

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. \_\_\_\_\_)\*

North Coast Energy, Inc.

-----  
(Name of Issuer)

Common Stock, par value \$.01 per share

-----  
(Title of Class of Securities)

658649 10 8

-----  
(CUSIP Number)

Walter M. Epstein, Esq., Rubin Baum Levin Constant & Friedman  
30 Rockefeller Plaza, 29th Floor  
New York, New York 10112

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications)

August 28, 1996

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Check the following box if a fee is being paid with the statement /x/. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class. See Rule 13d-7.)

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

## SCHEDULE 13D

CUSIP NO. 658649 10 8

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
LOMAK PETROLEUM, INC.  
EIN - 34-131257

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) / /  
(b) /x/

---

3 SEC USE ONLY

---

4 SOURCE OF FUNDS\*  
BK, WC and 00

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(d) or 2(e) / /

---

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
DELAWARE

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NUMBER OF	7	SOLE VOTING POWER	5,564,606 (1)
SHARES			
BENEFICIALLY	8	SHARED VOTING POWER	0
OWNED BY			
EACH	9	SOLE DISPOSITIVE POWER	5,564,606 (1)
REPORTING			
PERSON	10	SHARED DISPOSITIVE POWER	0
WITH			

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,564,606 (1)

---

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\* / /

---

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
58.2%

---

14 TYPE OF REPORTING PERSON\*  
CO

---

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7  
(INCLUDING EXHIBITS) OF THE SCHEDULE AND THE SIGNATURE ATTESTATION.

(1) INCLUDES 4,051,599 SHARES OF NORTH COAST ENERGY, INC. ("NORTH COAST")  
COMMON STOCK, WARRANTS CURRENTLY EXERCISABLE TO ACQUIRE 500,000 SHARES  
OF NORTH COAST COMMON STOCK, 1,000,000 SHARES OF NORTH COAST COMMON  
STOCK ISSUABLE UPON CONVERSION OF AN 8% CONVERTIBLE SUBORDINATED NOTE  
AND 13,007 SHARES OF NORTH COAST COMMON STOCK ISSUABLE UPON CONVERSION  
OF NORTH COAST SERIES A PREFERRED STOCK.

## ITEM 1. SECURITY AND ISSUER

This statement on Schedule 13D relates to the Common Stock, par value \$.01 per share (the "Common Stock"), of North Coast Energy, Inc., a Delaware corporation ("North Coast"). The principal executive offices of North Coast are located at 5311 Northfield Road, Suite 320, Cleveland, Ohio 44146-1135.

## ITEM 2. IDENTITY AND BACKGROUND

The information set forth below is given with respect to Lomak Petroleum, Inc., a Delaware corporation ("Lomak"), the reporting person of this statement, and each director and executive officer of Lomak. Column (a) indicates the name of each person; column (b) indicates the business address of each person; column (c) indicates each person's present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted or its principal business, as applicable; column (d) indicates whether or not, during the last five years, such person, or any executive officer, director or controlling person of such person, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, the dates, nature of conviction, name and location of court, and penalty imposed, or other disposition of the case; column (e) indicates whether or not, during the last five years, such person, or any executive officer, director or controlling person of such person, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws, and, if so, identifies and describes such proceedings and summarizes the terms of such judgment, decree or final order; and column (f) indicates the citizenship of such person, if applicable.

(a)	(b)	(c)	(d)	(e)	(f)
Lomak Petroleum, Inc.	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Lomak is engaged in the oil and gas business.	No	No	Delaware Corporation
Thomas J. Edelman	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Thomas J. Edelman holds the office of Chairman and is Chairman of the Board of Directors. Mr. Edelman joined the Company in 1988 and served as its Chief Executive Officer until 1992. Since 1981, Mr. Edelman has been a director and President of Snyder Oil Corporation ("SOCO"). In 1996, Mr. Edelman was appointed Chairman and Chief Executive Officer of Patina Oil and Gas Corporation, an affiliate of SOCO. Prior to 1981, Mr. Edelman was a Vice President of The First Boston Corporation. From 1975 through 1980, Mr. Edelman was with Lehman Brothers Kuhn Loeb Incorporated. Mr. Edelman received his Bachelor of Arts Degree from Princeton University and his Masters Degree in Finance from Harvard University's Graduate School of Business Administration. Mr. Edelman is also a director of Petroleum Heat & Power Co., Inc., a Connecticut based fuel oil distributor, Star Gas Corporation, a private company which distributes propane gas, and Command Petroleum Limited, an international exploration and production company affiliated with SOCO.	No	No	United States
John H. Pinkerton	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	John H. Pinkerton, President, Chief Executive Officer and a Director, joined the Company in 1988. He was appointed President in 1990 and Chief Executive Officer in 1992. Previously, Mr. Pinkerton was Senior Vice President-Acquisitions of SOCO. Prior to joining SOCO in 1980, Mr. Pinkerton was with Arthur Andersen & Co. Mr. Pinkerton received his Bachelor of Arts Degree in Business Administration from Texas Christian University and his Master of Arts Degree in Business Administration from the University of Texas.	No	No	United States

(a)	(b)	(c)	(d)	(e)	(f)
Robert E. Aikman	500 Throckmorton Street Suite 2104 Fort Worth, Tx 76102	Robert E. Aikman, a Director, joined the Company in 1990. Mr. Aikman has more than 40 years experience in petroleum and natural gas exploration and production throughout the United States and Canada. From 1984 to 1994 he was Chairman of the Board of Energy Resources Corporation. From 1979 through 1984, he was the President and principal shareholder of Aikman Petroleum, Inc. From 1971 to 1977, he was President of Dorchester Exploration Inc., and from 1971 to 1980, he was a Director and a Member of the Executive Committee of Dorchester Gas Corporation. Mr. Aikman is also Chairman of the Provident Trade Company, President of ER0G, Inc., and President of The Hawthorne Company, an entity which organizes joint ventures and provides advisory services for the acquisition of oil and gas properties, including the financial restructuring, reorganization and sale of companies. He was President of Enertec Corporation which was reorganized under Chapter 11 of the Bankruptcy Code in December 1994. In addition, Mr. Aikman is a director of the Panhandle Producers and Royalty Owners Association and a member of the Independent Petroleum Association of America, The Texas Independent Producers and Royalty Owners Association and American Association of Petroleum Landmen. Mr. Aikman graduated from the University of Oklahoma in 1952.	No	No	United States
Allen Finkelson	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Allen Finkelson was appointed a Director in January 1994. Mr. Finkelson has been a partner at Cravath, Swaine & Moore since 1977, with the exception of the period from September 1983 through August 1985, when he was a managing director of Lehman Brothers Kuhn Loeb Incorporated. Mr. Finkelson was first employed by Cravath, Swaine & Moore as an associate in 1971. Mr. Finkelson received his Bachelor of Arts Degree from St. Lawrence University and his Doctor of Laws Degree from Columbia University School of Law.	No	No	United States
Anthony V. Dub	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Anthony V. Dub was elected to serve as a director of the Company in 1995. Mr. Dub is Managing Director--Senior Advisor of CS First Boston, an international investment banking firm with headquarters in New York City. Mr. Dub joined CS First Boston in 1971 and was named a Managing Director in 1981. Mr. Dub received his Bachelor of Arts Degree from Princeton University in 1971.	No	No	United States
Ben A. Guill	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Ben A. Guill was elected to serve as a director of the Company in 1995. Mr. Guill is Partner and Managing Director of Simmons & Company International, an investment banking firm located in Houston, Texas focused exclusively on the oil service and equipment industry. Mr. Guill has been with Simmons & Company since 1980. Prior to joining Simmons & Company, Mr. Guill was with Blyth Eastman Dillon & Company from 1978 to 1980. Mr. Guill received his Bachelor of Arts Degree from Princeton University and his Masters Degree in Finance from the Wharton Graduate School of Business at the University of Pennsylvania.	No	No	United States

(a)	(b)	(c)	(d)	(e)	(f)
C. Rand Michaels	500 Throckmorton Street Suite 2104 Fort Worth, TX	C. Rand Michaels, who holds the office of Vice Chairman and is a Director, served as President and Chief Executive Officer of the Company from 1976 through 1988 and Chairman of the Board from 1984 through 1988, when he became Vice Chairman. Mr. Michaels received his Bachelor of Science Degree from Auburn University and his Master of Business Administration Degree from the University of Denver. Mr. Michaels is also a director of American Business Computers Corporation of Akron, Ohio, a public company serving the beverage dispensing and fast food industries.	No	No	United States
Jeffrey A. Bynum	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Jeffrey A. Bynum, Vice President-Land and Secretary, joined Lomak in 1985. Previously, Mr. Bynum was employed by Crystal Oil Company and Kinnebrew Energy Group of Shreveport, Louisiana. Mr. Bynum holds a Professional Certification with American Association of Petroleum Landmen and attended Louisiana State University in Baton Rouge, Louisiana and Centenary College in Shreveport, Louisiana.	No	No	United States
Steven L. Grose	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Steven L. Grose, Vice President--Appalachia Region, joined the Company in 1980. Previously, Mr. Grose was employed by Halliburton Services, Inc. as a Field Engineer from 1971 until 1974. In 1974, he was promoted to District Engineer and in 1978, was named Assistant District Superintendent based in Pennsylvania. Mr. Grose is a member of the Society of Petroleum Engineers and a trustee of The Ohio Oil and Gas Association. Mr. Grose received his Bachelor of Science Degree in Petroleum Engineering from Marietta College.	No	No	United States
Chad L. Stephens	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Chad L. Stephens, Vice President--Midcontinent Region, joined the Company in 1990. Previously, Mr. Stephens was a landman with Duer Wagner & Co., an independent oil and gas producer, since 1988. Prior thereto, Mr. Stephens was an independent oil operator in Midland, Texas for four years. From 1979 to 1984, Mr. Stephens was a landman for Cities Service Company and HNG Oil Company. Mr. Stephens received his Bachelor of Arts Degree in Finance and Land Management from the University of Texas.	No	No	United States
Thomas W. Stoelk	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Thomas W. Stoelk, Vice President--Finance and Chief Financial Officer, joined the Company in February 1994. Mr. Stoelk is a Certified Public Accountant and was a Senior Manager with Ernst & Young LLP. Prior to rejoining Ernst & Young LLP in 1986 he was with Partners Petroleum, Inc. Mr. Stoelk received his Bachelor of Science Degree in Industrial Administration from Iowa State University.	No	No	United States
Danny M. Sowell	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Danny M. Sowell, Vice President--Gas Management, joined the Company in 1996. Previously, Mr. Sowell was Chief Executive Officer and President of Jay Gas marketing, which Lomak acquired May 1, 1996. Prior to starting Jay Gas, Mr. Sowell was Director of Marketing for Oklahoma Gas & Electric Company's gas subsidiary. Mr. Sowell received his Master and Bachelor of Science Degrees in Mathematics from Lamar University.	No	No	United States

(a)	(b)	(c)	(d)	(e)	(f)
John R. Frank	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	John R. Frank, Controller and Chief Accounting Officer, joined the Company in 1990. From 1989 until he joined Lomak in 1990, Mr. Frank was Vice President-- Finance of Appalachian Exploration, Inc. Prior thereto, he held the positions of Internal Auditor and Treasurer with Appalachian Exploration, Inc. beginning in 1977. Mr. Frank received his Bachelor of Arts Degree in Accounting and Management from Walsh College and attended graduate studies at the University of Akron.	No	No	United States
Geoffrey T. Doke	500 Throckmorton Street Suite 2104 Fort Worth, TX 76102	Geoffrey T. Doke, Treasurer, joined the Company in 1991. He was appointed Treasurer in 1996. Previously, Mr. Doke was employed by Edisto Resources Corporation of Dallas, Texas. Mr. Doke received his Bachelor of Business Administration Degree in Finance and International Business from Baylor University and his Master of Business Administration Degree from Case Western Reserve University.	No	No	United States

Thomas J. Edelman, John H. Pinkerton, Robert E. Aikman, Allen Finkelson, Anthony V. Dub, Ben A. Guill, C. Rand Michaels, Jeffrey A. Bynum, Steven L. Grose, Chad L. Stephens, Thomas W. Stoelk, Danny M. Sowell, John R. Frank and Geoffrey T. Doke are collectively referred to herein as the "Lomak Executives."

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The funds necessary for these purchases were obtained from cash and oil and gas properties on hand, operating cash flow and from Lomak's unsecured \$250,000,000 revolving credit facility with several banks, with BankOne acting as agent for such banks. Such credit facility has an interest rate of Prime or LIBOR (as such terms are defined therein) plus .75% to 1.25% depending on the percent of the borrowing base drawn. Currently, the average interest rate is approximately 6.8%. The credit facility has covenants substantially similar to covenants in other credit facilities of this size made to companies in the oil and gas business.

ITEM 4. PURPOSE OF TRANSACTION

Lomak has acquired the shares of North Coast as an investment. Lomak will consider acquiring additional shares from time to time. Lomak intends to assist North Coast in enhancing the value of North Coast. Lomak intends to vote the North Coast Common Stock which it acquired in the transactions described in Item 5 below at the North Coast annual meeting for the election of two directors who are also officers of Lomak. Assuming these individuals are elected, they will constitute two of the six North Coast directors. Of the remaining four directors, the term of two of them will expire in 1997 and the term of the other two will expire in 1998.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

According to North Coast's most recent 10-Q, as of August 5, 1996, 8,040,699 shares of North Coast Common Stock were issued and outstanding. Prior to August 28, 1996, each of Lomak and the Lomak Executives "beneficially owned," within the meaning of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), zero shares of North Coast Common Stock.

As of September 6, 1996, the Lomak Executives "beneficially own," within the meaning of the Exchange Act, zero shares of North Coast Common Stock and Lomak "beneficially owns," within the meaning of the Exchange Act, 5,564,606 shares of North Coast Common Stock, representing an approximately 58.2% beneficial ownership interest in North Coast.

During the sixty (60) days prior to August 28, 1996, neither the Lomak Executives nor Lomak effected any transaction in shares of North Coast Common Stock. On and subsequent to August 28, 1996, Lomak effected the transactions set forth below.

Pursuant to an Agreement dated August 28, 1996 (the "NAGIT Agreement") among Lomak, NAGIT (USA) Inc. ("NAGIT") and North American Gas Investment Trust PLC, a copy of which is attached hereto as EXHIBIT 1, Lomak, for \$25,000, acquired an option (the "NAGIT Option") to purchase 1,899,000 shares of North Coast Common Stock; a warrant to purchase 200,000 shares of North Coast Common Stock at an exercise price of \$1.20 per share through June 12, 2000; a warrant to purchase 300,000 shares of North Coast Common Stock at an exercise price of \$1.00 per share through June 12, 1998; an 8% Convertible Subordinated Note in the principal amount of \$1,000,000 pursuant to a Loan Agreement dated as of June 13, 1995, between NAGIT and North Coast plus accrued interest thereon; and all rights of NAGIT under a Loan and Participation Agreement dated as of January 13, 1995 between NAGIT and North Coast, including, without limitation, a principal balance outstanding as of August 28, 1996 of \$304,791, but specifically excluding the Overriding Royalty (collectively, "NAGIT's Interests").

On September 3, 1996, Lomak exercised the NAGIT Option. On September 4, 1996, Lomak paid NAGIT \$1,250,000 (including the \$25,000 paid for the NAGIT Option) and acquired NAGIT's Interests.

Pursuant to an agreement dated September 3, 1996 (the "Broker Agreement") between Lomak and Bruce E. Brocker ("Broker"), a copy of which is attached hereto as EXHIBIT 2, Lomak, for \$735,000 in cash plus certain Lomak oil and gas property interests, acquired 2,152,599 shares of North Coast Common Stock and 5,655 shares of North Coast Series A Preferred Stock.

No entity other than Lomak is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of the shares of North Coast Common Stock covered by this Schedule 13D.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS  
WITH RESPECT TO SECURITIES OF THE ISSUER

Other than the NAGIT Agreement and the Brocker Agreement, each of which is described in Item 5 above, there are no contracts, arrangements, understandings or relationships with respect to securities of North Coast between Lomak or the Lomak Executives and any other person or entity.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The following Exhibits are filed as part of this statement on Schedule 13D:

1. Form of Agreement dated August 28, 1996 among Lomak Petroleum, Inc., NAGIT (USA) Inc. and North American Gas Investment Trust, PLC.

2. Form of Agreement dated September 3, 1996 between Lomak Petroleum, Inc. and Bruce E. Brocker.

SIGNATURE  
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After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned does hereby certify that the information set forth in this statement is true, complete and correct.

Dated: September 9, 1996

LOMAK PETROLEUM, INC.

By: /s/ Thomas W. Stoelk  
-----  
Thomas W. Stoelk  
Vice President-Finance and  
Chief Financial Officer

Exhibit 1

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LOMAK PETROLEUM, INC.

500 THROCKMORTON STREET  
SUITE 2104  
FORT WORTH, TEXAS 76102

August 28, 1996

Richard A. Teichman, Jr.  
Director  
NAGIT (USA) INC.  
North American Gas Investment Trust, PLC  
c/o Schreck Law Associates  
950 West Valley Road - Suite 2404  
Wayne, PA 19087-18244

Fax No.: (610) 341-1307

Re: North Coast Energy, Inc.  
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Ladies and Gentlemen:

This letter agreement sets forth the interest of Lomak Petroleum, Inc., a Delaware corporation, or any affiliate thereof ("Lomak"), to obtain an exclusive irrevocable option from North American Gas Investment Trust, PLC, a public company organized under the laws of England and Wales, and NAGIT (USA) INC., a Delaware corporation (collectively "NAGIT"), to (i) acquire all of the issued and outstanding securities of North Coast Energy, Inc., a Delaware corporation ("North Coast"), held by NAGIT and its affiliates, including, without limitation, all of the shares of North Coast Common Stock held by NAGIT and its affiliates (the "Shares") and all of NAGIT's and its affiliates' outstanding options, warrants, calls, unsatisfied preemptive rights and other rights or agreements of any kind to purchase or otherwise receive from North Coast, or any of its stockholders, any of the outstanding, authorized but unissued, unauthorized or treasury shares of the capital stock of North Coast or any other security of North Coast convertible into or exchangeable for any such capital stock (such shares, securities, options, warrants and other rights and agreements are collectively referred to herein as "NAGIT's Equity Interests"), and (ii) assume, other than the

Private Contract Overriding Royalty of 3.125% ("Overriding Royalty") on certain oil and gas on certain property which shall remain the property of NAGIT, all of NAGIT's rights, benefits, obligations, duties and liabilities under the January 13, 1995 Loan and Participation Agreement between NAGIT and North Coast and the June 13, 1995 Loan Agreement between NAGIT and North Coast and any promissory note or security agreement contemplated thereby or executed in connection therewith (such loan agreements, security agreements and notes are collectively referred to herein as the "Loan Documents") (such rights, benefits, obligations, duties and liabilities are collectively referred to herein as "NAGIT's Loan Interests"), subject to the terms and conditions set forth in this letter agreement. NAGIT's Equity Interests and NAGIT's Loan Interests are more particularly described on Exhibit A attached hereto.

1. NAGIT hereby agrees to grant Lomak, or any affiliate thereof, an exclusive irrevocable option (the "Option") from the date hereof until 12:00 PM (Noon) EST, Tuesday, September 3, 1996 (the "Option Exercise Period") to acquire all of NAGIT's Equity Interests and NAGIT's Loan Interests for an aggregate purchase price of \$1,250,000 (the "Purchase Price"). The Purchase Price shall be reduced dollar for dollar by the amount of all principal payments made with respect to NAGIT's Loan Interests after the date hereof. In consideration for NAGIT's agreement to grant the Option to Lomak, Lomak hereby agrees to provide NAGIT with a payment of \$25,000 promptly following NAGIT'S execution and delivery of this letter agreement, such payment to be credited against the Purchase Price upon the completion of the sale of NAGIT's Equity Interests and NAGIT's Loan Interests to Lomak or to be retained by NAGIT in the event Lomak fails to exercise its Option to purchase NAGIT's Equity Interests and NAGIT's Loan Interests during the Option Exercise Period.

2. If Lomak provides written notice to NAGIT during the Option Exercise Period of its intention to exercise the Option (the "Option Exercise Notice"), Lomak and NAGIT shall consummate the sale of NAGIT's Equity Interests and NAGIT's Loan Interests to Lomak or any affiliate thereof pursuant to the terms of this Letter Agreement. The closing of such sale (the "Closing") shall occur on a date (the "Closing Date") which is within five (5) days of the date Lomak delivers the Option Exercise Notice to NAGIT and, in any event, no later than September 3, 1996.

3. If Lomak provides an Option Exercise Notice to NAGIT, NAGIT shall, at the Closing, contribute, assign, convey, grant and deliver to Lomak, and Lomak shall acquire from NAGIT, in each case free and clear of all liens, claims, security interests and encumbrances, all of NAGIT's and its affiliates' right, title and interest in and to NAGIT's Equity Interests and NAGIT's Loan Interests. In addition, at the Closing, NAGIT will deliver to Lomak (i) such endorsements, assignments, evidence of UCC termination statements and other good and sufficient instruments of conveyance, transfer and consent, all in form and substance satisfactory to Lomak, as shall be effective to vest in Lomak title to NAGIT's Equity Interests and NAGIT's Loan Interests, free and clear of all liens, claims, security interests and encumbrances; (ii) the stock certificates representing the Shares held by NAGIT and its affiliates, with duly executed stock powers attached thereto, together with such documentation as shall be necessary to instruct North Coast to cancel such stock certificates and to issue new stock certificates for the Shares to be issued by it to Lomak; (iii) a certificate, dated the Closing Date, of the President and Secretary of NAGIT to the effect that (1) each of the representations and warranties of NAGIT set forth in paragraph 4 below were true and correct in all respects on the date of execution of this letter agreement by NAGIT and continue to be true and correct in all respects on the Closing Date, and (2) all agreements, covenants and conditions required pursuant to this letter agreement to be performed or complied with by NAGIT and its affiliates prior to or at the Closing have been performed or complied with by such parties in all respects; and (iv) an executed irrevocable proxy, substantially in the form of Exhibit B hereto, entitling Lomak to vote, in its own discretion, at the scheduled September 4, 1996 annual meeting of the stockholders of North Coast, or any adjournment or postponement thereof, all of the Shares being conveyed to Lomak pursuant to the terms hereof. Any of the requirements set forth in clauses (i) through (iv) above may be waived on or prior to the Closing Date in the sole discretion of Lomak. Upon NAGIT's satisfactory completion of the requirements set forth in clauses (i) through (iv) above, as determined by Lomak in its sole discretion, unless any such requirement is waived by Lomak, Lomak will pay the Purchase Price to NAGIT by wire transfer in immediately available funds to such bank account as shall be designated in writing by NAGIT.

4. NAGIT certifies that (i) NAGIT's Equity Interests and NAGIT's Loan Interests constitute NAGIT's and its affiliates' entire ownership interest in North Coast, except for the Overriding Royalty; (ii) upon the consummation of the transactions contemplated hereby, NAGIT and its affiliates will not have any outstanding rights, subscriptions, warrants, calls, unsatisfied preemptive rights, options or other agreements of any kind to purchase or otherwise receive from North Coast, or any stockholder thereof, any of the outstanding, authorized but unissued, unauthorized or treasury shares of the capital stock of North Coast or any other security of North Coast or own any interest, direct or indirect, in any authorized or outstanding security of any kind convertible into or exchangeable for any capital stock of North Coast; (iii) NAGIT has good and marketable title in and to all of NAGIT's Equity Interests and NAGIT's Loan Interests, all of which are being conveyed to Lomak free and clear of all liens, claims, encumbrances, security interests or other defects in title; (iv) the making and performance of this letter agreement and the consummation of the transactions contemplated hereby by NAGIT and its affiliates, have been duly authorized by all necessary corporate action on the part of NAGIT and its affiliates and do not and will not violate any provision of law, rules or regulations applicable to NAGIT or conflict with or result in a breach of, or constitute a default under, any agreement or instrument by which NAGIT or its affiliates may be bound or affected; and (v) except for the Loan Documents and that certain Stockholders Agreement, dated as of September 29, 1994 (the "Stockholders Agreement"), among NAGIT (USA) Inc., Charles M. Lombardy and Garry Regan, there are no other agreements, understandings or commitments to which NAGIT or its affiliates are a party which relate to or affect NAGIT's ownership of NAGIT's Equity Interests or NAGIT's Loan Interests.

5. NAGIT shall not take any action to remove George R. Begley as a director of North Coast during the Option Exercise Period and thereafter, if the option is exercised by Lomak.

6. Each of Lomak and NAGIT shall bear all of its own costs, fees and expenses in connection with the transactions contemplated by this letter agreement. Neither Lomak nor NAGIT has incurred any liability, contingent or otherwise, for broker or finder's fees relating to the transaction contemplated by this agreement.

7. Each of Lomak and NAGIT shall keep strictly confidential the existence and terms and conditions of this letter agreement and the fact of discussions and negotiations between the parties hereto with respect to the subject matter hereof, except that each such party may make such disclosures to its officers, directors, employees, professional advisors, lenders and governmental entities as shall be necessary to carry out the intent of this letter agreement, or as required by applicable laws, rules and regulations. Neither of the parties hereto shall make any press release or other public announcement with respect to the transactions contemplated by this letter agreement without the prior written consent of the other party hereto and the prior approval by the other party hereto of the content and language of such release or announcement. Notwithstanding the foregoing, NAGIT shall have the right to send the notice attached hereto as Exhibit C pursuant to the Stockholders Agreement.

8. During the Option Exercise Period, NAGIT and its principals, directors, officers and representatives will not solicit offers from any other party in connection with the acquisition of NAGIT's Equity Interests or NAGIT's Loan Interests, either directly or indirectly. If any unsolicited offer is received by NAGIT or any of its principals, directors, officers or representatives, NAGIT will promptly so inform Lomak in writing. If the Option is not exercised by Lomak during the Option Exercise Period, NAGIT and its principals, directors, officers and representatives will have no further non-solicitation obligations pursuant to the terms hereof.

9. Lomak agrees to indemnify and hold harmless NAGIT and each of its directors, officers and representatives (each an "Indemnified Party") and hereby holds each Indemnified Party harmless from any liability and/or expense, arising out of a claim by a third party based upon this Agreement and the transactions contemplated hereby. Promptly after receipt by an Indemnified Party of notice of the commencement of any action, suit or proceeding involving such Indemnified Party (any such action, suit or proceeding is hereafter referred to as an "Indemnification Event"), such Indemnified Party shall notify Lomak in writing of the commencement thereof. Lomak shall have the obligation to defend the Indemnified Party with Lomak's counsel or, if deemed necessary by Lomak's counsel, with independent counsel approved by Lomak's counsel. As long as Lomak is conducting the defense of any Indemnification Event, the

Indemnified Party (i) agrees to fully cooperate with Lomak in defending such Indemnification Event, (ii) will not consent to the entry of any judgment or enter into any settlement with respect to such Indemnification Event without the prior written consent of Lomak, and (iii) agrees to consent to the entry of any judgment or settlement with respect to such Indemnification Event which Lomak deems appropriate.

10. Lomak shall have the right of first refusal to acquire the Overriding Royalty should NAGIT seek to sell the Overriding Royalty to a non-affiliated third party. NAGIT shall give LOMAK notice of any proposed sale. Lomak shall have the right to buy The Overriding Royalty for a period of thirty days thereafter on the same terms set forth in the notice. Should Lomak not exercise its right of first refusal and should the proposed sale not then be completed within 30 days thereafter on such terms, Lomak's right of first refusal shall again become effective.

11. This letter agreement constitutes a binding and enforceable obligation on the part of each of Lomak and NAGIT and shall inure to the benefit of Lomak and NAGIT and their respective successors and assigns, except that NAGIT may not transfer or assign any of its rights or obligations hereunder without the prior written consent of Lomak.

12. This letter agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware.

Unless earlier extended or terminated by Lomak in writing or accepted by NAGIT, the proposal set forth herein shall expire at 11:00 p.m. (EST), on August 28, 1996.

If the foregoing is acceptable to you, please execute two (2) copies of this letter in the space provided for NAGIT's signature below, and return one (1) fully executed copy to Lomak as soon as possible.

Very truly yours,

LOMAK PETROLEUM, INC.

By: -----

Name: C. Rand Michaels  
Title: Vice Chairman

Accepted and agreed to in all respects as of August 28, 1996.

NAGIT (USA) INC.

NORTH AMERICAN GAS INVESTMENT  
TRUST, PLC

By: -----

Richard A. Teichman, Jr.  
Director, Vice President

By: -----

Richard A. Teichman, Jr.  
Authorized Agent

## EXHIBIT A

## SCHEDULE OF ASSETS TO BE TRANSFERRED

1. 1,899,000 shares of North Coast Common Stock.
2. (a) Warrant to purchase 200,000 shares of North Coast Common Stock at an exercise price of \$1.20 per share through June 12, 2000.  
(b) Warrant to purchase 300,000 shares of North Coast Common Stock at an exercise price of \$1.00 per share through June 12, 1998.
3. 8% Convertible Subordinated Note in the principal amount of \$1,000,000 pursuant to Loan Agreement dated as of June 13, 1995, between NAGIT and North Coast plus accrued interest thereon.
4. All rights of NAGIT under a Loan and Participation Agreement dated as of January 13, 1995 between NAGIT and North Coast, including, without limitation, a principal balance outstanding as of August 28, 1996 of \$304,791, but specifically excluding the Overriding Royalty.

## EXHIBIT B

## IRREVOCABLE PROXY

The undersigned party, NAGIT (USA) INC., a Delaware corporation ("NAGIT"), hereby appoints Lomak Petroleum, Inc., a Delaware corporation, C. Rand Michaels, Walter M. Epstein, Steve Grose, Ken Nachbar, or Jeffrey R. Wolters or any of them acting singly, proxy (with full power of substitution to each and to each substitute appointed pursuant to such power) of NAGIT, in order to vote, in its or his sole discretion, all of the shares of capital stock of North Coast Energy, Inc., a Delaware corporation (the "Corporation"), held of record by NAGIT at the close of business on July 8, 1996 for which NAGIT may be entitled to vote at the Annual Meeting of the Stockholders of the Corporation commencing at 1:00 p.m. (EDT) on Wednesday, September 4, 1996 (the "Annual Meeting"), and at any adjournments or postponements thereof, with all rights and powers NAGIT would possess if present at such Annual Meeting upon all of the matters which may properly come before the stockholders of the Corporation at such Annual Meeting, including, without limitation, all matters set forth in the Notice of Meeting provided by the Corporation to NAGIT and the other stockholders of the Corporation with respect to such Annual Meeting. NAGIT hereby revokes all proxies, if any, hitherto given or executed by it to other parties, including, without limitation, the Corporation or any director, officer, employee or representative thereof, in connection with the Annual Meeting or any adjournment or postponement thereof.

Dated: NAGIT (USA) INC.

By: \_\_\_\_\_  
Richard A. Teichman, Jr.  
Vice President and Director

EXHIBIT B

IRREVOCABLE PROXY

The undersigned party, NAGIT (USA) ("NAGIT"), hereby appoints Lomak Petroleum, Inc., a Delaware corporation, C. Rand Michaels, Walter M. Epstein, Steve Grose, Ken Nachbar, or Jeffrey R. Wolters or any of them acting singly, proxy (with full power of substitution to each and to each substitute appointed pursuant to such power) of NAGIT, in order to vote, in its or his sole discretion, all of the shares of capital stock of North Coast Energy, Inc., a Delaware corporation (the "Corporation"), held of record by NAGIT at the close of business on July 8, 1996 for which NAGIT may be entitled to vote at the Annual Meeting of the Stockholders of the Corporation commencing at 1:00 p.m. (EDT) on Wednesday, September 4, 1996 (the "Annual Meeting"), and at any adjournments or postponements thereof, with all rights and powers NAGIT would possess if present at such Annual Meeting upon all of the matters which may properly come before the stockholders of the Corporation at such Annual Meeting, including, without limitation, all matters set forth in the Notice of Meeting provided by the Corporation to NAGIT and the other stockholders of the Corporation with respect to such Annual Meeting. NAGIT hereby revokes all proxies, if any, hitherto given or executed by it to other parties, including, without limitation, the Corporation or any director, officer, employee or representative thereof, in connection with the Annual Meeting or any adjournment or postponement thereof.

Dated: NAGIT (USA)

By: -----  
 Richard A. Teichman, Jr.  
 Vice President and Director

EXHIBIT B

IRREVOCABLE PROXY

The undersigned party, North American Gas Investment Trust, PLC, ("NAGIT"), a Delaware corporation ("NAGIT"), hereby appoints Lomak Petroleum, Inc., a Delaware corporation, John H. Pinkerton and C. Rand Michaels, or any of them acting singly, proxy (with full power of substitution to each and to each substitute appointed pursuant to such power) of NAGIT, in order to vote, in its or his sole discretion, all of the shares of capital stock of North Coast Energy, Inc., a Delaware corporation (the "Corporation"), held of record by NAGIT at the close of business on July 8, 1996 for which NAGIT may be entitled to vote at the Annual Meeting of the Stockholders of the Corporation commencing at 1:00 p.m. (EDT) on Wednesday, September 4, 1996 (the "Annual Meeting"), and at any adjournments or postponements thereof, with all rights and powers NAGIT would possess if present at such Annual Meeting upon all of the matters which may properly come before the stockholders of the Corporation at such Annual Meeting, including, without limitation, all matters set forth in the Notice of Meeting provided by the Corporation to NAGIT and the other stockholders of the Corporation with respect to such Annual Meeting. NAGIT hereby revokes all proxies, if any, hitherto given or executed by it to other parties, including without limitation, the Corporation or any director, officer, employee or representative thereof, in connection with the Annual Meeting or any adjournment or postponement thereof.

Dated: NORTH AMERICAN GAS INVESTMENT TRUST, PLC

By: \_\_\_\_\_  
 Name:  
 Title:

LOMAK PETROLEUM, INC.  
500 THROCKMORTON STREET  
SUITE 2104  
FORT WORTH, TEXAS 76102

September 3, 1996

Mr. Bruce E. Brocker  
4206 1/2 Boardman - Canfield Road  
Canfield, Ohio 44406

Fax No.: 330-533-2647

Re: Purchase of Bruce Brocker's Interests in North  
Coast Energy, Inc. ("North Coast")  
-----

Dear Mr. Brocker:

Set forth below are the terms pursuant to which you ("Seller") have agreed to sell and Lomak Petroleum, Inc., a Delaware corporation ("Lomak"), has agreed to purchase all of Seller's interest in North Coast Energy, Inc., ("North Coast") in shares of North Coast Common Stock and Series A Preferred Stock (collectively called "Interests") as set forth in Exhibit 1 annexed hereto.

1. Seller hereby agrees to sell, assign and deliver to Lomak on the date hereof free and clear of all liens, claims, security interests and encumbrances, all of Seller's right, title and interest in the Interests, subject to the simultaneous performance by Lomak of its obligations under this Agreement. Seller will deliver to Lomak stock certificates representing the Interests of Seller, with duly executed stock powers attached thereto, together with such documentation as shall be necessary to instruct North Coast to cancel such stock certificates and to issue new stock certificates representing the Interests to Lomak. In addition, Seller will deliver to Lomak an executed irrevocable proxy in the form of Exhibit 2 hereto.

2. Simultaneously with the execution of this Agreement and the performance by Seller of his obligations under Section 1 hereof Lomak, will pay Seller in accordance with the terms of Exhibit 2 the consideration set forth therein (the "Purchase Price"). Unless otherwise agreed, the Purchase Price shall be paid as provided in Exhibit 3 to Seller by wire transfer in immediately available funds to such bank account as shall be designated in writing by Seller. The parties may agree to amend Exhibit 3 to provide for payment alternatives in lieu of cash payments such as payment in whole or part of the payment then due by the transfer and delivery by Lomak to Seller of certain oil and gas properties owned by Lomak.

3. Seller certifies that (i) the Interests constitute Seller's entire ownership interest in North Coast; (ii) upon the consummation of the transactions contemplated hereby, Seller will not have any outstanding rights, subscriptions, warrants, calls, unsatisfied preemptive rights, options or other agreements of any kind to purchase or otherwise receive from North Coast, or any stockholder thereof, any of the outstanding, authorized but unissued, unauthorized or treasury shares of the capital stock of North Coast or any other security of North Coast; (iii) Seller has good and marketable title in and to all of the Interests which are being conveyed to Lomak free and clear of all liens, claims, encumbrances, and security interests; (iv) except as provided in Schedule A hereto, the making and performance of this Agreement and the consummation of the transactions contemplated hereby by Seller will not violate any provision of law, rules or regulations applicable to Seller or conflict with or result in a breach of, or constitute a default under, any agreement or instrument by which Seller may be bound or affected; and (v) except for the Agreement dated January 6, 1995 by and among Seller, North Coast, Charles M. Lombardy, and Garry Regan (the "1995 Agreement") there are no agreements, understandings or commitments to which Seller is a party which relate to or affect Seller's ownership of the Interests. Seller has delivered a true and correct copy of the 1995 Agreement to Lomak and makes no representation with respect to the effect of this Agreement on the 1995 Agreement.

4. Each of Lomak and Seller shall bear all of their own costs, fees and expenses in connection with the transactions contemplated by this Agreement. Neither Lomak nor Seller has incurred any liability, contingent or otherwise, for broker or

finder's fees relating to the transactions contemplated by this Agreement.

5. Seller and Lomak shall keep strictly confidential the existence and terms and conditions of this Agreement and the fact of discussions and negotiations between the parties hereto with respect to the subject matter hereof, for a period of two years from the date hereof, except that Brocker and Lomak may make such disclosures as shall be required by applicable laws, rules and regulations.

6. Lomak agrees to indemnify and hold harmless Seller ("Indemnified Party") and hereby holds Indemnified Party harmless from any loss, including but not limited to any loss sustained as a result of the termination or attempted termination of Seller's rights under the 1995 Agreement (a "Loss"), liability and/or expense arising out of a claim by a third party based upon this Agreement or Seller's performance of his obligations hereunder, including but not limited to Seller's execution and delivery of the irrevocable proxy described in Section 1 hereof which is an express requirement of Lomak hereunder and without which proxy Lomak would not enter into the transaction contemplated hereby. Promptly after receipt by Indemnified Party of any event giving rise to a loss indemnified hereunder or of notice of the commencement of any action, suit or proceeding involving Indemnified Party (any such action, suit or proceeding is hereafter referred to as an "Indemnification Event"), Indemnified Party shall notify Lomak in writing of the commencement thereof. Lomak shall have the obligation to indemnify the Indemnified Party against such Loss or if the Indemnification Event includes the filing of any action against the Indemnified Party, defend the Indemnified Party with Lomak's counsel or, if deemed necessary by Lomak's counsel, with independent counsel approved by Lomak's counsel. As long as Lomak is conducting the defense of any Indemnification Event, Indemnified Party (i) agrees to fully cooperate with Lomak in defending such Indemnification Event, (ii) will not consent to the entry of any judgment or enter into any settlement with respect to such Indemnification Event without the prior written consent of Lomak, and (iii) agrees to consent to the entry of any judgment or settlement with respect to such Indemnification Event which Lomak deems appropriate. Such settlement or judgment together with the costs thereof, if any, shall be paid by Lomak. Notwithstanding the foregoing, any Loss hereunder based on Seller not receiving payments required to be made by North Coast to Seller under the 1995 Agreement, if any, shall be made by Lomak to Indemnified Party on the earlier of January 7, 1998 or such time as Lomak consolidates North Coast for financial reporting purposes.

7. In the event that Lomak buys additional interests in equity of North Coast during the period commencing on the date hereof and ending such time as Lomak consolidates North Coast for financial reporting purposes in accordance with GAAP, but in no event less than one year from the date hereof ("Adjustment Period") and pays directly or indirectly a per share price in excess of \$.75 per share, Lomak shall be obligated to notify

Seller at the end of each calendar quarter of such higher consideration and concurrently pay to Seller the difference between the most favorable consideration and \$.75 per share. In the event that Lomak directly or indirectly sells any interests in equity of North Coast during the Adjustment Period for a per share price in excess of \$.75 per share, Lomak shall be obligated to notify Seller at the end of each calendar quarter of such sale and concurrently pay to Seller an amount equal to 1/2 of the excess per share price above \$.75 multiplied by that number of North Coast shares formerly owned by Seller by the percentage of Lomak's holdings of North Coast shares represented by the sale to Lomak's total holdings of North Coast shares at the time of such sale. Any subsequent sales by Lomak during the Adjustment Period in excess of \$.75 shall provide for similar payments to Seller determined on the same basis. In no event shall Seller be entitled in the aggregate to compensation with respect to more than all North Coast shares formerly owned by Seller.

8. As an inducement to Lomak to enter into this Agreement, Seller agrees that he will not directly or indirectly, for a period of four years from the date hereof acquire any equity interest in North Coast, enter into any financing arrangements with North Coast and/or solicit or acquire (or assist other in soliciting or acquiring) any properties owned by North Coast or any partnership interests of any general or limited partnership in which North Coast or its affiliates has a participating interest.

9. This Agreement constitutes a binding and enforceable obligation on the part of each of Lomak and Seller and shall inure to the benefit of Lomak and Seller and their respective successors and assigns. Seller may not transfer or assign any of his rights or obligations hereunder without the prior written consent of Lomak.

10. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware. This Agreement represents the entire understanding of the parties hereto and may only be amended in a writing executed by both parties hereto.

11. The parties agree that any litigation arising out of this Agreement shall be pursued only in the state or federal courts of the State of Ohio. Each of the parties covenants that it will

not object to such venue and consents irrevocably to the jurisdiction of the courts located in the State of Ohio to resolve any dispute arising under this agreement.

If the foregoing is acceptable to you, please execute two (2) copies of this Agreement in the space provided for your signature below and return one (1) fully executed copy to Lomak whereupon, subject to the performance by the respective parties hereto of their obligations hereunder, the Agreement shall become binding on the parties hereto.

Very truly yours,

LOMAK PETROLEUM, INC.

By:

-----

C. Rand Michaels  
Vice Chairman

Accepted and agreed to in all respects as of September 3, 1996.

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BRUCE E. BROCKER

## EXHIBIT 1

## SCHEDULE OF INTERESTS TO BE TRANSFERRED

1. 2,152,599 shares of North Coast Common Stock.
2. 5,655 shares of North Coast Series A Preferred Stock

## EXHIBIT 2

## IRREVOCABLE PROXY

The undersigned party, Bruce E. Brockner ("Brockner"), hereby appoints Lomak Petroleum, Inc., a Delaware corporation, Steve Grose, C. Rand Michaels, Walter M. Epstein, Jeffrey R. Wolters, and Kenneth J. Nachbar or any of them acting singly, proxy (with full power of substitution to each and to each substitute appointed pursuant to such power) of Brockner, in order to vote, in its or his sole discretion, all of the shares of capital stock of North Coast Energy, Inc., a Delaware corporation (the "Corporation"), held of record by Brockner at the close of business on July 8, 1996 for which Brockner may be entitled to vote at the Annual Meeting of the Stockholders of the Corporation commencing at 1:00 p.m. (EDT) on Wednesday, September 4, 1996 (the "Annual Meeting"), and at any adjournments or postponements thereof, with all rights and powers Brockner would possess if present at such Annual Meeting upon all of the matters which may properly come before the stockholders of the Corporation at such Annual Meeting, including, without limitation, all matters set forth in the Notice of Meeting provided by the Corporation to Brockner and the other stockholders of the Corporation with respect to such Annual Meeting. Brockner hereby revokes all proxies, if any, hitherto given or executed by it to other parties, including, without limitation, the Corporation or any director, officer, employee or representative thereof, in connection with the Annual Meeting or any adjournment or postponement thereof.

Dated:

By:

-----  
Bruce E. Brockner

## EXHIBIT 3

## TERMS FOR PAYMENT OF PURCHASE PRICE

Due on execution: \$350,000.00

Due 01/07/97: Property interests listed in Exhibit 3A  
annexed hereto

Due 01/07/98: \$385,000 plus interest (1)

- - - - -  
(1) These payments will accrue interest from the date of this Agreement at a simple interest rate of 7% per annum.