Exhibit E

Testing Procedure – Madison County Oneida/Oswego wells - Nornew, Inc.

Background

Nornew, Inc. began developing the Bradley Brook Field as field operator during 1998 by agreement with the previous operator who had drilled several wells as operator and acquired previously existing wells in nearby Lebanon Field. During this time, the Oneida / Oswego sands were identified as a potential alternative economic target to the Herkimer formation which was the primary reservoir associated with production from the Lebanon Field originally developed during the early 1960's.

Nornew completed its first drilling program as operator for the field during 1999. Again results were inconsistent - although encouraging - with a prolific well being developed in the Oneida/Oswego sands (Lodor). Due to the costs associated with development in this area, future wells would have to prove more consistent and predictable to justify necessary expenditures. Subsequently, Nornew began to informally review the results of all wells in this field in order to try and ascertain if future development was palpable. This review process resulted in the shifting of drilling emphasis from locating productive Herkimer sand to mapping and identifying productive Oneida / Oswego sand.

Although well logs appeared similar in the Oneida/Oswego completions undertaken through this date, the completion of these wells resulted in a range of near dry holes to potentially lucrative wells. Also, well logs indicated a potential problem with underlying saltwater near the target completion interval. While additional drilling was in the planning stage at that time, it was decided that some well production testing might help identify: 1) the source of produced gas (active perforations), 2) problem completion intervals, and, 3) potential production restrictions such as water columns and well bore fill (sanding). Eastern Reservoir Services was hired to complete this testing during January of 2001. The results of this testing indicated that most gas production from the Oneida / Oswego formation occurs near and above the unconformity separating the two formations. Any perforations in the "lower" Oswego sand had to be located immediately below the unconformity to be productive. Indeed, induction / resistivity logs indicate that all perforations placed lower than first interval demonstrating low resistivity in the Oswego were non productive or marginally productive of gas. Mechanical spinner surveys run by ERS back up this conclusion for the wells drilled to this time. In addition, ERS ran some Pressure Buildup Tests on specific wells to determine permeability and potential skin damage. The perms derived from this analysis range from .049 md to .415 md and are consistent with the range of perms noted in other "tight" reservoirs in production in NY State, which produce on spacing as low as 40 acres.

Based on the new Oneida / Oswego geologic mapping, production results, and the test data derived from the ERS study, Nornew, Inc. completed a drilling program in 2001 undertaken for the express purpose of developing its Oneida / Oswego formation reserves

in Madison County, NY. Both prior to, and as a condition for drilling these wells in the Bradley Brook field, the NYSDEC requested formal well testing be undertaken in this field so as to provide parameters which would aid in defining the most efficient and beneficial development plan for this field in order to set a final spacing for development consistent with regulation.

Again, ERS was retained to perform these mandated well tests and completed a series of production draw down / buildup tests subsequent to well completion during the fall of 2001. Nornew, Inc submitted the results of the testing to the NYSDEC – Division of Mineral Resources for review, comment, and adoption as the guideline for development of the Bradley Brook Field. Results of the testing allowed ERS to simulate production from the Oneida / Oswego wells versus time in order to assist in optimizing spacing for the express purpose of efficiently maximizing mineral extraction from the reservoir. This also allowed the parties to address unitization issues for the protection of landowner and lessor correlative rights necessitated by the findings of the study. While developing the production model for this reservoir, ERS also was able to determine reservoir permeability, completion fracture length and skin effects for each tested well. In addition to the new wells tested, the analytical procedure was repeated for several existing wells previously subjected to testing under the first test program so as to provide control for analysis of results.

All the testing performed to date resulted in the conclusion that optimal well spacing for the continued development of the Bradley Brook field should be set at 60 acres to 160 acres to account for the heterogeneities of the reservoir while prudently allowing for development of wells absent interference between adjacent wells. This has the effect of maximizing the royalty generated from production over time as well as allowing for economic development of the reservoir to its ultimate potential.

Proposed procedure – new well development.

The data gathered under the guidelines for previous tests undertaken to date in the Bradley Brook field consisted of a determination of bottom hole pressure (reservoir pressure), permeability, fracture half length, and skin damage, which, when coupled with well log derived parameters such as water saturation, reservoir thickness, and porosity, allowed ERS to develop a model which optimized and documented well spacing prudently at 60 acres to 160 acres. The reservoir was shown to be extremely heterogeneous in a relatively small area due to the extreme range of test and log derived parameters. It was also shown to be a blanket sand and subsequently should demonstrate similar heterogeneities as future wells are developed. While the well log data is easily derived and is a result of the normal drilling process, the utilization of down hole memory gauges to provide the data necessary to determine permeability, fracture half length, bottom hole pressure and skin damage resulted in a 4- 6 week overall test period during which time the wells required constant oversight so as not to be disturbed by interruptions in production or equipment failures. Indeed, in several cases gauges had to be rerun and tests extended to make justifiable conclusions from the data.

It is the conclusion of Nornew, Inc. that the tests undertaken to date adequately address the questions concerning appropriate well spacing for the Bradley Brook field and that any future tests should only serve to corroborate the results seen in prior testing scenarios. However, the prior testing procedures, while necessarily comprehensive in breadth, created an economic and procedural burden for the operator. The use of down hole gauges and third party testing equipment for the extended periods of time necessary to complete testing proved cost intensive and were somewhat risk intensive as well because the gauges were used in wells in aggressive production for purposes of the test.

Nornew, upon approval, will utilize the following procedure for the testing of future development wells in the Bradley Brook Field.

1. *Upon completion of stimulation of the well, the subject well will be "cleaned up" to remove stimulation fluids. This period typically involves three blow periods over a 72-hour period to ensure the well is prepared for production. Concurrently, if tubing is deemed necessary, it will be placed during this time.*

2. *Since the well is blown down subsequent to clean up operations, a calibrated pressure recorder will be hooked up to the well (tubing and casing) and the well will be shut in for buildup.*

3. *Simultaneous with the installation of the pressure recorder, a beginning fluid level determination will be made through the use of an echo meter. A fluid sample will be weighed to determine the appropriate density number for the fluid. The information will then be used along with the initial wellhead pressure to determine a hydrostatic pressure and a Bottom Hole Pressure.*

4. *The pressure recorder will remain on the well until bottom hole pressure (at perforations) stabilizes. Periodic echo meter determinations will be used throughout the buildup period to gather hydrostatic data necessary to convert all wellhead pressure readings to bottom hole pressure for purposes of analysis.*

5. *The hydrostatic pressure of the gas column will also be determined through calculation procedures outlined in reference texts so that for each pressure measurement during the buildup portion of the tests,*

   BHP static = measured WHP (chart) + FLUID hydrostatic + GAS hydrostatic

6. *A representative gas sample will be taken and submitted to an appropriate laboratory for constituent analysis.*

7. *The gas sample will be compared with previously taken gas samples from offsetting wells known to be productive in the Bradley Brook Field. The bottom hole pressure calculation will also be compared with previously measured initial bottom hole pressures for wells offsetting and known to be productive in the Bradley Brook Field. Comparison of these two parameters with previous measurements in Bradley Brook Field should provide sufficient proof for the inclusion of a subject new well as a field extension to Bradley Brook Field.*

8. *The resultant pressure data (after correction as outlined above), plus geologic interpretive log parameters such as porosity, water saturation, resistivity, and reservoir thickness will be used, upon request of the DEC, to make determination of skin, permeability, and reservoir drainage consistent with the data previously yielded by the bottom hole gauge tests where type curve analysis allowed the reservoir to be matched to observed conditions should such determination prove necessary to justify inclusion of the subject well in the Bradley Brook Field.*

While the initial tests were important to determining accurate reservoir parameters important to drainage and development issues, the proposed testing procedure accomplishes the gathering of data without involving physical gauge location in the bore of the well. Furthermore, the flowing part of the test is eliminated due to the fact that the well begins from a "blown down" condition and does not require a blow down period to provide a start point for pressure buildup calculations and interpretations to become viable. Since the testing will occur while pipeline and hookup operations are proceeding, a minimal delay in production initiation will result and minimal impact on prudent production operations will occur. While corrections to wellhead data are necessitated by this procedure, the ability to minimize the impact on the production status of the well (relative to timing of production initiation) while simultaneously gathering the appropriate data to aid in defining the reservoir mitigates the additional calculation necessitated by this method. Indeed, the final bottom hole pressure realized by the test should be indicative enough to determine the location of a new well within the Bradley Brook Field and should enable the field boundary to be extended as this data would prove readily comparable to the results obtained by previous tests.

Should any of the tests performed in this manner prove inconclusive, the tests will be repeated so that acceptable data and results are acquired.

Test data will be forwarded to the Bureau of Oil & Gas Management as necessary to aid in the definition and extension of Bradley Brook Field and to corroborate and justify mandated spacing and unitization concerns.