



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

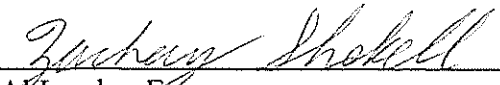
PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION, BUREAU OF	:	
INVESTIGATION AND ENFORCEMENT,	:	
	:	Docket No. C-2014-2411284
Complainant,	:	
	:	
vs.	:	
	:	
BURGLY GAS & OIL: and/or in the alternative,	:	
BURGLY GAS & OIL, INC.; and/or in the	:	
alternative BURGLY DRILLING, INC.	:	
	:	
Respondent.	:	

**NOTICE TO PLEAD**

**TO: PENNSYLVANIA PUBLIC UTILITY COMMISSION, BUREAU OF  
INVESTIGATION AND ENFORCEMENT**

You are hereby notified to file a written response to the enclosed Preliminary Objections within **ten (10) days** from service hereof or a judgment may be entered against you.

Date: 5-23-14

  
\_\_\_\_\_  
M Lander, Esq.  
Pa. Id. # 25821  
Zachary R. Shekell, Esq.  
Pa. Id. # 308785  
Law Offices of Greco & Lander, P.C.  
1390 East Main Street, Suite 2  
P. O. Box 667  
Clarion, PA 16214  
(814) 226-6853

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION, BUREAU OF	:	
INVESTIGATION AND ENFORCEMENT,	:	
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Respondent.	:	

**RESPONDENT’S PRELIMINARY OBJECTIONS  
TO AMENDED COMPLAINT**

AND NOW, comes the Respondent, Burgly Gas & Oil Company, Inc. by and through its undersigned legal counsel, the Law Offices of Greco & Lander, P.C., and hereby files the within Preliminary Objections to the Complainant’s Amended Complaint, averring in support thereof as follows:

**History**

1. On March 17, 2014, the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (hereafter, the “Commission”) filed a formal Complaint against Respondent Burgly Oil and Gas Company, Inc. alleging numerous gas pipeline safety violations pursuant to the Public Utility Code. Respondent filed preliminary objections to the Commission’s Complaint and on May 5, 2014, the Commission filed an Amended Complaint.

2. For alleged continuous violations of the Public Utility Code since 1970, the PUC has requested Respondent pay the maximum allowable civil penalty for continuing gas pipeline safety violations in the amount of two million dollars (\$2,000,000.00).

3. The basis of the action against Respondent is a single gas well (hereafter, "Well") and production pipeline (hereafter, "Pipeline") located at 637 Eden Park Boulevard, McKeesport, Pennsylvania.

4. Burgly Gas & Oil Company Inc. (hereafter "Burgly") became a registered Pennsylvania corporation in 1982.

5. The Pipeline at issue is a 4-inch diameter SDR-7 plastic pipe. It starts at the referenced gas well and stretches approximately 6,643 feet to Christy Park Industries (hereafter, "CPI").

6. The Pipeline is part of the process of operating the gas well for the benefit of CPI with production equipment located on the Pipeline at CPI.

7. Burgly has owned and operated the Well and pipeline since May 28, 1998. A Ratification between Apollo Gas Company, Now Peoples Gas, confirming Burgly's ownership of the Well and Pipeline is recorded in the Allegheny County Recorder's Office at Deed Book Volume 10241 at Page 518 and herein attached as Exhibit "A".

8. 100% of the gas produced from the Well is used by CPI. The Pipeline is not in use at this time and no gas from the well is being used by CPI pending the resolution of this case. CPI is purchasing replacement gas from Peoples Gas at a much higher price which will place the CPI plant at a competitive disadvantage and put jobs at risk.

### **Preliminary Objection I – Lack of Commission Jurisdiction**

9. Respondent incorporates by reference ¶¶1-8 hereinabove, the same as if set forth herein in their entirety.

10. Pursuant to 52 Pa. Code 5.101, a party may file preliminary objections on the grounds that the Pennsylvania Public Utility Commission lacks jurisdiction.

11. Pursuant to section 501 of the Public Utility Code, 66 Pa. C.S. § 501, the Commission is authorized to execute and enforce provisions of the Public Utility Code.

12. Section 701 of the Public Utility Code, 66 Pa. C.S. § 701, authorizes the Commission to hear and determine complaints against public utilities.

13. Section 3301(c) of the Public Utility Code, 66 Pa. C.S. § 3301(c), states that,

Any person or corporation, defined as a public utility in this part, who violates any provisions of this part governing the safety of pipeline or conduit facilities in the transportation of natural gas, flammable gas, or gas which is toxic or corrosive, or of any regulation or order issued thereunder, shall be subject to a civil penalty of not to exceed \$200,000 for each violation for each day that the violation persists, except that the maximum civil penalty shall not exceed \$2,000,000 for any related series of violations, or subject to a penalty provided under Federal pipeline safety laws, whichever is greater.

14. Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, defines a public utility as,

(1) Any person or corporations now or hereafter owning or operating in this Commonwealth equipment or facilities for:

v. Transporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or oxygen or nitrogen, or other fluid substance, by pipeline or conduit, for the public for compensation.

(2) The term does not include:

vi. Any producer of natural gas not engaged in distributing such gas directly to the public for compensation.

15. The Federal Regulations cited do not apply to pipelines used in the production of gas.

16. The Pipeline is a production line and not regulated under the Federal Regulations.

17. Burgly is not a public utility as defined by section 102 of the Public Utility Code.

18. The Pennsylvania Supreme Court has clearly stated that a single end user is not the “public” within the meaning of Public Utility Code section 66 Pa. C.S. § 102. *Bethlehem Steel Corp. v. Pennsylvania Public Utility Commission*, 552 Pa. 134 (1998).

19. Counts 1-1,095 of the Commission’s Complaint allege a violation of Section 1101 of the Public Utility Code.

20. Counts 1,096-2,190 of the Commission’s Amended Complaint allege a violation of Pennsylvania Utility Regulations 52 Pa. Code § 59.33.

21. Counts 2,191-3,285 of the Commission’s Amended Complaint allege a violation of Section 59.33 of the Public Utility Code.

22. Counts 3,286-4,380 of the Commission’s Amended Complaint allege a violation of Section 59.33 of the Public Utility Code.

23. Counts 4,381-4,631 of the Commission’s Amended Complaint allege a violation of Pennsylvania Utility Regulations 52 Pa. Code § 59.11.

24. All 5,368 counts of the Commission’s Amended Complaint allege continuing violations since approximately 1970 pursuant to Section 3301(b) of the Public Utility Code.

25. Burgly did not own the Well or the Pipeline until May 28, 1998 and therefore has no liability for ownership or operation prior thereto.

26. Burgly owns and operates a single well at 637 Eden Park Boulevard, McKeesport, Pennsylvania.

27. A single pipeline, approximately 4-inches in diameter, runs from the Well into Christy Park Industries, located at 2214 Walnut Street, McKeesport, Pennsylvania.

28. The Pipeline is approximately 6,643 feet in length.

29. By agreement, Burgly sells gas directly to a single consumer, CPI.

30. Production operations are conducted from the well, through the pipeline and continue at the CPI plant.

31. Burgly does not hold itself out to the public as a gas distribution company.

32. Burgly sold natural gas to a single end user, and therefore was not a public utility as defined by 102 of the Public Utility Code. 66 Pa. C.S. § 102.

*WHEREFORE*, the Commission lacks jurisdiction over Respondent, Burgly Oil and Gas Company, Inc. and the Amended Complaint should be dismissed.

### **Preliminary Objection II – Insufficient Specificity of Pleading**

33. Respondent incorporates by reference ¶¶1-32 hereinabove, the same as if set forth herein in their entirety.

34. Pursuant to 52 Pa. Code 5.101(a)(3), a party may file preliminary objections based on insufficient specificity of a pleading.

35. Paragraph 7 of the Commission’s Amended Complaint alleges Burgly is a “public utility”, as the term is defined in 66 Pa. C.S. § 102.

36. Paragraph 7 of the Commission’s Amended Complaint alleges Burgly “engaged in providing public utility service as a natural gas distribution company to the public for compensation.”

37. The Commission’s Amended Complaint alleges Burgly, through a single well and single pipeline, supplies natural gas for compensation to Christy Park Industries.

38. The Pennsylvania Supreme Court has clearly stated that a single end user is not the “public” within the meaning of Public Utility Code section 66 Pa. C.S. § 102. *Bethlehem Steel Corp. v. Pennsylvania Public Utility Commission*, 552 Pa. 134 (1998).

39. In order to prosecute violations of the Public Utility Code, the Commission is required to prove that Burgly is a public utility under 66 Pa. C.S. § 102.

40. The Commission's Amended Complaint only names one company (CPI) that Burgly supplies with natural gas.

41. The Commission fails to specify additional facts supporting the claim that Burgly "engaged in providing public utility service as a natural gas distribution company to the public for compensation."

42. Without additional facts specifically stating how Burgly meets the definition of a "public utility" and what other public entities Burgly distributes natural gas to, Burgly lacks sufficient facts to defend the Amended Complaint.

*WHEREFORE*, Respondent, Burgly respectfully requests that the Commission's Amended Complaint against Respondent be dismissed.

### **Preliminary Objection III – Insufficient Specificity of Pleading**

43. Respondent incorporates by reference ¶¶1-42 hereinabove, the same as if set forth herein in their entirety.

44. The Commission's Amended Complaint fails to state how the Federal Regulations apply to the Pipeline.

45. The Commission's Amended Complaint fails to state the Pipeline is of the type regulated by the Federal Regulations.

46. The Commission's Amended Complaint fails to state facts supporting a claim that the Pipeline is a gathering or transmission line.

47. The Commission does not have authority over violations of Federal Regulations committed prior to 2012.
48. The Commission's Amended Complaint fails to state what violations and penalties are directly related to the Federal Regulations.
49. Without specifically alleging how the Federal Regulations apply to the Pipeline and for what days the violations are alleged against Burgly, Burgly lacks sufficient facts to defend the Amended Complaint.

*WHEREFORE*, Respondent, Burgly respectfully requests that the Commission's Amended Complaint against Respondent be dismissed.

#### **Preliminary Objection IV – Legal Insufficiency of Pleading**

50. Respondent incorporates by reference ¶¶1-49 hereinabove, the same as if set forth herein in their entirety.
51. Pursuant to 52 Pa. Code 5.101(a)(4), a party may file preliminary objections based on legal insufficiency of a pleading.
52. Paragraph 5 of the Commission's Amended Complaint alleges Burgly is a "public utility", as the term is defined in 66 Pa. C.S. § 102.
53. The Commission's Amended Complaint alleges Burgly, through a single well and single pipeline, supplies natural gas for compensation to CPI.
54. The Pennsylvania Supreme Court has clearly stated that a single end user is not the "public" within the meaning of public utility code section 66 Pa. C.S. § 102. *Bethlehem Steel Corp. v. Pennsylvania Public Utility Commission*, 552 Pa. 134 (1998).
55. The Federal Regulations do not apply to the production of natural gas.

56. Each count in the Commission's Amended Complaint requires proof that Burgly is a public utility under 66 Pa. C.S. § 102.
57. The Commission's Amended Complaint only names one private company that Burgly supplied with natural gas.
58. The Commission's Amended Complaint fails to state facts sufficient to sustain a claim that Burgly is a public utility.

*WHEREFORE*, Respondent, Burgly respectfully requests that the Commission's Amended Complaint against Respondent be dismissed.

**Preliminary Objection V – Legal Insufficiency of Pleading**

59. Respondent incorporates by reference ¶¶1-58 hereinabove, the same as if set forth herein in their entirety.
60. The Commission's Amended Complaint fails to allege the Pipeline is of the type regulated under the Federal Regulations.
61. The Pipeline is a production line used in the production of natural gas and not regulated under the Federal Regulations.
62. The Commission's Amended Complaint fails to state facts sufficient for sustaining a cause of action pursuant to the Federal violations alleged.

*WHEREFORE*, Respondent, Burgly respectfully requests that the Commission's Amended Complaint against Respondent be dismissed.

Respectfully Submitted:

Date: 5-23-14

  
\_\_\_\_\_

Al Lander, Esq.

Pa. Id. # 25821

Zachary R. Shekell, Esq.

Pa. Id. # 308785

Law Offices of Greco & Lander, P.C

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Clarion, PA 16214

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION, BUREAU OF	:	
INVESTIGATION AND ENFORCEMENT,	:	
	:	Docket No. C-2014-2411284
Complainant,	:	
	:	
vs.	:	
	:	
BURGLY GAS & OIL: and/or in the alternative,	:	
BURGLY GAS & OIL, INC.; and/or in the	:	
alternative BURGLY DRILLING, INC.	:	
	:	
Respondent.	:	

**ORDER**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2014, upon consideration of Respondent's Preliminary Objections to Complainant's Complaint, which raise issues of fact pursuant to Pa.R.C.P. 1028, it is ORDERED as follows:

1. A hearing concerning such Preliminary Objections and the factual issues raised thereby is hereby scheduled for \_\_\_\_\_, \_\_\_\_\_, 2014, at \_\_\_\_\_ .m. in Room No. \_\_\_\_\_ of the \_\_\_\_\_.

2. Notice of the entry of this Order shall be served by

BY THE COURT:

\_\_\_\_\_  
J.



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION, BUREAU OF	:	
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	:	Docket No. C-2014-2411284
Complainant,	:	
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vs.	:	
	:	
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BURGLY GAS & OIL, INC.; and/or in the	:	
alternative BURGLY DRILLING, INC.	:	
	:	
Respondent.	:	

**CERTIFICATE OF SERVICE**

I, Zachary R. Shekell, Esq. hereby certify that a true and correct copy of the foregoing *“Respondent’s Preliminary Objections to Complainant’s Amended Complaint”* was e-filed on May 23, 2014. A true and correct copy was also sent by U. S. first-class mail, postage prepaid, on May 23, 2014 to other parties and counsel of record addressed as follows:

Wayne T. Scott, First Deputy Chief Prosecutor  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Scott B. Granger  
Pennsylvania Public Utility Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Heidi Wushinske  
Pennsylvania Public Utility Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265

GRECO & LANDER, P.C.:

By: Zachary Shekell  
ZACHARY R. SHEKELL, ESQ.

**DEED, ASSIGNMENT & BILL OF SALE  
RATIFICATION AND RESTATEMENT OF AGREEMENTS  
DATED JULY 5, 1966**

Made this 8<sup>th</sup> day of June, 1998, by and between Carnegie Natural Gas Company, a Pennsylvania corporation, with offices at 800 Regis Avenue, Pittsburgh, PA 15236 (hereinafter referred to as "Carnegie or Grantor"),

A  
N  
D

Burgly Gas & Oil Company, Inc., a Pennsylvania corporation, with offices at P.O. Box 249, Apollo, PA 15613 (hereinafter referred to as "Burgly or Grantee").

WITNESSETH:

WHEREAS, by deed dated July 5, 1966, Carnegie conveyed to Burgly Drilling, Inc. certain oil and gas rights located on, in and under four parcels of land located in the City of McKeesport, Allegheny County, Pennsylvania ("Oil and Gas Rights"), a copy of the deed being attached hereto, made a part hereof and marked Exhibit A; and

WHEREAS, by Assignment and Bill of Sale dated July 5, 1966, Carnegie conveyed to Burgly Drilling, Inc. certain pipelines, gas wells, leases, etc., appurtenant to the Oil and Gas Rights ("Well Facilities"), a copy of which is attached hereto, made a part hereof and marked Exhibit B; and

WHEREAS, the Oil and Gas Rights were excepted and reserved by Carnegie in the deed of conveyance dated October 19, 1956, and recorded in Allegheny County Deed Book Volume 3649, Page 373; and

WHEREAS, the Oil and Gas Rights and Well Facilities were assigned by Burgly Drilling, Inc. to George A. Burgly, Jr. by Assignment dated the \_\_\_\_\_ day of June, 1972, a copy of which is attached hereto, made a part hereof and marked Exhibit C; and

WHEREAS, George A. Burgly, Jr. died September 15, 1991, and estate proceedings being filed with the Westmoreland County Register of Wills at Estate No. 65-91-1599, and his interest was devised and bequeathed to George E. Burgly by the Last Will and Testament of George A. Burgly, Jr.; and

WHEREAS, George E. Burgly assigned the Oil and Gas Rights and Well Facilities to Burgly Gas & Oil Company, Inc. by Assignment dated May 28, 1998, and being recorded in Allegheny County Record Book Volume 10217, Page 309; and

WHEREAS, the agreements attached hereto as Exhibits have not been recorded of record and this Ratification and Restatement is being executed for the purpose of recording the documents of record.

NOW, THEREFORE, in consideration of One Dollar (\$1.00), and other good and valuable consideration, unto it in hand paid by the Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor has remise, released, and quitclaimed and by these presents does remise, release and quitclaim unto the Grantee, its successors and assigns forever,

ALL those certain tracts or parcels of land situate in the City of McKeesport (formerly Township of Versailles and later Borough of Eden Park), County of Allegheny and Commonwealth of Pennsylvania, and the Well Facilities more fully set forth and described in Exhibit A and B attached hereto, made a part hereof, with the terms thereof being incorporated herein by this reference thereto, the same as if set forth herein in their entirety.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversions, remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever, as well in law, as in equity, of the said Grantor, of, in or to the above described premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD all and singular the above mentioned and described premises, together with the appurtenances, unto the said Grantee, its successors and assigns forever.

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**EXHIBIT "A"**

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

ATTEST:

K.F. Fanning  
Secretary

(CORPORATE SEAL)

GRANTOR:  
CARNEGIE NATURAL GAS COMPANY:

BY: Jack R. McClellan  
President

ATTEST:

Vale Blaker  
Secretary

(CORPORATE SEAL)

GRANTEE:  
BURGLY GAS & OIL COMPANY, INC.:

BY: Vernard L. Shumaker  
VERNARD L. SHUMAKER - President

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF Allegheny :

On this 8<sup>th</sup> day of June, 1998, before me, the undersigned officer, personally appeared JACK R. McClellan, who acknowledged himself to be President of CARNEGIE NATURAL GAS 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.

Mary Ann Iaconis (SEAL)  
NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF :

NOTARIAL SEAL  
MARY ANN IACONIS, Notary Public  
West Mifflin Borough, Allegheny County  
My Commission Expires May 25, 2000

On this 16 day of June, 1998, before me, the undersigned officer, personally appeared VERNARD L. SHUMAKER who acknowledged himself to be President of BURGLY GAS & OIL COMPANY, INC., 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.

Mary Ann Iaconis (SEAL)  
NOTARY PUBLIC  
My Commission Expires Oct. 30, 2000  
Member, Pennsylvania Association of Notaries

CERTIFICATE OF RESIDENCE

I, Al Lander, Esq., hereby certify that Grantee's present address is P.O. Box 249, Apollo, PA 15613.

Witness this 18<sup>th</sup> day of June, 1998.

Al Lander  
AL LANDER

# This Indenture

Made the 5th day of July in the year of our Lord, one thousand nine hundred and sixty six (1966).

Between CARNEGIE NATURAL GAS COMPANY, a Pennsylvania corporation, having a place of business in the Borough of Murhall, County of Allegheny, Commonwealth of Pennsylvania, party of the first part,

A  
H  
D

BURGLEY DRILLING, INC., a Pennsylvania corporation, having a place of business in the City of New Kensington, County of Westmoreland, Commonwealth of Pennsylvania, party of the second part;

Witnesseth, That the said party of the first part, for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable considerations ~~part~~ ~~remise, release, and quit-claim~~ unto it in hand paid by the said party of the second part, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has remise, released, and quit-claimed, and by these presents does remise, release, and quit-claim unto the said party of the second part, and to its successors and assigns, forever,

THOSE CERTAIN TRACTS OR PARCELS OF LAND situate in the City of McKeesport (formerly Township of Versailles and later Borough of Eden Park), County of Allegheny and Commonwealth of Pennsylvania, described as follows:

- #1: That certain tract of land described in deed dated May 15, 1931 from Frank L. Stewart et al., grantors, to Carnegie Natural Gas Company, grantee, recorded in Deed Book Vol. 2449, page 480, in the Office of the Recorder of Deeds of said County of Allegheny.

CONTAINING 0.227 acres, more or less.

EXHIBIT A

#2: That certain tract of land described in deed dated January 19, 1940 from Frank L. Stewart et al., grantors, to Carnegie Natural Gas Company, grantee, recorded in Deed Book Vol. 2642, page 675, in the Office of the Recorder of Deeds of said County of Allegheny.

CONTAINING 8.130 acres, more or less.

#3: That certain tract of land described in deed dated January 26, 1940 from William S. Eakin et ux., grantors, to Carnegie Natural Gas Company, grantee, recorded in Deed Book Vol. 2648, page 51, in the Office of the Recorder of Deeds of said County of Allegheny.

CONTAINING 0.344 acres, more or less.

#4: Lots Nos. 39-53, inclusive, and 61-70, inclusive, in the "Revised Greenwood Terrace Plan of Lots," as the same is recorded in Plan Book Vol. 29, pages 174-175, in the Office of the Recorder of Deeds of said County of Allegheny.

Said Parcel #4 BEING a portion of lands conveyed by deed dated May 15, 1930 from Fannie Hamilton, a/k/a Frances Hamilton, grantor, to Carnegie Natural Gas Company, grantee, recorded in Deed Book Vol. 2419, page 702, in the Office of the Recorder of Deeds of said County of Allegheny.

EXCEPTING FROM THIS CONVEYANCE, HOWEVER, all rights and interests in the above described lands below a depth of five thousand feet (5,000') below the surface of the ground, AND RESERVING to the party of the first part, its successors and assigns, all easements and rights over, along and through the above described lands above said depth of five thousand feet (5,000'), necessary or convenient to the development and operation of the lands below said depth (and excepted herefrom) for purposes of oil or gas exploration or production.

SUBJECT to an unrecorded Agreement of even date herewith between the parties to this deed.



COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ALLEGHENY

ss.

On this, the 5<sup>th</sup> day of July, 1966,  
before me James L. Williams, the undersigned  
notary public, personally appeared T.H. Evans,  
who acknowledged himself to be the President  
of Carnegie Natural Gas Company, a corporation, and that he as  
such President, being authorized to do so,  
executed the foregoing instrument for the purposes therein con-  
tained by signing the name of the corporation by himself as  
President.

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

James L. Williams  
Notary Public

My commission expires:

JAMES L. WILLIAMS, Notary Public  
Munhall, Allegheny Co., Pa.  
My Commission Expires Nov. 14, 1968

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ASSIGNMENT AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

CARNEGIE NATURAL GAS COMPANY, a Pennsylvania corporation having an office in the Borough of Murhall, Allegheny County, Pennsylvania (hereinafter called the "Assignor"), for and in consideration of the sum of One Dollar (\$1.00) and other valuable considerations in hand paid, the receipt of which is hereby acknowledged, does hereby sell, assign, set over, release and quitclaim to EURGLY DRILLING, INC., a Pennsylvania corporation having an office in the City of New Kensington, Westmoreland County, Pennsylvania (hereinafter called the "Assignee"), its successors and assigns, without warranty of any kind (and in "as is" condition with respect to the personalty included herein), all of the Assignor's right, title and interest in and to the following:

I.

Oil and gas lease dated April 20, 1929 from Lena Fischer et vir., lessors, to Carnegie Natural Gas Company, lessee, covering 2 acres of land, more or less in the City of McKeesport, Allegheny County, Pennsylvania, recorded in the Office of the Recorder of Deeds of said County in Deed Book Vol. 2391, page 359. (Carnegie Lease No. 13255)

TOGETHER with an existing gas well located on the leased lands, known and designated in the files of the Assignor as Well No. 91, and all casing, pipe, fittings and other personal property used or obtained in connection with said Well, AND TOGETHER WITH the following described pipe lines located on the leased lands and/or lands adjacent thereto, to wit:

EXHIBIT B

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Pipe Line No. FBP-Q3

Beginning at C.P.R. Station 197+60 near Long Run Road to C.P.R. Station 228+09, a total distance of 3049 feet, consisting of the following:

C.P.R. Station 197+60 to 205+18 - 8"  
C.P.R. Station 205+18 to 216+87 - 10"  
C.P.R. Station 216+87 to 218+54 - 8"  
C.P.R. Station 218+54 to 228+09 - 10"

Pipe Line No. FBP-B-91

Beginning at C.P.R. Station 0+00 on pipe line No. FBP-B-91 (where pipe line No. FBP-B-91 takes off from FBP-Q-3 at Station 228+08) to C.P.R. Station 9+15, a total distance of 915 feet, consisting of the following:

C.P.R. Station 0+00 to 8+94 - 6 5/8"  
C.P.R. Station 8+94 to 9+15 - 4"

Pipe Line No. FBP-B-138

Beginning at C.P.R. Station 0+00 (Station 2+55 on pipe line No. FBP-B-91) to Station 0+51, a total distance of 51 feet, of three (3") inch pipe line.

Pipe Line No. FBP-B-16

Beginning at C.P.R. Station 0+00 (Station 202+96 on pipe line No. FBP-Q-3) to Station 0+28, a total distance of 28 feet, consisting of the following:

C.P.R. Station 0+00 to 0+24 - 4"  
C.P.R. Station 0+24 to 0+28 - 2"

EXCEPTING AND RESERVING to the Assignor, however, all rights under said lease in the leased lands below a depth of five thousand feet (5,000') below the surface of the ground, and all easements and rights over, along and through the leased lands above said depth of five thousand feet (5,000'), necessary or convenient to the development and operation of the lands below said depth for purposes permitted under the said lease.

II.

Oil and gas lease dated January 28, 1930, as supplemented and amended, from S. M. Bowman and Thomas H. Bowman, lessors, to Carnegie Natural Gas Company, lessee, covering 20 acres of land, more or less, in the Township of Lincoln, Allegheny County, Pennsylvania, recorded in the Office of the Recorder of Deeds of said County in Deed Book Vol. 2643, page 400. (Carnegie Lease No. 13568)

TOGETHER with an existing gas well located on the leased lands, known and designated in the files of the Assignor as Well No. 100, and all casing, pipe, fittings and other personal property used or obtained in connection with said Well, AND TOGETHER WITH the following described pipe lines located on the leased lands and/or lands adjacent thereto, to wit:

Pipe Lines No. FBP-B 93, 99 & 100

Beginning at C.P.R. Station 0+00 (Station 141-59 on pipe line No. FBP-G-3) to Station 22+49, a total distance of 3,680 feet, consisting of the following:

C.P.R. Station 0+00 to Station 6+92 - 4" (Line No. FBP-B-93 starting at Station 141+59 on line No. FBP-B-3 to pipe line No. FBP-B-99) a total distance 692 feet.

C.P.R. Station 0+00 to Station 7+39, a total distance 739 feet, consisting of the following:

C.P.R. Station 0+00 to Station 6+88 - 4"  
C.P.R. Station 6+88 to Station 7+39 - 2"

Line No. FBP-B-99 starting at end of line No. FBP-B-93 to pipe line No. FBP-B-100. C.P.R. Station 0+00 to Station 22+49, a total distance of 2,249 feet, consisting of 4".

EXCEPTING AND RESERVING to the Assignor, however, all rights under said lease in the leased lands below a depth of five thousand feet (5,000') below the surface of the ground, and all easements and rights over, along and through the leased lands above said depth of five thousand feet (5,000'), necessary or convenient to the development and operation of the lands below said depth for purposes permitted under the said lease.

III.

Right of Way covering lands in the Borough of Liberty, Allegheny County, Pennsylvania, granted March 4, 1930 by Ludwig Sinn, grantor, to Carnegie Natural Gas Company, grantees, and recorded in the Office of the Recorder of Deeds of said County in Deed Book Vol. 2419, page 700.

TOGETHER with all pipe and other personal property of the Assignor located in or on said lands and used in conjunction with said right-of-way.

IV.

Assignment (unrecorded) dated October 15, 1929 from James G. Gorman, assignor, to Carnegie Natural Gas Company, assignee, pertaining to Lot No. 43 in "Merchant's Place Plan of Lots" as the same is recorded in Plan Book Vol. 15, page 148, in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania, said Lot being situate in the City of McKeesport in said County.

TOGETHER with an existing gas well located on said Lot No. 43, known and designated in the files of the Assignor as Well No. 96, and all casing, pipe, fittings and other personal property used or obtained in connection with said Well.

V.

Two (2) existing gas wells known and designated in the files of the Assignor as Wells Nos. 16 and 138, respectively, located in the City of McKeesport, Allegheny County, Pennsylvania, and all casing, pipe, fittings and other personal property used or obtained in connection therewith.

SUBJECT, HOWEVER, to the terms and conditions set forth in each of the instruments hereinabove referred to, as well as to an unrecorded Agreement of even date herewith between the Assignor and the Assignee and to the reservations and exceptions hereinabove set forth.

TO HAVE AND TO HOLD the estates, rights and properties by these presents sold, assigned and released, or intended so to be, unto the said Assignee, its successors and assigns, FOREVER, subject as aforesaid.

IN WITNESS WHEREOF, the said Assignor has caused these presents to be duly executed and sealed this 5th day of July, 1966.

ATTEST:

CARNEGIE NATURAL GAS COMPANY

W. H. Clarke  
SECRETARY

By T. E. Evans

The within Assignment and Bill of Sale is hereby  
accepted this 12 day of July, 1966.

ATTEST:

BURGLY DRILLING, INC.

Roberta Burgly  
Secretary

By W.A. Burgly Jr.  
President

\* \* \* \*

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF ALLEGHENY } ss.

On this, the 5th day of July, 1966,  
before me James L. Williams, the undersigned  
notary public, personally appeared T.H. Evans,  
who acknowledged himself to be the President  
of Carnegie Natural Gas Company, a corporation, and that he as  
such President, being authorized to do so,  
executed the foregoing instrument for the purposes therein con-  
tained by signing the name of the corporation by himself as  
President.

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

James L. Williams  
Notary Public

My commission expires:

JAMES C. WILLIAMS, Notary Public  
Munhall, Allegheny Co., Pa.  
My Commission Expires Mar. 14, 1968



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Carnegie Natural Gas Company,  
Grantor,  
AND  
Burgly Gas & Oil Company, Inc.,  
Grantee.

DEED, ASSIGNMENT & BILL OF SALE

39<sup>50</sup> D  
*price*  
MB-58/3

MAIL TO:

LAW OFFICES OF GRECO & LANDER, P.C.  
Attorneys At Law  
P.O. Box 667  
Clarion, Pa. 16214-0667  
(814) 226-6853

E

*Michael A. Belin*

JUL 7 2 17 PM '90

RECORDED  
BY  
MICHAEL A. BELIN  
10/10/90

DBV 10241 PG530