants, employees, subcontractors and suppliers, and the representatives, agents and employees of any of them, and shall indemnify Lessor and hold Lessor harmless of, from and against any claim, loss, injury or damage of any nature caused by or resulting from any act or omission of Lessee and/or its agents, servants, employees, subcontractors and suppliers, and the representatives, agents and employees of any of them. Lessor shall be named as additional insured on Lessee's liability and property damage insurance policies, and Lessee shall furnish Lessor proof of same. Lessee shall at all times comply with Workers' Compensation and Occupational Disease Laws of the Commonwealth of Pennsylvania and maintain insurance with regard to all liabilities under such laws.

10. Lessee shall at all times permit Lessor access to the leased premises, and will, upon Lessor's request, inform Lessor of all operations under this Lease, including, but not limited to, furnishing Lessor with copies of all well location surveys, well logs, completion data, production data and plugging records.

11. In the event any well drilled by Lessee hereunder is capable of production, and is shut in for any reason by Lessee, Lessee agrees to pay Lessor a well rental in lieu of royalty in the amount of \$1,000.00 for each such well so shut in for more than 120 days of any calendar year. The \$1,000.00 payment shall be in addition to any production royalty paid in that calendar year, and such payment shall be made immediately after the

RECORDED PAGE

1439 0304

MONTGOMERY, PA.

120th shut in day each such year. If the wellhead price posted by the purchaser of crude oil for wells drilled by Lessee hereunder falls below 20 per barrel, Lessee shall shut in such wells for so long as the posted price is below 20 per barrel, without being subject to this paragraph 11. This paragraph shall not apply to wells drilled on the leased premises prior to the date of this Lease unless Lessee recompletes any such well by hydraulic fracturing.

12. No change in the ownership of the oil and gas or assignment of rentals or royalties shall be binding on Lessee until after Lessee has been furnished with a written notice thereof and a certified copy of the deed of conveyance or other documents as proof to enable Lessee to identify the interest conveyed or assigned as being all or part of the leased premises, and Lessee shall then apportion all payments hereunder, in case of any division, in accordance with the conveyance, assignment or other document. The privilege of conveyance or assignment in whole or in part is expressly allowed Lessor. Neither Lessee, nor any assignee of Lessee, nor any subsequent holder of an interest of Lessee under this Lease, may assign this Lease in whole or in part, nor enter into any sublease, without the prior express written consent of Lessor. Further, Lessee shall be the operator of all wells drilled or reentered pursuant to this Lease. No change of operator shall be permitted under this Lease without the prior express written consent of Lessor.

13. Lessor agrees that: (a) Lessee shall have the privilege of using sufficient oil and gas from the leased premises to conduct operations hereunder, and (b) provided Lessee is not in default under any provision of this Lease, Lessee shall, upon the payment of one dollar (\$1.00) and all amounts then due hereunder, have at any time the right to surrender this Lease or any portion thereof by written notice to Lessor and by placing the

1439 0305

surrender document on record in the Office of the Recorder of Deeds of all counties in which the leased premises are located; provided, however, that no surrender or attempt to surrender this Lease shall relieve Lessee of its duties and obligations set forth in paragraphs 6, 8 and 9 of this Lease.

14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing of Lessee's breaches of such obligations. Lessee shall then have thirty (30) days after receipt of such notice to cure or commence to cure all of the breaches alleged by Lessor, which actions must be prosecuted and completed with diligence. The service of such notice shall be a condition precedent to the bringing of any action by Lessor pursuant to this Lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice upon Lessee. Neither the service of such notice nor the doing of any acts by Lessee intended to cure alleged breaches shall create any admission or presumption that Lessee has failed to perform all its obligations hereunder.

15. This Lease shall be binding upon, and the benefits hereof shall inure to, Lessor and Lessee and their heirs, executors, administrators, successors and assigns subject only to the limitations set forth in paragraph 12 of this Lease.

RECORD DATE

1439 0306

HARRISBURG, PA.

INTENDING TO BE LEGALLY BOUND, Lessor and Lessee have executed this
Oil and Gas Lease this day and year first above written.

John A. Cochran
John A. Cochran, Individually

John A. Cochran
John A. Cochran, Trustee of the John A.
Cochran Trust Established May 5, 1998

PENNSYLVANIA ROCK OIL
COMPANY, INC.

BY *[Signature]*

RECORDED PAGE

1439 0307

WARREN COUNTY, PA.

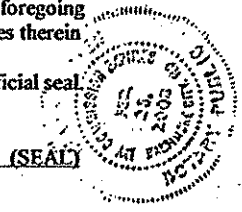
STATE OF MARYLAND :

COUNTY OF Baltimore

On this, the 14th day of December, 2004, before me, the undersigned officer, personally appeared JOHN A. COCHRAN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same for the purposes therein contained.

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

[Handwritten Signature]
Notary Public



JENNY OUTEN
Notary Public, Baltimore City, Maryland
My Commission Expires February 25, 2006

STATE OF PENNSYLVANIA :

COUNTY OF WARREN

On this, the 20th day of December, 2004, before me, the undersigned officer, personally appeared Richard A. Olson, who acknowledged himself to be the President of Pennsylvania Rock Oil Company, Inc., 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 have hereunto set my hand and official seal.

[Handwritten Signature]
Notary Public

Notarial Seal
Karen L. Sobkowski, Notary Public
City of Warren, Warren County
My Commission Expires June 10, 2005
Member, Pennsylvania Association of Notaries



REGISTERED, SHARPER SECURITY, SEE THIS INSTRUMENT RECORDED ON THE LOW AND USE AND IN TIME... SET FORTH UNDER THE PROVISIONS WITHIN BY THESE ACTS OF THE COMMONWEALTH OF PENNSYLVANIA.
Jeri A. Bumbel

