

STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

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In the matter of the necessity for and the order of field wide well spacing rules pursuant to Environmental Conservation Law ("ECL") §23-0501 and to order the integration of interests in spacing units pursuant to ECL §23-0901 for the

JOINT AGREEMENT

COUNTY LINE FIELD  
Steuben, Chemung and Schuyler Counties, New York

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Fortuna Energy Inc. ("FEI") and the New York State Department of Environmental Conservation ("DEC") Staff hereby jointly request the Administrative Law Judge ("ALJ") to add Exhibit "B5" and "Addendum to Exhibit C"; substitute revised Exhibits "A", "B1", "D" and "E"; and substitute revised tabulations for Exhibits "B1", "B2", "B3" and "B4" referred to in the Stipulation between East Resources Inc., Fairman Drilling Company and Pennsylvania General Energy, Corp., (predecessors in interest to Fortuna Energy Inc.), and DEC, dated December 30, 2002 ("Stipulation").

NEED FOR THE REQUESTED RELIEF

The Stipulation references and incorporates Exhibits depicting County Line Field which were accurate as of the time this information was provided as part of the Stipulation in this matter. FEI's review of the original tabulations submitted reveal that particular information displayed in the tabulations which accompany Exhibits "B1" through "B3" (i.e., lease status and book and page) would cause substantial injury to the competitive position of FEI. FEI requests substitution of the tabulations such that the new tabulations will not contain any references to lease status and book and page. Department staff have determined that lease status information constitutes a trade secret pursuant to 6 NYCRR 616.7. As well, changes in property ownerships and descriptions have occurred within the County Line Field subsequent to the original submittals. This request will allow for replacement of the tabulations originally accompanying Exhibits "B1" through "B4" in the Stipulation with the attached updated tabulations which are to accompany Exhibits "B1" through "B4".

Additionally, further technical review and analysis since October 10, 2002 (date of the Exhibit "C" report) of the Peterson #1 well identify the need to incorporate a Unit for the Peterson location into the County Line Field. This results in a need to add Exhibit "B5" (map and tabulation), amend Exhibit "C" and replace Exhibits "A", "D" and "E" to incorporate the proposed Peterson Unit into the County Line Field as of February 11, 2003. Map Exhibit "B1" is replaced to correct an error.

JOINT REQUEST

On the basis of the foregoing, FEI and DEC Staff jointly request substitution and addition of Exhibits to the Stipulation as described above. This request results in the following list of Exhibits incorporated into the Stipulation:

1. Exhibit "A" - Map of County Line Field which shows existing wells and units dated February 12, 2003.
2. Exhibits "B1" through "B5" - Individual unit maps and ownership tabulations for proposed units in County Line Field:

Maps:

Exhibit "B1" – Purvis Unit, FEI map dated February 12, 2003

Exhibit "B2" – Whiteman Unit, East Resources map dated September 24, 2002  
Exhibit "B3" – Roy Unit, East Resources map dated September 24, 2002  
Exhibit "B4" – Youmans Unit, Pennsylvania General Energy map dated September 24, 2002  
Exhibit "B5" – Peterson Unit, FEI map dated February 12, 2003

Tabulations:

The individual ownership tabulations accompanying Exhibits "B1" through "B5" are dated February 18, 2003.

3. Exhibit "C" – East Resources, Fairman Drilling and Pennsylvania General Energy Report dated October 10, 2002.

4. Addendum to Exhibit "C" – FEI addendum dated February 11, 2003.

5. Exhibit "D" – Map of County Line Field which depicts an outline of the geologic feature, based on the Company's interpretation of geologic and engineering data, dated February 12, 2003.

6. Exhibit "E" – Map of County Line Field which shows the location of seismic coverage used by the Company to define the geologic feature, dated February 12, 2003.

CERTIFICATION

FEI certifies, by its signature hereto, that configuration of the Purvis, Whiteman, Roy and Youmans units and the geological feature therein depicted on revised Exhibits A, B1, D and E are identical to the configuration depicted on the Exhibits originally incorporated into the stipulation.

FORTUNA ENERGY INC.  
1519 Olean Portville Road  
Olean, New York 14760

By: M. Jacqueline Sheppard

NEW YORK STATE DEPARTMENT OF  
ENVIRONMENTAL CONSERVATION  
Division of Legal Affairs  
625 Broadway, 14<sup>th</sup> Floor  
Albany, New York 12233-1500

Dated: February 21, 2003

By: Arlene J. Lotters, Program Attorney