

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE

PRYOR OIL COMPANY, INC.)

Plaintiffs)

v.)

THE UNITED STATES OF AMERICA, as represented)
By CHRISTINE WHITEMAN, in her official capacity as)
Administrator of the United States Environmental)
Protection Agency, and J. I. PALMER, JR., in his)
Official capacity as Regional administrator of EPA)
Region IV.)

Defendants.)

Civ. No. 3:02-CV-679

CIVIL ACTION

AFFIDAVIT OF ALAN RADER IN SUPPORT OF MOTION FOR
TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

I, RICHARD ALAN RADER, Jr., hereby declare:

1. The following facts are within my personal knowledge. If called as a witness I could and would testify competently thereto.

2. I am Vice President and Exploration Manager for Pryor Oil Company, Inc. I have held this position for three years. In this capacity I am responsible for evaluating geological, geophysical, and geochemical data to determine the optimal locations for deposition of hydrocarbon deposits in the natural environment for Pryor Oil. I am also responsible for well completion, including pipeline construction, onsite field compliance with regulatory authorities.

3. I have been involved with the location, drilling, remediation, and pipeline construction at Howard White # 1. Another employee and I set the first boom in Clear Creek below Barnett Bridge within 30-minutes of oil spilling into Clear Creek from the blowout incident at the wellhead.

4. I have worked on the gathering line required by EPA in its Removal Administrative Order, Docket No. CWA-04-2003-5002. Instead of venting millions of cubic feet of natural gas and oil to the environment, building a gathering line conserves the resources of Tennessee and the royalty owners. By venting and flaring gas and oil from the well, air pollution will result from burning the liquids and very rich natural gas (1,265 BTU per cubic foot compared to 1000 average BTU). Such waste would cause a loss of revenue to the State of Tennessee, Morgan County, and Pryor Oil Company, all taxable to the governments.

5. According the analysis from a Gas Deliverability Test performed by Eastern Reservoir Company, Howard White # 1 has the capability of delivering 1,000,000 cubic feet of natural gas per day for 4 ½ years – not to mention a significant amount of oil that contains essentially no sulfur and is practically pure, low-sulfur diesel.

6. To my knowledge, Pryor Oil Company ordered pipe to construct the gathering line within two days of EPA's approval of the gathering line work plan. Three-days later the pipeline was delivered to the site and shortly thereafter work began on the line. I have supervised all aspects of the construction and installation of the pipeline. Pryor Oil has maintained a crew of 4 employees who have worked diligently over the last two months on the pipeline as weather has permitted. The payroll and expenses to date have added up to approximately \$90,000.

7. I have drafted weekly reports, the information from which weekly progress reports have been submitted to EPA. I hereby attest to the truth of each of the weekly progress reports submitted to EPA on behalf of Pryor Oil Company.

8. The weather in the Wartburg vicinity in the past two months has been unusually wet. In addition, about a month ago, tornados ripped apart several areas of Morgan County.

During that emergency, roads were closed, creeks flooded, and the pipeline could not be laid. Several fallen trees had to be removed from the pipeline right of way.

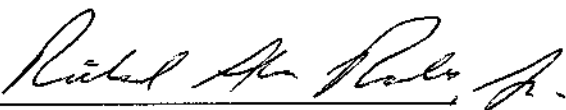
8. In order to complete the gathering line, an additional 1,000 feet of 3" pipe must be laid. In addition, 1,700 feet of 2" pipe must be installed across Citizens Gas' compressor station property. I went to the compressor station on Monday, November 25, 2002, and the Citizens Gas supervisor, Joe Potter, has gone on Thanksgiving vacation, and will not return to the area until Sunday, December 1, 2002. Because of certain critical requirements of Citizens, I have been told that Mr. Potter's personal supervision will be required for completion of the 1,700 feet of 2" pipeline. Two meter runs must be installed, one at the wellhead and one at the compressor station. A separator must be installed at the wellhead. We must also install various pressure regulation and safety equipment. We need to complete a gorge crossing across White Creek spanning a high tensile strength cable across the gorge that will suspend the pipeline about 20 feet above the creek at its lowest point. Finally, we must perform at least a 24-hour pressure test on the line. Additional time may be required to address any problem that the test might identify, including any issue that we may find with pipeline, or the various fixtures installed on the pipeline.

9. About three weeks ago, as I was working on the gathering line in the field, representatives from the U.S. Coast Guard approached me in a vehicle, and asked me, "Hey, Alan, when are you going to be done with the pipeline?" I responded, "It'll take 3 weeks *if we have good weather*. We need 3 weeks of sunshine." Pryor Oil employee, Chad Michael, overheard the conversation with the Coast Guard. Later, Mr. Michael told me that the Coast Guard approached him later and asked his opinion on how long it would take to complete the

gathering line. Mr. Michael indicated to me that he verified what I had said earlier, and that he specifically reiterated that we needed good weather.

10. In my opinion, we could be ready to deliver gas by the end of next week, December 7, 2002, if we have good weather between now and then, and no problems are identified during the testing procedures. I define good weather as sunshine, continuous dry climate with no opportunity for mud creation, reasonable temperatures (above 20 degrees), and no acts of God like tornadoes.

FURTHER AFFIANT SAYETH NOT



Richard Alan Rader, Jr.

STATE OF TENNESSEE)
)
COUNTY OF PUTNAM)

Subscribed and sworn to before me, a notary public
in and for County and State, this 20th date of
November, 2002.

