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MICHAEL L. LEIGHTON and NANCY A. LEIGHTON

Plaintiffs,

v.

CHESAPEAKE APPALACHIA, L.L.C., et al.

Defendants.

)
) COURT OF COMMON PLEAS
) BRADFORD COUNTY

)
) Civil Division

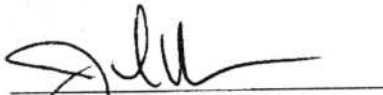
)
) No. 2013 CV 0169

STIPULATION EXTENDING TIME TO ANSWER, MOVE, OR OTHERWISE PLEAD

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned counsel for Plaintiffs Michael L. Leighton and Nancy A. Leighton ("Plaintiffs") and Defendant Schlumberger Technology Corporation ("STC"), that STC's time to answer, move to dismiss, or otherwise respond to Plaintiffs' Complaint & Jury Demand is and shall be extended to and including August 19, 2013.

The parties have not requested any previous adjournments.

BLANK ROME LLP



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*Attorneys for Defendant,
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**NAPOLI BERN RIPKA SHKOLNIK &
ASSOCIATES LLP**

W. Steven Berman ^{by permission} 

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*Attorneys for Plaintiffs,
Michael L. Leighton and Nancy A. Leighton*

Dated: July 17, 2013

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CERTIFICATE OF SERVICE

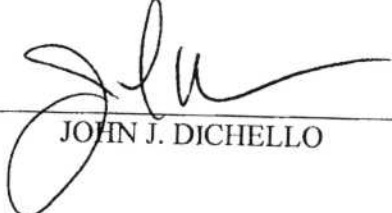
I, John J. DiChello, hereby certify that on this 17th day of July, 2013, I caused a true and correct copy of the foregoing Stipulation Extending Time to Answer, Move, or Otherwise Plead to be served upon all parties as follows:

W. Steven Berman, Esquire
Tate J. Kunkle, Esquire
Napoli Bern Ripka Shkolnik & Associates LLP
The Empire State Building
350 5th Avenue, Suite 7413
New York, NY 10118
(via First Class Mail and e-mail)

Chesapeake Appalachia, L.L.C.
Legal Department
414 Summers Street
Charleston, WV 25301
(via First Class Mail)

Chesapeake Energy Corporation
Legal Department
P.O. Box 18496
Oklahoma City, OK 73154-0496
(via First Class Mail)

Nomac Drilling
Legal Department
3400 S Radio Road
El Reno, OK 73036
(via First Class Mail)



JOHN J. DICHELLO

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July 17, 2013

VIA HAND DELIVERY

Sally F. Vaughn
Prothonotary, Court of Common Pleas of Bradford County
Bradford County Courthouse
301 Main Street
Towanda, PA 18848

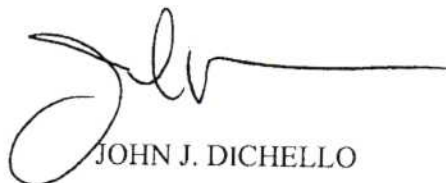
Re: Michael L. Leighton and Nancy A. Leighton v. Chesapeake Appalachia, L.L.C.,
et al., No. 2013 CV 0169 (Court of Common Pleas of Bradford County)

Dear Ms. Vaughn:

~~VIA~~ Enclosed are an original and one copy of the Stipulation Extending Time to Answer,
Move, or Otherwise Plead in the above-referenced matter. Kindly file the original with the Court
and time-stamp and return the copy to my messenger.

Thank you for your attention to this matter.

Very truly yours,


JOHN J. DICHELLO

Enclosure

PAID-UP
OIL & GAS LEASELease No. 2008-07180-000

808 - PA

This Lease made this 15th day of August 2008, by and between: Michael L. Leighton and Nancy A. Leighton, his wife, whose address is: 3078 Conestoga Road Glenmoore, PA 19343 hereinafter collectively called "Lessor" CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests, to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

DESCRIPTION. The Leasehold is located in the Township of Leroy, in the County of Bradford, in the Commonwealth of Pennsylvania, and described as follows:

Property Tax Parcel Identification Number: 22-96-16-7

and is bounded formerly or currently as follows:

On the North by lands of: Gary R. Funk;
On the East by lands of: H Rockwell Road - T 330;
On the South by lands of: Christopher J. Schad;
On the West by lands of: Christopher J. Schad;

including lands acquired from Michael L. Leighton, married, by virtue of deed dated May 2, 2007 recorded in Instrument Number 200704718 and described for the purposes of this agreement as containing a total of 22.1 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of five (5) years from 12:00 A.M. 8/15/08 (effective date) to 11:59 P.M. 8/14/2013 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) **CONSTRUCTION OF LEASE:** The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate, and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) **LIMITATION OF FORFEITURE:** This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

(A) **DELAY RENTAL:** To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.

(B) **ROYALTY:** To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
1. **OIL:** To deliver to the credit of Lessor, free of cost, a Royalty of the equal to fifteen percent (15%) part of all oil and any constituents thereof produced and marketed from the Leasehold.
2. **GAS:** To pay Lessor an amount equal to fifteen percent (15%) of the revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

(C) **DELAY IN MARKETING:** In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.

(D) **SHUT-IN:** In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) **DAMAGES:** Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) **MANNER OF PAYMENT:** Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) **CHANGE IN LAND OWNERSHIP:** Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(H) **TITLE:** If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) **LIENS:** Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means.

(J) **CHARACTERIZATION OF PAYMENTS:** Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.

(K) **PAYMENT REDUCTIONS:** If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease and the local property tax assessment calculation of the lands covered by the Lease, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in the well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, and in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein. No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

EXHIBIT B

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to be in conformity with all laws, rules, regulations and orders and interpreted as such. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See Addendum attached hereto and made a part hereof.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Witness Wale A. Leal Michael L. Leighton (Seal)
Wale A. Leal Nancy A. Leighton (Seal)
 Witness Wale A. Leal CHESAPEAKE APPALACHIA, L. L. C., Lessee (Seal)
 Witness _____ By: _____ (Seal)

Document prepared by: Chesapeake Appalachia, L.L.C., P.O. Box 6070, Charleston, West Virginia 25362-0070

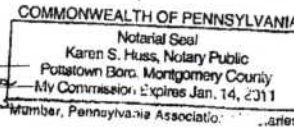
ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA _____)
COUNTY OF Montgomery _____) SS:

On this the 15th day of August, 2008, before me, the undersigned authority, personally appeared **Michael L. Leighton and Nancy A. Leighton, his wife**, who, being duly sworn according to law, depose and say that they executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires: _____
Signature/Notary Public: Karen S. Huss
Name/Notary Public (print): Karen S. Huss



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) SS:

On this the _____ day of _____, 2008, before me, the undersigned authority, personally appeared _____, who acknowledged himself to be the _____ of _____, and that he as such _____, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as _____.

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

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

Recorder: Return to Chesapeake Appalachia, L.L.C., Land Dept., P. O. Box 6070, Charleston, WV 25362-0070

EXHIBIT B

ADDENDUM

This Addendum is attached to and made a part of that certain Oil & Gas Lease dated August 15, 2008, by and between Michael L. Leighton and Nancy A. Leighton, his wife, hereinafter collectively called "Lessor" CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, P.O. Box 6070, Charleston, WV 25362-0070, hereinafter called "Lessee".

In the event of a conflict or inconsistency between the printed terms of this Lease and these added terms of this Lease, the added terms shall control and be deemed to supersede the printed terms of the Lease.

1. **Location Approval Clause**
Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.
2. **Water Damage Clause**
In the event any activity carried on by Lessee pursuant to the terms of this lease damages, disturbs, or injures Lessor's potable water well or source located on these leased premises, Lessee shall at its sole cost and expense use its best efforts to correct any such damage, disturbance or injury.
3. **Water Exclusion Clause**
Notwithstanding anything to the contrary contained herein, Lessee and Lessor further agree that Lessee is hereby prohibited from use of water out of any pond and/or lake located on the leased premises described herein, during but not limited to, drilling operations, without Lessors prior written consent.
4. **Reclamation Clause**
Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.
5. **Gate Clause**
Upon the written request of Lessor, Lessee shall install at its sole cost and expense a gate at the entrance of any road constructed by Lessee on the leased premises provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.
6. **Market Enhancement Clause**
It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
7. **No Storage Rights Clause**
Notwithstanding anything herein contained to the contrary, Lessee agrees the herein described leased premises shall not be used for the purpose of gas storage as defined by the Federal Energy Regulatory Commission. Any reference to gas storage contained in this lease is hereby deleted. If Lessor wishes to enter into an agreement regarding gas storage using the leased premises with a third party, Lessor shall first give Lessee written notice of the identity of the third party, the price or the consideration for which the third party is prepared to offer, the effective date and closing date of the transaction and any other information respecting the transaction which Lessee believes would be material to the exercise of the offering. Lessor does hereby grant Lessee the first option and right to purchase the gas storage rights by matching and tendering to the Lessor any third party's offering within 30 days of receipt of notice from Lessor.
8. **Hold Harmless Clause**
Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.
9. **Compliance Clause**
Lessee stipulates and agrees that its operations and those operating under the color of Lessee's rights granted herein, including the plugging and abandonment of wells, will be conducted in strict compliance with any and all Governmental Agency's having jurisdiction thereover, including, but not limited to, the Department of Environmental Protection Agency [DEP] of the State of Pennsylvania.
10. **Clean and Green**
Lessee understands that the land leased hereunder may be under and subject to the Pennsylvania Clean and Green program or the Pennsylvania Conservation Reserve Enhancement Program (CREP) program, and Lessee, its successors and assigns accepts responsibility for and agrees to pay any and all roll-back real estate taxes and/or any and all additional assessments (and including, but not limited to, interest and penalties thereon) which are assessed on that portion of the leased lands affected as a result of Lessee's operations hereunder.

EXHIBIT B

11. **Ad Valorem Taxes Clause**

Lessee agrees to pay 7/8ths of any increase in ad valorem taxes attributable to, or resulting from, the assessment of oil and gas due to production from the leased premises.

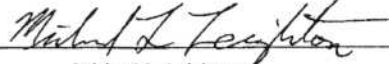
12. **Timber Clause**

11. Lessor and Lessee further agree any timber and/or firewood to be removed for drillsite and or roadway and or pipeline shall be cut to marketable length and laid to the side for Lessors use.

13. **Facilities Clause**

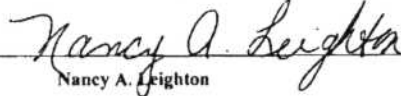
Lessee shall not drill a well within three hundred (300) feet of any structure located on the Leasehold without Lessors written consent. Lessor shall not erect any building or structure, or plant any trees within three hundred feet of a well or within twenty-five feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

Signed for identification:



Michael L. Leighton

Signed for identification:



Nancy A. Leighton

1.10 Nephelometric Turbidity Units ("NTU"); and the level of total suspended solids was not detected (reporting limit 1.0 mg/L).

48. Upon information and belief, in or about July 2010 Defendants commenced fracking-related activities, including the siting, drilling and cementing of the Wells in close proximity to Plaintiffs' property.

49. Upon information and belief, from approximately July 2010 through November 2011, the construction of the Wells continued to be carried out by the Defendants on other properties not owned by the Plaintiffs.

50. Upon information and belief, in or about November 2011, Defendants, individually or jointly, the knowledge of which is in the exclusive possession of the Defendants, conducted remedial perforations and cement squeeze operations on Chesapeake's Morse 5H Well (API # 37-015-20932).

51. Upon information and belief, in or about May 2012, Defendants, individually or jointly, the knowledge of which is in the exclusive possession of the Defendants, were conducting remedial activities to repair a packer when squeeze perforations in Chesapeake's Morse 5H Well (API # 37-015-20932) were exposed to formation pressures, allowing contaminants, including but not limited to combustible gases (*i.e.* methane, ethane and propane), to escape from the well bore for as many as 7 days.

52. Upon information and belief, the foregoing remedial activities were necessitated by Defendants' negligent construction of the Wells.

53. Upon information and belief, the Wells were constructed, drilled and remediated in a defective manner and in violation of industry standards by the Defendants.



54. On or about May 19, 2012, Plaintiffs logged a complaint with the Pennsylvania Department of Environmental Protection ("PADEP") regarding the condition of their groundwater supplies and the creek that runs through their Property and that gas well drilling activities near their Property affected their groundwater supply.

55. On or about May 19, 2012, Plaintiffs' groundwater had drastically changed in clarity and color, it had a foul odor and contained noticeable levels of natural gas. Water drawn from Plaintiffs' groundwater supplies had also become flammable and surface water running through the creek on their Property had begun bubbling.

56. On or about May 20, 2012, the PADEP investigated and collected samples from Plaintiffs' groundwater supplies.

57. Results of the PADEP's May 20, 2012, sampling events revealed that the quality of Plaintiffs' groundwater supplies had become severely degraded. Methane levels increased in the water from non-detect in the pre-drill sample collected May 25, 2011, to 82.7 mg/L. The sample results also showed that iron and manganese substantially increased and exceeded the secondary maximum contaminate levels.

58. On or about May 20, 2012, Chesapeake Appalachia collected samples from Plaintiffs' groundwater supplies.

59. Results of Chesapeake Appalachia's May 20, 2012, sampling events revealed that methane levels increased in the water from non-detect in the pre-drill sample collected May 25, 2011, to 46.6 mg/L.

60. Chesapeake Appalachia's May 20, 2012, results also showed substantial increases for the following contaminants: iron increased from 0.0703 mg/L in the pre-drill sample to 4.40 mg/L; manganese increased from 0.0379 mg/L in the pre-drill sample to 0.666 mg/L; ethane

increased from non-detect in the pre-drill sample to 3.02 mg/L; propane increased in the pre-drill sample from non-detect to 0.138 mg/L; the level turbidity of the water increased from 1.1 NTU to 39.5 NTU; and the level of total suspended solids increased from non-detect to 24.8 mg/L.

61. On or about May 21, 2012, Chesapeake Appalachia collected additional samples from Plaintiffs' groundwater supplies.

62. Results of Chesapeake Appalachia's May 21, 2012, sampling events revealed that methane levels were still increased in the water from non-detect in the pre-drill sample collected May 25, 2011, to 26.5 mg/L.

63. Chesapeake Appalachia's May 21, 2012, results also showed substantial increases for the following contaminants: iron increased from 0.0703 mg/L in the pre-drill sample to 116 mg/L; manganese increased from 0.0379 mg/L in the pre-drill sample to 2.80 mg/L; ethane increased from non-detect in the pre-drill sample to 1.91 mg/L; propane increased in the pre-drill sample from non-detect to 0.106 mg/L; the level turbidity of the water increased from 1.1 NTU to 5160 NTU; and the level of total suspended solids increased from non-detect to 6570 mg/L.

64. On or about May 22, 2012, the PADEP ordered Plaintiffs to evacuate their Property because the PADEP detected combustible gas atmospheres for methane at 120% of the Lower Explosive Limit, posing the extremely dangerous and ultra-hazardous condition of a serious explosion at Plaintiffs' Property.

65. Upon information and belief, Methane is the predominant component of natural gas. PADEP's "level of concern" for methane begins above 28 mg/L, which is referred to as the saturation level. At this level, under normal atmospheric pressure, the water cannot hold additional methane in solution. This may allow the gas to escape out of the water and concentrate in the air or space within a home. There is a physical danger of fire or explosion due

to the migration of natural gas into water wells or through soils into dwellings where it could be ignited by sources that are present in most homes and buildings. When the PADE is made aware of methane levels greater than 7 mg/L, it notifies the water supply owner of the hazards associated with methane in their water supply.

66. On or after May 22, 2012, Chesapeake offered to relocate Plaintiffs to a motel due to the unsafe conditions caused by the methane intrusion but because it was close to midnight, Plaintiffs declined the offer. Instead, Chesapeake installed 2 alarms and the Fire Department brought an industrial fan to vent the basement to mitigate the hazards of fire, explosions and health hazards due to the methane migration into their Property from Chesapeake's defective Gas Wells.

67. On or about June 2012, Chesapeake Appalachia installed a whole-house water treatment system at Plaintiffs' Property to temporarily treat the water in an attempt to make it usable for residential purposes, but not for drinking.

68. On or about June 2012, Chesapeake Appalachia installed a sub-slab air insertion system in Plaintiffs' basement to keep the natural gas from infiltrating Plaintiffs' Property at dangerous and explosive levels.

69. Upon information and belief, the PADEP investigated the water contamination in the area and homes around Plaintiffs' Property during the summer 2012.

70. On or about August 13, 2012, the PADEP notified Plaintiffs that Defendants' gas well exploration and drilling activities near their Property had negatively impacted Plaintiffs' water supply.

71. The PADEP's investigation identified the following violations by the Defendants of Chapter 32 of Title 58 of the Pennsylvania Consolidated Statutes, 58 Pa. C.S. §§ 3201-3274

(2012 Oil and Gas Act) and The Clean Streams Law, 35 Pa. C.S. §§ 691.1 *et seq.*, and the PADEP's rules and regulations promulgated thereunder:

- i. Violation of 25 Pa. Code § 78.81(a)(2) and (3) for causing or allowing gas from lower formations to enter Plaintiffs' groundwater;
- ii. Violation of Section 401 of the Clean Streams Law, 35 P.S. § 691.401 for causing or allowing the unpermitted discharge of natural gas, a polluting substance into Plaintiffs' groundwater.

(2012 Oil and Gas Act) and The Clean Streams Law, 35 Pa. C.S. §§ 691.1 *et seq.*, and the PADEP's rules and regulations promulgated thereunder, including, but not limited to the Pennsylvania Clean Streams Law, 35 P.S. §§691.1, *et seq.*, the Pennsylvania Solid Waste Management Act, 35 P.S. §§ 6018.101, *et seq.*, the Pennsylvania Oil and Gas Act, 58 P.S. §§ 601.101, *et seq.*, and the Pennsylvania Hazardous Sites Cleanup Act ("HSCA"), 35 P.S. §§ 6020.101, *et seq.*

72. Upon information and belief, the Defendants conducted activities in such a negligent and improper manner as to violate several Commonwealth of Pennsylvania laws and regulations promulgated thereunder, including, but not limited to the Pennsylvania Clean Streams Law, 35 P.S. §§691.1, *et seq.*, the Pennsylvania Solid Waste Management Act, 35 P.S. §§ 6018.101, *et seq.*, the Pennsylvania Oil and Gas Act, 58 P.S. §§ 601.101, *et seq.*, and the Pennsylvania Hazardous Sites Cleanup Act ("HSCA"), 35 P.S. §§ 6020.101, *et seq.*

73. Upon information and belief, at all times mentioned herein the contamination of Plaintiffs' water supply was due to the negligent activities and/or omissions of the Defendants' fracking-related activities, including use of improper drilling techniques, equipment and materials, including defective and ineffective well casings, the failure to timely and prudently investigate and/or remediate the results of the aforesaid acts and omissions, as well as negligent planning, training and supervision of staff, employees and/or agents.

74. At all times mentioned herein and upon information and belief, Defendants were otherwise negligent and/or grossly negligent in fracking-related activities, including the drilling, construction and operation of the Wells such that methane, ethane, other pollutants and industrial

and/or residual waste, were caused to be discharged into or otherwise enter and contaminate the aquifer near and under Plaintiffs' Property and into the groundwater well used and relied upon as Plaintiffs' water supply.

75. As a result of the aforementioned contamination, releases, spills, discharges, and nonperformance attributed to and caused solely by Defendants' negligent, grossly negligent and/or reckless fracking-related activities, including gas drilling and production activities, Plaintiffs have been seriously harmed, to wit:

- i. Plaintiffs' water supplies have been and continue to be contaminated;
- ii. The quality of Plaintiffs' water supplies has been jeopardized and Plaintiffs will never trust their groundwater supplies again;
- iii. Plaintiffs have suffered substantial loss of value to their Property;
- iv. Plaintiffs have suffered loss of use and enjoyment of their residence and Property;
- v. Plaintiffs have suffered loss to the quality of life they otherwise enjoyed;
- vi. Plaintiffs have suffered inconvenience and discomfort caused by Defendants' interference with Plaintiffs' peaceful enjoyment and possession of their Property;
- vii. Plaintiffs have paid for water sampling and bottles of drinking water, although Chesapeake has provided some alternative bottled water supplies;
- viii. While Chesapeake reimburses Plaintiffs \$20.00 per month for electricity, Plaintiffs have paid for electricity beyond the \$20.00 and beyond their normal use, as well as various filters for the water treatment system
- ix. Plaintiffs must continue monitoring their water quality and purchasing alternative water supplies because Chesapeake is only monitoring the water every 3 months and because this testing could cease at any time;
- x. Plaintiffs' require a permanent source of potable water and to otherwise make the groundwater safe for human consumption;
- xi. Plaintiffs' right to use, access and rely upon untainted waters of the Commonwealth guaranteed by the Constitution and laws of the Commonwealth of Pennsylvania have been violated; and

xii. Other injuries.

76. As a result of the foregoing and following allegations and causes of action, Plaintiffs seek, *inter alia*, an order or judgment barring Defendants from engaging in the acts complained of and requiring Defendants to abate and/or remediate the nuisances, unlawful conduct, violations, and damages created by them and an order and/or judgment requiring Defendants to pay compensatory damages, inconvenience damages, punitive damages, diminution of value of the property, litigation fees and costs, including attorneys' fees, and to provide any further relief that the Court may find appropriate.

CAUSES OF ACTION

**AS AND FOR A FIRST CAUSE OF ACTION:
HAZARDOUS SITES CLEAN UP ACT**

77. Plaintiffs repeat and reallege the allegations of paragraph "1" through "76" of this Complaint, as though set forth in this paragraph at length.

78. As set forth above, Defendants have caused the spill, release and/or discharge of "hazardous substances" from their Gas Wells, as that term is defined by the Pennsylvania Hazardous Sites Cleanup Act ("HSCA"), 35 P.S. §§ 6020.101, *et. seq.*

79. The locations of the releases of hazardous substances as set forth above constitute "sites" as defined by the HSCA.

80. The spills, releases, and discharges set forth above constitute "releases" of hazardous substances and contaminants under HSCA.

81. At all relevant times, Defendants owned and/or operated gas drilling sites and Gas Wells enumerated in paragraph 26 above.

82. Defendants are "responsible persons" accountable for the release(s) and threatened release(s) of hazardous substances under HSCA because they caused the

aforementioned releases, spills and/or discharges of combustible gases and hazardous substances that have entered the groundwater which Plaintiffs' draw from.

83. As set forth above, Defendants have caused and continue to cause, releases and/or substantial threats of releases of hazardous substances and/or contaminants, including but not limited to natural gas (e.g., methane, propane, ethane, etc.) and other hazardous substances, which present a substantial danger to the public health or safety or the environment, under HSCA.

84. Plaintiffs have incurred and continue to incur reasonable and necessary or appropriate response costs due to the existing and ever threatening contamination of their water supplies, including costs for water sampling, treating water supplies and alternative water supplies.

85. Pursuant to Sections 507, 702 and 1101 of the HSCA, 35 P.S. §§ 6020.507, 6020.507 and 6020.1101, Defendants are strictly liable for the reasonable and necessary or appropriate costs incurred by Plaintiffs in responding to Defendants' releases and threatened releases of hazardous substances and contaminants.

86. The above releases and threats of releases of hazardous substances and contaminants by Defendants constitute public nuisances under Section 1101 of HSCA, 35 P.S. §6020.1101.

87. The above releases and threats of releases of hazardous substances by Defendants constitute unlawful conduct under Section 1108 of HSCA, 35 P. S. §6020.1108.

88. The above releases and threats of releases of hazardous substances and contaminants by Defendants constitute public nuisances under Section 1108 of the HSCA, 35 P.S. §6020.1108.

89. The above releases and threats of releases of hazardous substances and contaminants by Defendants threaten to cause personal injuries to Plaintiffs.

90. Defendants, by reason of these releases and threats of releases, are liable for all the response costs, damages, and injuries to Plaintiffs proximately caused by the releases and threats of releases, and to remediate the releases, threats of releases, and resultant contamination.

**AS AND FOR A SECOND CAUSE OF ACTION:
NEGLIGENCE**

91. Plaintiffs repeat and reallege the allegations of paragraph "1" through "90" of this Complaint, as though set forth in this paragraph at length.

92. Defendants owed a duty of care to Plaintiffs to responsibly drill and operate the Wells and well sites and other fracking-related activities, to prevent releases of hazardous chemicals and combustible gases into the environment, and to prevent such releases from contaminating Plaintiffs' Property and water supply.

93. Defendants owed a duty of care to Plaintiffs to take all measures reasonably necessary to inform and protect the public, including Plaintiffs, from the contamination of Plaintiffs' water supply and to protect Plaintiffs from exposure to hazardous chemicals and combustible gases.

94. Defendants, including their officers, agents, and/or employees owed a duty of care to Plaintiffs because Defendants' drilling and operation of the Wells and well sites, and the resultant water contamination and damage to Plaintiffs' Property, is conduct that foreseeably creates an unreasonable risk of harm, or an elevated risk of foreseeable harm, to Plaintiffs, their Property and their groundwater supplies, all of which are within the "zone of danger."

95. The laws of the Commonwealth of Pennsylvania and the regulations promulgated thereunder impose a duty on Defendants' fracking-related activities, including to drill, own and

operate the Wells and well sites in manner that would not jeopardize the health, safety and well-being of Plaintiffs, and otherwise to drill, own and operate the Wells in such a manner as not to contaminate Plaintiffs' groundwater supplies.

96. Defendants, including their officers, agents, and/or employees knew or in the exercise of reasonable care should have known their operations would result in the release or the threat of release of combustible gases and hazardous chemicals into Plaintiffs' groundwater supplies.

97. Defendants, including their officers, agents, and/or employees knew, or in the exercise of reasonable care should have known, of the dangerous, offensive, noxious, hazardous, and toxic nature of their gas drilling and operations.

98. Defendants, including their officers, agents, and/or employees knew, or in the exercise of reasonable care should have known, of the dangerous, offensive, ultra-hazardous and toxic nature of the combustible gases and hazardous chemicals released by Defendants, and said combustible gases and hazardous chemicals were capable of polluting Plaintiffs' groundwater supplies, damaging the Property, decreasing the value of the Property and otherwise causing natural resource damage.

99. Defendants, including their officers, agents, and/or employees, should have taken reasonable precautions and measures to prevent or mitigate the releases, spills and/or discharges of ultra-hazardous chemicals and combustible gases, including the design and operation of process systems, so that such releases, spills and/or discharges would not occur, as well as adequate planning for any spills, releases, discharges or other emergencies involving ultra-hazardous chemicals and combustible gases.

100. Defendants, including their officers, agents, and/or employees knew, or in the exercise of reasonable care should have known, that once a spill, release and/or discharge of ultra-hazardous chemicals and combustible gases occurred, they should take reasonable measures to protect the public, including by issuing immediate and adequate warnings to nearby residents, including Plaintiffs, to emergency personnel and to public officials.

101. Defendants, including their officers, agents and/or employees knew, or in the exercise of reasonable care should have known, that the spills, releases and/or discharges of ultra-hazardous chemicals and combustible gases caused by their negligent conduct, and the resultant harm to Plaintiffs and their Property, were the foreseeable and inevitable consequences of Defendants acts and/or omissions, given the manner in which they engaged in fracking-related activities, including gas drilling and production activities at the Wells and well sites.

102. Defendants, including their officers, agents, and/or employees, acted unreasonably and negligently in causing the releases and discharges alleged herein and the contamination of Plaintiffs' water supplies.

103. Defendants, including their officers, agents, and/or employees, acted unreasonably and negligently by failing to take reasonable measures and precautions necessary to avoid and/or respond to the releases of hazardous chemicals and combustible gases and to protect the public, including the Plaintiffs and the Property, from said hazardous chemicals and combustible gases.

104. Upon information and belief, Defendants have breached their duties owed to Plaintiffs by their substandard and negligent fracking-related activities, including failing to drill, own and/or operate the Wells and well sites in a reasonable manner that comports with established legal and/or industry standards for drillers, owners and operators of gas wells.

105. Defendants have failed, *inter alia*, to drill, own and/or operate the Wells in accordance with the statutes and environmental regulations of the Commonwealth of Pennsylvania because they have drilled, owned and/or operated the Wells and well sites in such a manner as to cause the contamination of Plaintiffs' Property and groundwater supplies.

106. Defendants' acts and/or omissions referenced herein were and continue to be the direct and proximate cause of the injuries suffered by Plaintiffs, as alleged herein.

107. Upon information and belief, some or all of the acts and/or omissions of the Defendants were recklessly and wantonly negligent, and were done with such utter disregard for the consequences to Plaintiffs, their Property and other persons, and therefore, Plaintiffs are entitled to an award of punitive damages.

108. Plaintiffs in no way contributed to the damages and injuries they have sustained as a result of Defendants' negligent, reckless and/or wanton acts and/or omissions referenced herein.

109. Defendants, by reason of their negligence, are jointly and severally liable for all of the injuries to Plaintiffs, their Property and groundwater supplies proximately caused by the releases and discharges of combustible gases, hazardous chemicals, and industrial wastes indicated herein, and should be required to remediate the contamination caused by such releases.

**AS AND FOR A THIRD CAUSE OF ACTION:
NEGLIGENCE PER SE**

110. Plaintiffs repeat and reallege the allegations of paragraph "1" through "109" of this Complaint, as though set forth in this paragraph at length.

111. Defendants had a duty to comply with applicable laws, regulations and guidelines applicable to persons drilling, owning and operating Gas Wells, including but not limited to the Pennsylvania Clean Streams Law, 35 P.S. §§691.1, *et seq.*, the Pennsylvania Solid Waste

Management Act, 35 P.S. §§ 6018.101, *et seq.*, the Pennsylvania Oil and Gas Act, 58 P.S. §§ 601.101, *et seq.*, as well as to act as reasonably prudent persons or entities to prevent or guard against the foreseeable consequences resulting from the violation of the standards set by the aforesaid statutes.

112. Upon information and belief, Defendants failed to operate their facilities, including the Wells and well sites and fracking-related activities, in compliance with the applicable laws and regulations relevant to air, soil and water quality protection, and the standards that they create.

113. For example, upon information and belief, in or about August 2012, the PADEP cited Defendants for violating 25 Pa. Code § 78.81(a)(2) and (3) for causing or allowing gas from lower formations to enter Plaintiffs' groundwater.

114. For example, upon information and belief, in or about August 2012, the PADEP cited Defendants for violating Section 401 of the Clean Streams Law, 35 P.S. § 691.401 for causing or allowing the unpermitted discharge of natural gas, a polluting substance into Plaintiffs' groundwater.

115. These laws and regulations were intended for the protection of public and private health, safety, property and economic interests.

116. Plaintiffs are members of the group(s) whose protection was intended by the drafters of such laws and regulations.

117. Plaintiffs are members of a specific subset of the public by virtue of living in such close proximity, within one (1) miles, of Defendants' Wells and fracking-related activities.

118. Defendants' actions that are also statutory and regulatory violations were a direct and proximate cause of the contamination and pollution of Plaintiffs' ground water supply,

resulting in substantial damages and imminent, substantial and impending harm to Plaintiffs' Property.

119. The risk of damages and the imminent, substantial and impending harm to Plaintiffs' Property and groundwater supplies are precisely the types of injuries the applicable laws and regulations were designed to prevent.

120. Violations of these laws and regulations thereby constitute per se negligence.

121. The amount of damages for the injuries suffered by Plaintiffs, including but not limited to the contamination of their groundwater supplies, loss of use and enjoyment of their Property, loss of value to their Property, inconvenience and discomfort caused by the interference with the peaceful possession of their Property, and other injuries will be established at the time of trial.

**AS AND FOR A FOURTH CAUSE OF ACTION:
PRIVATE NUISANCE**

122. Plaintiffs repeat and reallege the allegations of paragraph "1" through "121" of this Complaint, as though set forth in this paragraph at length.

123. Defendants, by their acts and/or omissions, including those of their officers, agents, and/or employees, have caused an unreasonable and substantial interference with Plaintiffs' right to use and enjoy their Property.

124. Defendants, including their officers, agents and/or employees have created and maintained a continuing nuisance in the area of the Wells, by allowing the Wells to exist and operate in a dangerous and hazardous condition, allowing the releases and/or the threats of releases of hazardous chemicals and combustible gases, and allowing the releases to continue to spread to surrounding areas including the Plaintiffs' Property and drinking water supplies, resulting in injuries to Plaintiffs' Property and property interests.

125. Defendants as owners and operators of the Wells and well sites, control the well sites and any spills, releases and discharges therefrom.

126. Defendants have or had the ability and means to control the spills, releases and discharges originating from their Wells and well sites.

127. Defendants' invasions of Plaintiffs' property interests are intentional and unreasonable in that Defendants intentionally carried out their drilling and remedial activities on the Wells or knew their drilling and operating of the Wells was substantially certain to result in the discharge of various combustible gases and hazardous chemicals, including methane, ethane and propane, into Plaintiffs' Property and groundwater supplies, or in the alternative Defendants' invasions are unintentional and otherwise actionable under the rules controlling liability for negligent or reckless conduct, or for abnormally dangerous conditions or activities.

128. Hydraulic fracturing of gas wells, such as the Defendants' Wells, and the operations thereon are considered an abnormally dangerous activity and/or create abnormally dangerous conditions.

129. Defendants have created and perpetuated a continuing nuisance on Plaintiffs' Property by drilling and/or operating the Wells and well sites in such a manner that has caused releases and discharges of combustible gases, hazardous chemicals, and/or industrial wastes and by allowing these spills, releases and discharges to continue to contaminate Plaintiffs' Property and groundwater supplies, resulting in injuries to Plaintiffs' property interest in the private use and enjoyment of their Property.

130. Defendants have created and perpetuated a continuing nuisance on Plaintiffs' Property by fracking-related activities, including drilling and operating the Wells in such a manner that has caused the releases and discharges of combustible gases, hazardous chemicals,

and industrial wastes, which have contaminated Plaintiffs' Property and their water supply, resulting in a material interference with the ordinary comfort of Plaintiffs' lives thereby impairing the reasonable enjoyment of Plaintiffs' habitation and invading Plaintiffs' private use and enjoyment of their Property

131. The aforementioned nuisances for groundwater and property contamination continue to this day and are likely to continue into the future, thereby significantly impacting Plaintiffs' right to the use and enjoyment of their Property.

132. Since May 2012, Plaintiffs' groundwater supplies have been polluted and contaminated. Plaintiffs no longer trust their groundwater supplies and do not drink from their water supply. They must use alternative sources for potable water and must continue monitoring the quality of their water. Plaintiffs no longer enjoy their Property as they once did.

133. The contamination of Plaintiffs' groundwater supplies, caused solely by the acts and/or omissions of Defendants' fracking-related activities, including at the Wells, is a real and appreciable invasion of Plaintiffs' property interests because Plaintiffs no longer have access to clean, potable ground water at their Property, constituting a significant harm to normal persons living in the community.

134. Defendants, by virtue of the nuisances alleged herein, have caused substantial inconvenience and discomfort to Plaintiffs by interfering with Plaintiffs' peaceful possession and enjoyment of their Property.

135. Defendants, by reason of these private nuisances, are jointly and severally liable for all of the damages and injuries to Plaintiffs proximately caused by the releases and discharges of combustible gases, hazardous chemicals, and industrial wastes on Plaintiffs' Property and into

their water supply, and should be required to eliminate, remediate and/or substantially mitigate the water contamination caused by their gas drilling and operation activities.

**AS AND FOR A FIFTH CAUSE OF ACTION:
STRICT LIABILITY: ABNORMALLY DANGEROUS
AND ULTRA-HAZARDOUS ACTIVITIES**

136. Plaintiffs repeat and reallege the allegations of paragraph "1" through "135" of this Complaint, as though set forth in this paragraph at length.

137. The hazardous chemicals and combustible gases extracted, used, supplied, processed, and stored by Defendants are of a toxic and hazardous nature capable of causing severe personal injuries and damages to persons and property coming in contact with them and therefore are ultra-hazardous and abnormally dangerous.

138. There is an inherent high degree of risk of some harm to the persons and land of others from gas exploration and production operations that Defendants engage in due to nature of deep gas drilling, hydraulic fracturing, and the generation, handling and disposal of hazardous materials, including wastewater containing hazardous chemicals, heavy metals, radioactive material, and petroleum hydrocarbons.

139. There is an inherent high degree of risk of some harm to the persons and land of others from natural gas drilling operations because such a practice is subject to many risks including well blowouts, cratering, explosions, pipe failures, fires, formations with heavy pressures, uncontrollable releases of natural gas, oil, brine, well fluids, drilling muds, fracking fluids, and other environmental hazards and risks both to the surface and subsurface of the earth.

140. There is an inherent high degree of risk of some harm to the persons and land of others from natural gas drilling operations because the gas drilling techniques used by

Defendants involves risks from high pressure areas, mechanical difficulties such as stuck pipes, and poorly constructed or collapsed well casings, and complications with remedial activities and packers, all of which increase the likelihood of spills, releases and/or discharges of combustible gases, hazardous chemicals, and industrial wastes into the natural environment.

141. Horizontal and deep drilling activities, such as those engaged by the Defendants at the Wells, involve even greater risk of mechanical failure than vertical and shallow drilling operations.

142. The likelihood that the harm that results from Defendants' gas drilling activities and operations is great, including the contamination of an entire water supply like that of Plaintiffs and causing the build up of ultra-hazardous gases in the Property.

143. Gas exploration and/or operation activities, including deep drilling and hydraulic fracturing, by Defendants at the Wells and well sites was and continues to be an abnormally dangerous and ultra-hazardous activity subjecting persons and Properties coming into contact with the hazardous chemicals and combustible gases with personal injuries, regardless of degree of caution Defendants might have exercised.

144. As a result of Defendants' deep drilling and hydraulic fracturing operations at the Wells and well sites, hazardous chemicals and combustible gases have been released and discharged by Defendants and have entered the local groundwater aquifer which Plaintiffs draw potable water from, as well as their residence.

145. There is an inability to fully eliminate the risks of natural resource damage associated with deep and horizontal gas drilling and exploration activities, including hydraulic fracturing, by the exercise of reasonable care.

146. Deep and horizontal drilling and/or hydraulic fracturing as a method of extracting natural gas, are not matters of common usage

147. Deep and horizontal drilling and/or hydraulic fracturing are inappropriate activities to conduct in the community where Plaintiffs reside.

148. The dangerous attributes of deep and horizontal drilling and/or hydraulic fracturing, including the handling and storage of waste water, outweigh the value that it provides to the local community.

149. The kind of harm suffered by Plaintiffs, which includes but is not limited the contamination of their groundwater supplies and their Property, is within the scope of the abnormal risk created by Defendants' gas drilling and/or operations of the Wells and the well sites proximate to Plaintiffs' Property and residence.

150. The harms suffered by Plaintiffs, including the resultant groundwater and Property contamination, are not due to the abnormally sensitive character of any Plaintiffs' activity.

151. Defendants, by engaging in abnormally dangerous and ultra-hazardous activities, are strictly liable with regard to fault for all the damages to Plaintiffs proximately caused by the releases and contamination caused by Defendants, and to remediate the contamination.

AS AND FOR A SIXTH CAUSE OF ACTION: TRESPASS

152. Plaintiffs repeat and reallege the allegations of paragraph "1" through "151" of this Complaint, as though set forth in this paragraph at length.

153. Through their fracking-related activities, including drilling, ownership and/or operation of the Wells and well sites, Defendants have caused the releases and discharges of

combustible gases, hazardous chemicals, and industrial wastes into Plaintiffs' Property and groundwater supplies.

154. Through their fracking-related activities, including drilling, ownership and operation of the Wells and well sites, and by virtue of causing the aforementioned releases and discharges from the Wells, Defendants are the proximate cause of those releases and discharges to be deposited into Plaintiffs' Property and groundwater supplies.

155. Defendants knew or should have known that fracking-related activities, including drilling, owning and/or operating the Wells and well sites would cause releases and discharges of combustible gases, hazardous chemicals, and industrial wastes from the Wells and well sites and that said pollutants would travel and contaminate Plaintiffs' Property and groundwater supplies.

156. Defendants have intentionally caused actions that caused contaminants to enter Plaintiffs' Property and subsurface aquifer by desiring to cause the aforementioned consequences of their acts, or in the alternative, they have reason believe that the consequent harms to Plaintiffs were substantially certain to result from their drilling, ownership and/or operation of the Wells and well sites.

157. Upon information and belief, Defendants have been informed that the Wells and well sites have released and discharged, and continue to release and discharge, combustible gases, hazardous chemicals, and industrial wastes, which have infiltrated Plaintiffs' Property and groundwater supply and have otherwise invaded Plaintiffs' Property and property interests.

158. Defendants' aforementioned intentional acts and/or omissions have both constituted and resulted in the physical invasion of Plaintiffs' Property and groundwater supplies, such that Plaintiffs have suffered a violation to their right to peaceable, exclusive possession of their Property.

159. Defendants, by reason of their continuing trespasses, are liable for all of the damages caused by the invasion to Plaintiffs' right to peaceable, exclusive possession of their Property and groundwater supplies, and should be required to eliminate, remediate and/or substantially mitigate the releases and discharges from the Wells and the well sites and repair Plaintiffs' groundwater supplies.

**AS AND FOR A SEVENTH CAUSE OF ACTION:
INCONVENIENCE AND DISCOMFORT**

159
160. Plaintiffs repeat and reallege the allegations of paragraph "1" through "159" of this Complaint, as though set forth in this paragraph at length.

Pr 161. Plaintiffs' Property and groundwater supplies have become contaminated and polluted by the drilling, operation and/or activities of Defendants at the Wells.

Plaint 162. As a result of the groundwater and property contamination, and the continuing nature of the contamination, Plaintiffs no longer trust their groundwater supplies or drink from it, and they have been forced to seek and retrieve alternative sources of potable water and potentially abandon their property.

Pr 163. As a result of the water contamination, and the continuing nature of the contamination, Plaintiffs ultimately require a permanent source of alternative water or a treatment and purification system to make their water potable and their home safe for habitation by or for humans.

and 164. As a result of the water contamination and pollution, and the continuing nature of the contamination and pollution, Plaintiffs must continue to monitor their water and air quality because it is contaminated with known hazardous and unknown pollutants.

165. The foregoing property and groundwater contamination issues at Plaintiffs' Property constitutes interference with Plaintiffs' peaceful possession of their Property and groundwater supplies.

166. Defendants, by reason of the inconvenience and discomfort they have caused Plaintiffs to suffer, are liable for all of the damages caused by the interference with Plaintiffs' peaceful possession of their Property and groundwater supplies, and should be required to eliminate, remediate and/or substantially mitigate the releases and discharges from the Wells and the well sites and repair Plaintiffs' groundwater supplies.

**AS AND FOR AN EIGHTH CAUSE OF ACTION:
BREACH OF CONTRACT
(AS AGAINST DEFENDANT CHESAPEAKE APPALACHIA)**

167. Plaintiffs repeat and reallege the allegations of paragraph "1" through "166" of this Complaint, as though set forth in this paragraph at length.

168. On or about August 15, 2008, Plaintiffs entered into an Oil and Gas Lease ("Lease") with Defendant Chesapeake Appalachia.

169. The Lease required Chesapeake Appalachia to test Plaintiffs' domestic water supply prior to commencement of and following drilling operations to ensure the water supply was not adversely affected by the drilling operations.

170. Under the Lease, in the event it was determined that Defendants' drilling operations adversely affected or otherwise diminished Plaintiffs' groundwater supplies, then Chesapeake Appalachia was required to, at its own expense, take all steps necessary to return Plaintiffs' groundwater supplies to pre-drilling conditions.

171. Chesapeake Appalachia has failed to perform its obligations required by the Lease because once it was determined that Defendants' gas drilling and operations caused releases,

spills and/or discharges of contaminants and combustible gases onto Plaintiffs' Property and groundwater supplies, Chesapeake Appalachia failed to take all necessary steps to return Plaintiffs' groundwater supplies to pre-drilling conditions.

172. The Lease required Chesapeake Appalachia to drill, construct and install all Wells and well sites subject to the Lease in a manner which would minimize any affect upon Plaintiffs' Property and that any related remedial work would be done in a manner which restores the groundwater as nearly to its original condition as reasonably possible.

173. Chesapeake Appalachia has failed to perform its obligations under the Lease by failing to restore Plaintiffs' Property and groundwater supplies as nearly to its original condition as reasonably possible.

174. The Lease required Chesapeake Appalachia to conduct its operations in accordance with laws of the Commonwealth of Pennsylvania and the rules regulations promulgated by the PADEP.

175. Defendant Chesapeake Appalachia has failed to perform its obligations to conduct its operations in accordance with laws of the Commonwealth of Pennsylvania and the rules and regulations promulgated by the PADEP.

176. Chesapeake Appalachia is in breach of the Lease because Defendants proximately caused spills, releases and/or discharges onto and under Plaintiffs' Property, have contaminated Plaintiffs' Property and groundwater supplies, and have reduced Plaintiffs' quality of life, all things Chesapeake expressed would not occur during their gas drilling and operations of the Wells and well sites.

177. Chesapeake Appalachia, by reason of these and other breaches of the Lease, is liable for all damages and injuries to Plaintiffs caused by such breaches of contract, and is

required to make Plaintiffs whole, put Plaintiffs back into the same condition they would have been if the contract were not breached, and are required to pay for the remediation of the contamination of Plaintiffs' Property and groundwater supplies.

WHEREFORE, upon the aforesaid Causes of Action, Plaintiffs seek the following relief:


- i. The reasonable and necessary costs of remediating the hazardous substances, combustible gases and other contaminants on their Property and in their groundwater supplies;
- ii. An order or judgment barring Defendants from engaging in the acts complained of and requiring Defendants to abate the aforesaid nuisances, trespasses, wrongful acts, violations and damages created by them;
- iii. Compensatory damages for loss of use and enjoyment of Plaintiffs' property, loss of quality of life, diminution of property value, inconvenience damages, and such other reasonable damages incidental to the claims herein;
- iv. Punitive damages wanton and/or reckless negligence;
- v. Plaintiffs' litigation costs and fees, including attorneys' fees; and
- vi. Any further relief that the Court may find appropriate.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand that the trial of all issues be heard by a Judge sitting with jury.

Dated: Marlton, New Jersey
June 3, 2013


Respectfully submitted,


W. Steve Berman, Esq. (PA #45927)
NAPOLI BERN RIPKA SHKOLNIK &
ASSOCIATES, LLP
(888) 529 - 4669

VERIFICATION

I hereby depose and say that I am the plaintiff in the foregoing action, and that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I understand that this statement is made subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

Date: 6/3/13


MICHAEL L. LEIGHTON

VERIFICATION

I hereby depose and say that I am the plaintiff in the foregoing action, and that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I understand that this statement is made subject to the penalties of 18 C.S.A. § 4904 relating to unsworn falsification to authorities.

Date: 6-3-13

Nancy A. Leighton
NANCY A. LEIGHTON



**NapoliBern
RipkaShkolnik
& Associates LLP**
ATTORNEYS AT LAW

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TKUNKLE@NAPOLIBERN.COM

June 17, 2013

VIA FEDERAL EXPRESS
Bradford County Prothonotary
301 Main Street
Towanda, PA 18848

Re: *Michael L. Leighton and Nancy A. Leighton v. Chesapeake Appalachia, L.L.C., et al.*

Dear Prothonotary:

Enclosed please find the following for the above referenced matter:

- (1) Civil Cover Sheet;
- (2) One (1) original and four (4) copies of the Notice to Defend and Complaint and Jury Demand;
- (3) Check in the amount of \$125.00 for the filing fee.

Kindly file the original and return the stamped/ filed copy(ies) to my office in the enclosed pre-paid Federal Express envelope.

Thank you for all your assistance in this matter and should you have any questions please feel free to contact me at (212) 267-3700.

Very truly yours,
NAPOLI BERN RIPKA SHKOLNIK & ASSOCIATES, LLP

Tate J. Kunkle, Esq.

Enclosures