

Pablo Energy Drilling Site West of Coalgate

This is one of 23 drilling rigs currently operating in Coal County.

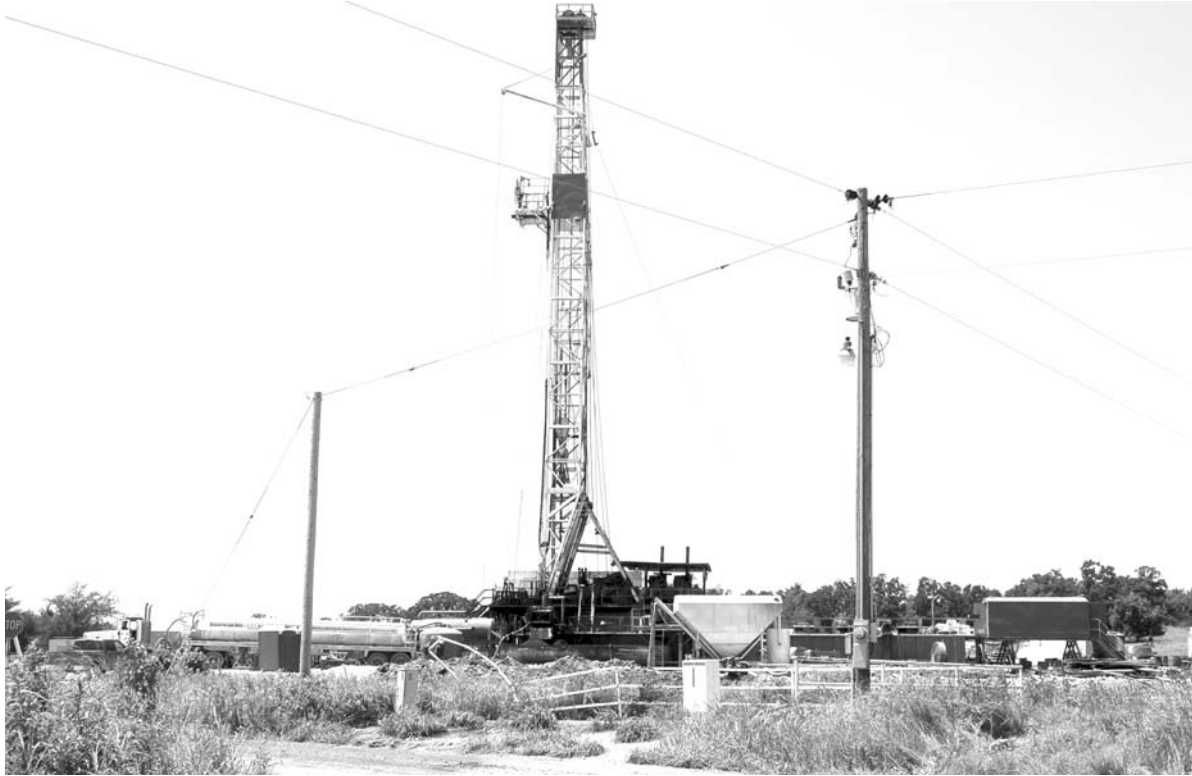


Photo by Wanda Utterback

TEMPORARY RESTRAINING ORDER FILED AGAINST DRILLING COMPANY

A temporary restraining order was filed Friday against an oil and gas drilling company which, according to court records, set up a drilling operation in Coal County without complying with the law.

The temporary restraining order, which was signed by Associate District Judge Neal Merriott, ordered Pablo Engery II, LLC to cease its drilling operations on property located on S.H. 31 west of Coalgate. The civil lawsuit was filed by Nickel Hill Land and Cattle Company, represented by Coalgate attorney Trae Gray.

The landowner and the drilling company have since reached a settlement agreement, the terms of which are undisclosed.

According to the application for the temporary restraining order, Pablo Energy entered the property for the purpose of commencing the drilling of a well without the agreement of the surface owner; failed to keep posted the required bond; failed to notify the surface owner prior to entering; and failed to come to an agreement and did not ask the court for appraisers prior to entering.

The Coal County Sheriff's Office delivered the temporary restraining order to Pablo Energy on Friday afternoon. Nickel Hill and Pablo released the following statement on Saturday:

"The litigation and all issues between the parties have now been resolved. Due to misunderstandings, the plaintiffs filed suit. After suit was filed, Pablo Energy promptly addressed and resolved the issues. All of the parties are pleased that the issues have been resolved and look forward to a good working relationship on a go-forward basis."

On Monday, Gray was asked to make a statement about the oil and gas industry in general and the current activities that are taking place in southern Oklahoma.

"The present exploration in the Arkoma Basin brings many positives to southern Oklahoma," he said. "The upside significantly outweighs the downside."

"Nevertheless, operators are rapidly drilling to ensure they hold leases and get the gas to market as fast as they can. The speed of drilling and aggressive activity can sometimes result in situations that fall outside of what the law allows. It is important to make certain that if this happens, the operators are not unjustly enriched at the expense of the landowners."

"Much of this production will last twenty years or more, but the damage and encumbrances to the surface will be everlasting. I am working to ensure all of my clients in the area are adequately compensated for their damages, receive protection in the form of agreements that protect them over the long run, and finally I want to help people feel comfortable with the decisions they are making."

"I believe, taken as a whole, the oil and gas industry is good for our community."