

BEFORE THE OIL & GAS COMMISSION

MAVERICK OIL & GAS, INC., : Appeal No. 810
: :
Appellant, : :
: : Review of Chief's Order 2008-88
-vs- : :
: :
DIVISION OF MINERAL RESOURCES : :
MANAGEMENT, : : **FINDINGS, CONCLUSIONS**
: : **& ORDER OF THE**
Appellee. : **COMMISSION**

Appearances: Kenneth L. Gibson, Counsel for Appellant Maverick Oil & Gas, Inc.; Molly Corey, Assistant Attorney General, Counsel for Appellee Division of Mineral Resources Management.

Date Issued: May 7, 2009

BACKGROUND

This matter came before the Oil & Gas Commission upon appeal by Maverick Oil & Gas, Inc. ["Maverick"] from Chief's Order 2008-88. Chief's Order 2008-88 was issued for Maverick's failure to comply with a consent agreement, which addressed four wells, known as the Fabro #2 Well, the Boss #1 Well, the Lockhart #3 Well, and the Wasil #1 Well. This agreement set forth a plan for bringing these four wells into compliance with Ohio law. Chief's Order 2008-88 demanded the forfeiture of bond in the amount of \$15,000.

Maverick filed its notice of appeal from Chief's Order 2008-88 on December 3, 2008. Accompanying the notice of appeal was a Request for Stay. On December 24, 2008, the Commission conducted a hearing on the Request for Stay. On December 24, 2008, the Commission **stayed** the execution of Chief's Order 2008-88 during the pendency of this proceeding.

On February 25, 2009, this cause came on for hearing before three members of the Oil & Gas Commission. At the commencement of hearing, the Appellee Division of Mineral Resources Management [the "Division"] moved for dismissal, based upon the Appellant's admitted failure to serve notice of the Commission's hearing upon royalty owners, as required by O.A.C. §1509-1-15(B). The Commission took this motion under advisement, and proceeded to the merit hearing. At hearing, the parties presented evidence and examined witnesses appearing for and against them.

ISSUES

Two issues were presented in the matter at bar.

The first issue presented by this appeal is: **Whether the Chief acted lawfully and reasonably in ordering the forfeiture of Maverick's blanket bond.**

The second issue presented by this appeal is: **Whether the appeal by Maverick should be dismissed for failure to serve royalty owners with notice of the Commission's hearing in accordance with O.A.C. §1509-1-15(B).**

FINDINGS OF FACT

1. Maverick Oil & Gas, Inc. ["Maverick"] owns oil and gas wells in the State of Ohio. Maverick is a small operator, owning only 12 wells. Among the wells owned by Maverick are: the Fabro #2 Well, the Boss #1 Well, the Lockhart #3 Well and the Wasil #1 Well [the "wells at issue" or the "four wells"]. Maverick acquired these four wells in 2003 and 2004. Brian Carr, President of Maverick, testified that when he acquired these wells, he had no experience in oil and gas production. At the time of acquisition, these wells had not been operated for several years. Since acquiring these four wells, Maverick has expended moneys attempting to restore and produce the wells. Since acquiring these four wells, Maverick has also worked on, and expended money upon, other wells owned by Maverick, hoping to generate income.

2. The four wells at issue were purchased by Maverick in 2003 and 2004. Maverick holds the mineral leases associated with these wells and claims ownership rights in the wells. The permits, issued by the Division and associated with these four wells, were initially held by Murphy Oil Company ["Murphy"]. In January 2007, Maverick applied for the transfer of these permits from Murphy. Maverick is now considered the registered owner of these four wells.

3. The wells at issue were initially covered by a \$15,000 "blanket bond" posted by Murphy Oil Company. This bond was forfeited by order of the Division Chief, issued on May 8, 2006. On January 10, 2007, Maverick, with Fifth Third Bank as surety, posted a \$15,000 "blanket bond" in support of these wells. This "blanket bond" was filed in accordance with O.R.C §1509.07, and pursuant to an order of the Summit County Court of Common Pleas (see Finding of Fact 23).

THE FABRO #2 WELL

4. Maverick is the registered owner of the Fabro #2 Well, located in the City of Norton, Summit County, Ohio. This well is covered by permit #792, issued by the Division. The Fabro #2 Well was installed in 1981, and is drilled into the Clinton Formation, to a total depth of 3,840 feet.

5. On December 16, 2008, January 21, 2009 and February 24, 2009, the Division conducted inspections of the Fabro #2 Well. The Division determined that this well was idle and incapable of producing oil or gas in commercial quantities. This determination was based upon the Division's findings that the well was not connected to a flow line, that no chart was on the gas measurement device, and that there was no physical evidence of activity in the vicinity of the well.

6. Records on file with the Division indicate production from the Fabro #2 Well between the years of 1984 and 2004. However, production since 1995 has been minimal, amounting to only 69 mcf of gas during this nine-year period. Since 2004, no production from this well has been reported to the Division. On May 13, 2008, upon Maverick's application, the Division issued a permit to plug the Fabro #2 Well. This permit remains in effect, but will expire on May 13, 2009. The Fabro #2 Well is incapable of commercial production and has not been plugged.

THE BOSS #1 WELL

7. Maverick is the registered owner of the Boss #1 Well, located in Copley Township, Summit County, Ohio. This well is covered by permit #801, issued by the Division. The Boss #1 Well was installed in 1981, and is drilled into the Clinton Formation, to a total depth of 3,816 feet.

8. On December 16, 2008 and February 24, 2009, the Division conducted inspections of the Boss #1 Well. The Division determined that this well was idle and incapable of producing oil or gas in commercial quantities. This determination was based upon the Division's findings that the well was not connected to a flow line and that no gas measurement device existed at the well or at the tank battery.

9. Records on file with the Division indicate production from the Boss #1 Well between the years of 1984 and 1993. Since 1993, no production has been reported to the Division. On July 2, 2008, upon Maverick's application, the Division issued a permit to plug the Boss #1 Well. This permit remains in effect, but will expire on July 2, 2009. The Boss #1 Well is incapable of commercial production and has not been plugged.

THE LOCKHART #3 WELL

10. Maverick is the registered owner of the Lockhart #3 Well, located in Coventry Township, Summit County, Ohio. This well is covered by permit #1798, issued by the Division. The Lockhart #3 Well was installed in 1984, and is drilled into the Clinton Formation to a total depth of 3,948 feet.

11. On December 16, 2008, December 18, 2008, December 23, 2008, December 24, 2008, December 29, 2008, December 30, 2008, January 22, 2009 and February 24, 2009, the Division conducted inspections of the Lockhart #3 Well. The inspections revealed that the Lockhart #3 Well was connected to a production system, and that work was being done on this well. The evidence further revealed that sand had been encountered in the well, and that attempts to pump the sand from the well were being undertaken. On December 18, 2008, the well owner, and others, were on site, and the well was being sand pumped. On December 23, 2008, December 24, 2008 and December 29, 2008, a contractor was on site swabbing the well. On December 30, 2008, swabbing had concluded and the well was shut in. A photograph of the meter for this well was taken on January 22, 2009, and showed no indication of the recent sale of natural gas. The Division determined that this well was not producing oil and/or gas in commercial quantities.

12. Records on file with the Division indicate production from the Lockhart #3 Well between the years of 1985 and 1994. Since 1994, no production has been reported to the Division. On May 13, 2008, upon Maverick's application, the Division issued a permit to plug the Lockhart #3 Well. This permit remains in effect, but will expire on May 13, 2009. The Lockhart #3 Well is not producing oil or gas in commercial quantities and has not been plugged.

THE WASIL #1 WELL

13. Maverick is the registered owner of the Wasil #1 Well, located in the City of Norton, Summit County, Ohio. This well is covered by permit #792, issued by the Division. The Wasil #1 Well was installed in 1981, and is drilled into the Clinton Formation, to a total depth of 3,819 feet.

14. On December 16, 2008, January 21, 2009 and February 24, 2009, the Division conducted inspections of the Wasil #1 Well. At the time of these inspections, the Division found the well to be idle and not in production. Discussions with the landowner indicated that the landowner had not received any recent royalty payments. A photograph of the meter for this well was taken on January 21, 2009, and showed an old chart located on the well's meter. The condition of this chart indicated that the well had not been operated for some time.

15. Records on file with the Division indicate production from the Wasil #1 Well between the years of 1984 and 2007. However, no production was reported for the nine-year period between 1995 and 2003. In 2004, only 3 mcf of gas was reported. No production was reported in 2005 and 2006. In 2007, production of only 66 barrels of oil and 36 mcf of gas was reported. Since 2007, no production has been reported to the Division.

16. Maverick's President Brian Carr testified at hearing that, since February 2007, 180 barrels of oil, and some amount of natural gas, have been produced from the Wasil #1 Well. However, the production reports on file with the Division do not reflect this amount. Proof of the payment of royalties for oil or gas produced from this well was not presented at hearing.

17. Maverick has not applied for a permit to plug the Wasil #1 Well, and this well remains unplugged.

THE ENFORCEMENT ORDERS

18. On November 2, 2005, Chief's Order 2005-97 was issued to Murphy Oil Company. This order declared the four wells at issue to be idle and incapable of producing oil and/or gas in commercial quantities. The order required Murphy to produce these wells within 10 days or to properly plug and abandoned the wells within 30 days. These abatement deadlines were extended several times by the Division. At the time of the issuance of Chief's Order 2005-97, Murphy held the well permits and had posted the associated bond; however, Maverick had purchased these wells and was considered the "owner" of the wells. Chief's Order 2005-97 was not appealed to the Oil & Gas Commission.

19. On May 8, 2006, Chief's Order 2006-64 was issued to Murphy Oil Company and Old Republic Surety Company. This order asserted a failure to comply with Chief's Order 2005-97, which order had required that the wells at issue be plugged or produced. Chief's Order 2006-64 demanded the forfeiture of Murphy's \$15,000 bond. Chief's Order 2006-64 was issued to Murphy as the holder of the bond associated with these wells. Chief's Order 2006-64 was not appealed to the Oil & Gas Commission.

20. Sometime in 2006, Maverick, and others, filed an action in the Court of Common Pleas for Summit County, Ohio, seeking a restraining order, to enjoin the Division from requiring the plugging of the Fabro #2 Well, the Boss #1 Well, the Lockhart #3 Well and the Wasil #1 Well. This action was assigned case number 2006 11 7338, and is captioned Lockhart Development Co. et al. v. Ohio Department of Natural Resources, Division of Mineral Resources Management, et al. ["the Common Pleas Court action"].

21. On December 6, 2006, a Journal Entry and Consent Order was entered in the Common Pleas Court action. The Consent Order reflected an agreement between Maverick and the Division, and set forth a plan for bringing these four wells into compliance with Ohio law. The Consent Order established certain deadlines. Pursuant to the Consent Order, Maverick committed to plugging or commercially producing the four wells by the following dates:

<u>Well</u>	<u>Plug or Produce By</u>
Fabro #2	May 2, 2007
Boss #1	May 2, 2007
Lockhart #3	June 2, 2007
Wasil #1	February 2, 2007

22. The Consent Order provided that the Division could seek bond forfeiture in the event of Maverick's non-compliance with its agreement. The Consent Order also provided that failure to comply with the Consent Order would result in a \$2,000 penalty for each well found to be in non-compliance, and an additional \$1,000 penalty for each well for every 30-day period, or part thereof, during which the well remained in non-compliance.

23. The Consent Order in the Common Pleas Court action also required Maverick to post a bond in support of the four wells at issue and to have the wells transferred into Maverick's name. Maverick complied with these requirements. On January 10, 2007, Maverick, through surety Fifth Third Bank, posted a \$15,000 bond in support of the wells. Also, on or about January 10, 2007, Maverick applied for the transfer of the four wells at issue from Murphy Oil Company.

24. Maverick's President Brian Carr testified that the Wasil #1 Well was placed into production on or before the Court's deadline of February 2, 2007. Division witness Inspector Robert Worstall, testified that he was informed by another operator (who shares the storage tank for the Wasil #1 Well with Maverick) that production of this well did not commence until February 9, 2007, one week beyond the deadline set by the court. Production reports on file with the Division, show production in 2007 of 66 barrels of oil and 36 mcf of gas from this well. Therefore, production of the Wasil #1 Well has been very limited, and in quantities which may not constitute commercial amounts. Moreover, Maverick's witness admitted that Maverick did not comply with the notice and pre-payment requirements set forth under the Court's Consent Order as regards the Wasil #1 Well.

25. On November 9, 2007, the Division filed Charges in Contempt of Court against Maverick and its President, Brian Carr. The Charges in Contempt alleged that Maverick had failed to comply with the Consent Order entered in the Common Pleas Court action, by failing to plug or produce the wells at issue by the designated deadlines. At hearing, before this Commission, Mr. Carr admitted that he had failed to comply with the Consent Order as regards the Fabro #2 Well, the Boss #1 Well and the Lockhart #3 Well. On February 26, 2008, a Magistrate's Order was issued by the Common Pleas Court, finding:

It is concluded that Maverick has failed to comply with the agreement it made on December 6, 2006, and is therefore subject to the penalties imposed by the order, and that Mr. Carr individually is also jointly and severally liable and otherwise personally responsible for such penalties. . .

26. The Magistrate's February 26, 2008 Order, scheduled a hearing for May 6, 2008. Mr. Carr failed to appear before the Summit County Common Pleas Court for that hearing. And, on May 12, 2008, the Magistrate specifically found that Mr. Carr continued to be in contempt of that court.

27. At the time of the Commission's hearing, the unpaid penalties owed by Maverick or Mr. Carr to the Division totaled at least \$90,000.

28. On November 4, 2008, Chief's Order 2008-88 was issued to Maverick and Fifth Third Bank. This order noted that Maverick had failed to comply with the Consent Order entered in the Common Pleas Court action, as the four wells at issue had not been commercially produced, or properly plugged and abandoned, in accordance with the parties' agreement. Chief's Order 2008-88 demanded the forfeiture of Maverick's \$15,000 bond. Chief's Order 2008-88 was appealed to the Oil & Gas Commission on December 3, 2008, and is the subject of the instant decision.

DISCUSSION

Before being issued a permit, the owner of any oil and gas well in the State of Ohio must post a performance bond. The purpose of the bond is to ensure that the well owner complies with the laws and rules regulating the production of oil and gas. The bond is also intended to provide funds to insure the plugging of non-productive wells. See O.R.C. §1509.071.

O.R.C. §1509.071 specifically states that the performance bond is conditioned upon compliance with the plugging requirements of O.R.C. §1509.12. This section of the law requires the plugging of wells that are determined to be incapable of producing oil or gas in commercial quantities, and are not being used for domestic purposes. This plugging requirement is intended to protect both the environment and other oil and gas producing strata.

The instant decision addresses four wells currently owned and bonded by Maverick. The evidence revealed that Maverick acquired these wells in 2003 and 2004. Maverick is a small operator, and at the time of acquiring these wells, the company's President Mr. Carr was inexperienced in the area of oil and gas production. Indeed, Mr. Carr testified that at the time of acquiring these wells, he knew virtually nothing about oil and gas production. According to reports on file with the Division, and the testimony of witnesses for both parties, these four wells had not shown significant production, if any, for several years prior to Maverick's purchase. Upon acquiring the wells, Maverick made efforts to rehabilitate and restore the wells, focusing particularly on the Wasil #1 Well and the Lockhart #3 Well. However, a combination of operator inexperience, problems with the wells and unfortunate financial circumstances, interfered with the rehabilitation of these wells.

Beginning in 2005, enforcement actions were issued by the Division in an attempt to require the owner of the wells to either bring the wells into commercial production or properly plug and abandon them. Chief's Order 2005-97 declared these wells to be idle and unproductive, and ordered that the wells be either produced or plugged. Upon failure of the owner to comply with Chief's Order 2005-97, the Chief issued Order 2006-64, demanding the forfeiture of bond held in support of the wells. Bond was, thereafter, forfeited to the State.

In January 2007, Maverick re-posted a bond to cover the wells at issue, pursuant to a court order entered by the Summit County Court of Common Pleas. The court order accepted and adopted the terms of a consent agreement between the Maverick and the Division. This Consent Order set forth certain deadlines by which the four wells at issue would need to be either commercially produced or properly plugged. The Consent Order also specified certain notice and pre-payment requirements, which would apply to Maverick's activities surrounding these wells. Finally, the Consent Order provided for the assessment of monetary penalties for failure to comply with its terms, and acknowledged that bond forfeiture could result from such non-compliance.

The evidence revealed that Maverick made efforts to comply with the Consent Order, eventually obtaining permits to plug the Fabro #1 Well, the Boss #1 Well and the Lockhart #3 Well. Maverick also took certain steps to attempt to produce the Fabro #1 Well, the Lockhart #3 Well and the Wasil #1 Well, resulting in limited production from the Wasil #1 Well.

To determine whether the Division Chief has reasonable grounds to believe that a well is incapable of producing oil or gas in commercial quantities, this Commission has developed a five-point test. State of Ohio v. Baldwin Producing Corporation, No. 76AP-892 (Court of Appeals, Franklin County [March 10, 1997]). The Baldwin test requires consideration of five indicia of commercial production, which are:

1. Has the owner of the well requested permission from the Chief for the well to stand idle and presented firm, reasonable plans, which he is capable of carrying out, to produce oil or gas in commercial quantities?
2. How recently the well has, in fact, produced oil or gas in commercial quantities and how much oil or gas has been sold?
3. Is the well equipped sufficiently with both surface and in-hole equipment to allow for commercial production?
4. How recently have actual good faith on-site attempts been made to produce the well in commercial quantities?
5. Has the state caused investigation to be made on the well site?

See also: Lake Underground Storage v. Mason, appeal #487 (June 27, 1996); Alsid Oil & Gas v. Division, appeal #650 (January 11, 1999).

In the Baldwin appeal, the Commission held, and the courts affirmed, that the word "incapable" does not mean that there was no "technical or proprietary hope" that the well will produce in commercial quantities. Rather, the examination focuses upon whether the well has recently produced commercial quantities of oil or gas, and whether the well is equipped for such production. This Commission has consistently held that the lack of surface and/or in-hole equipment necessary for commercial production indicates that a well is incapable of production. See Gary Harris & Group Maintenance v. Division, appeal #714 (October 27, 2003).

The term "commercial production" is not defined in statute. However, the court order entered by the Common Pleas Court specifically addressed the standard of "commercial production," which would be applied with regards to these particular wells, stating:

To meet the standard of commercial production, the well in accordance with Division approval must be fitted with equipment that is used for the recovery and sale of oil and gas; the well must be hooked up with a gas meter, tanks; separator; gathering, sales, and/or production lines; and other required equipment; and the well must include a sales point for any natural gas. Commercial production specifically excludes swab production of oil and domestic use of natural gas.

The evidence in this case showed that the Fabro #1 Well and the Boss #1 Well were incapable of commercial production, in that these two wells were not connected to a production system. The evidence further showed that, despite recent attempts to produce the Lockhart #3 Well, because of structural problems inherent to that well, Maverick has been unable to successfully produce this well. And while the Lockhart #3 Well had been swabbed for oil, the Consent Order in the Common Pleas Court action specifically excluded swabbing as a means of commercial production.

Therefore, as regards the Fabro #1 Well, the Boss #1 Well and the Lockhart #3 Well, Maverick has failed to comply with the provisions of the Consent Order entered in the Common Pleas Court for Summit County, and is in non-compliance with that Court's order.

As regards the Wasil #1 Well, the evidence showed that this well did produce oil and gas by, or shortly after, the deadline for production set by the Common Pleas Court. The amount of oil and gas obtained from the well was minimal, and it is in dispute as to whether the production amount would be considered a "commercial quantity." And while Maverick may have achieved the production deadline set by the Court, it failed to comply with certain other provisions of the Consent Order relating to notice and the pre-payment of costs.

Based upon the facts of this appeal, the Commission **FINDS** that the Division's issuance of Chief's Order 2008-88, ordering the forfeiture of Maverick's bond, is supported by the evidence, which evidence clearly established that Maverick did not fully comply with the Consent Order entered by the Court of Common Pleas for Summit County.

CONCLUSIONS OF LAW

1. Pursuant to O.R.C. §1509.36, the Commission will affirm the Division Chief if the Commission finds that the order appealed is both lawful and reasonable.
2. Maverick is the "owner" of the wells that are the subject of Chief's Order 2008-88. Pursuant to O.R.C. §1509.07, Maverick has posted a \$15,000 surety bond with the Division in support of these wells.
3. The evidence produced at hearing established that Maverick is not in compliance with the Consent Order entered in the matter of Lockhart Development Co. et al. v. Ohio Department of Natural Resources, Division of Mineral Resources Management, et al., case number 2006 11 7338, as regards the Fabro #2 Well, the Boss #1 Well and the Lockhart #3 Well, as these wells are idle, or not in commercial production, or incapable of commercial production, and have not been properly plugged and abandoned.

4. The evidence produced at hearing established that Maverick substantially complied with the production requirement contained in the Consent Order as regards the Wasil #1 Well, as the evidence did not conclusively prove that Maverick did not produce this well by the Court's deadline. However, the evidence also established that Maverick failed to comply with the notice and pre-payment requirements relating to production at the Wasil #1 Well contained in the Court's order.

5. Maverick has failed to fully comply with the terms of the Consent Order entered by the Common Pleas Court of Summit County. Therefore, the issuance of Chief's Order 2008-88, requiring the forfeiture of Maverick's blanket bond, was both lawful and reasonable.

**RULING ON THE PENDING
MOTION TO DISMISS**

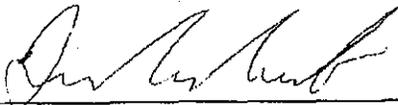
At the commencement of the merit hearing, the Division moved for the dismissal of this appeal upon the grounds that the Appellant failed to serve proper notice of the Commission's hearing as required by O.A.C. §1509-1-15(B). In light of the Commission's decision to affirm the Chief's Order, the Division's Motion to Dismiss the appeal of Chief's Order 2008-88 is rendered moot.

ORDER

Based upon the foregoing findings of fact and conclusions of law, the Commission hereby **AFFIRMS** the Division's issuance of Chief's Order 2008-88.



M. HOWARD PETRICOFF, Chairman



TIMOTHY C. McNUTT, Secretary

ABSTAINED

JAMES H. CAMERON



ROBERT W. CHASE

INSTRUCTIONS FOR APPEAL

This decision may be appealed to the Court of Common Pleas for Franklin County, within thirty days of your receipt of this decision, in accordance with Ohio Revised Code §1509.37.

DISTRIBUTION:

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Molly Corey, Via Fax (614-268-8871) & Inter-Office Certified Mail #: 6501

**BEFORE THE
OIL & GAS COMMISSION**

MAVERICK OIL & GAS, INC.,	:	Appeal No. 810
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Appellant,	:	
	:	Review of Chief's Order 2008-88
-vs-	:	
	:	
DIVISION OF MINERAL RESOURCES	:	
MANAGEMENT,	:	
	:	<u>INDEX OF EVIDENCE</u>
	:	<u>PRESENTED AT HEARING</u>
Appellee.	:	

Before: M. Howard Petricoff, Chair

In Attendance: Robert W. Chase, Timothy C. McNutt

Appearances: Kenneth L. Gibson, Counsel for Appellant Maverick Oil & Gas, Inc.;
Molly Corey, Assistant Attorney General, Counsel for Appellee Division
of Mineral Resources Management

WITNESS INDEX

Appellant's Witnesses:

Brian Carr Direct Examination; Cross Examination

Appellee's Witnesses:

Richard Simmers Direct Examination; Cross Examination
Robert Worstall Direct Examination; Cross Examination

EXHIBIT INDEX

Appellant's Exhibits:

Appellant's Exhibit 1	Journal Entry and Consent Order, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued December 6, 2006
Appellant's Exhibit 2	Judgment Entry, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued July 3, 2008
Appellant's Exhibit 3	Copies of checks paid out of Maverick account, since 2003
Appellant's Exhibit 4 - withdrawn	Invoice for servicing meter, meter test and meter chart, Lockhart #3 Well (withdrawn by Appellant)

Appellee's Exhibits:

Appellee's Exhibit 1	Chief's Order 2005-97; issued November 2, 2005
Appellee's Exhibit 2	Chief's Order 2006-64; issued May 8, 2006
Appellee's Exhibit 3	Letter, Gibson to Simmers; dated October 30, 2006
Appellee's Exhibit 4	Journal Entry and Consent Order, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338, December 6, 2006
Appellee's Exhibit 5	Charges of Contempt, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; filed November 9, 2007

Appellee's Exhibit 6	Magistrate's Order, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued February 26, 2008
Appellee's Exhibits 7	Magistrate's Order, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued May 12, 2008
Appellee's Exhibits 8	Magistrate's Decision, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued June 13, 2008
Appellee's Exhibit 9	Judgment Entry, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; July 3, 2008
Appellee's Exhibit 10	Certificate of Judgment, <u>Lockhart Development Co., et al. v. Ohio Department of Natural Resources, Division of Oil & Gas, et al.</u> , case no. CV 2006 11 7338; issued September 26, 2008
Appellee's Exhibit 11	Chief's Order 2008-88; issued November 4, 2008
Appellee's Exhibit 12	Inspection Report, Wasil #1 Well; dated February 16, 2008
Appellee's Exhibit 13	Photograph, Wasil #1 Well, meter; taken January 21, 2009
Appellee's Exhibit 14	Inspection Report, Fabro #2 Well; dated December 16, 2008
Appellee's Exhibit 15	Photograph, Fabro #2 Well, well; taken January 21, 2009
Appellee's Exhibit 16	Photograph, Fabro #2 Well, meter; taken January 21, 2009
Appellee's Exhibit 17	Application for Permit to Plug Fabro #2 Well; filed April 28, 2008

Appellee's Exhibit 18	Permit to Plug Fabro #2 Well; issued May 13, 2008
Appellee's Exhibit 19	Inspection Report, Boss #1 Well; dated December 16, 2008
Appellee's Exhibit 20	Photograph, Boss #1 Well, well; taken May 5, 2008
Appellee's Exhibit 21	Application for Permit to Plug Boss #1 Well; filed April 28, 2008
Appellee's Exhibit 22	Permit to Plug Boss #1 Well; issued July 2, 2008
Appellee's Exhibit 23	Inspection Reports, Lockhart #3 Well; dated December 16, 2008, December 18, 2008, December 23, 2008, December 24, 2008, December 29, 2008 and December 30, 2008
Appellee's Exhibit 24	Photograph, Lockhart #3 Well, well; taken January 22, 2009
Appellee's Exhibit 25	Photograph, Lockhart #3 Well, meter; taken January 21, 2009
Appellee's Exhibit 26	Application for Permit to Plug Lockhart #3 Well; filed April 28, 2008
Appellee's Exhibit 27	Permit to Plug Lockhart #3 Well; issued May 13, 2008
Appellee's Exhibit 28	Letter, Carr to Schumacher; dated April 26, 2008, with attached Permits to Plug the Fabro #2 Well, the Boss #1 Well and the Lockhart #3 Well
Appellee's Exhibit 29	Master Report for the Lockhart #3 Well
Appellee's Exhibit 30	Master Report for the Boss #1 Well
Appellee's Exhibit 31	Master Report for the Farbro #2 Well
Appellee's Exhibit 32	Master Report for the Wasil #1 Well