

# BEFORE THE OIL & GAS COMMISSION

HEARTLAND OIL & GAS, INC.,

Appellant,

-vs-

DIVISION OF MINERAL RESOURCES  
MANAGEMENT,

Appellee.

Appeal No. 755

Review of Chief's Order  
2005-99


## ORDER OF THE COMMISSION GRANTING JOINT MOTION FOR CONSENT DECISION

Appearances: Peter D Mongeau, on behalf of Appellant Heartland Oil & Gas, Inc.; Holly Deeds Martin, Mark G. Bonaventura, Assistant Attorneys General, Counsel for Appellee Division of Mineral Resources Management.

The Oil & Gas Commission has received and reviewed the parties' Consent Agreement and finds it well taken. Accordingly, the Commission hereby **ADOPTS** the Consent Agreement. There being no outstanding issues of law or fact, the Commission hereby **DISMISSES** appeal no. 755, with prejudice.

Date Issued: May 25, 2006

  
WILLIAM J. TAYLOR, Chairman

  
JOHN A. GRAY

  
JAMES H. CAMERON

  
M. HOWARD PETRICOFF, Secretary

### DISTRIBUTION:

Peter D Mongeau (Via Regular Mail)  
Mark G. Bonaventura (Via Fax: [614-268-8871] & Inter-Office Mail)

**BEFORE THE OIL AND GAS COMMISSION  
STATE OF OHIO**

**RECEIVED  
APR 20 2006  
RECLAMATION  
COMMISSION**

<b>HEARTLAND OIL &amp; GAS, INC.</b>	)	
	)	
<b>APPELLANT,</b>	)	<b>APPEAL Nos. 755</b>
	)	
<b>VS.</b>	)	<b>Review of Chief's Order 2005-99</b>
	)	
<b>DIVISION OF MINERAL</b>	)	
<b>RESOURCES MANAGEMENT,</b>	)	
	)	
<b>APPELLEE.</b>	)	

**CONSENT AGREEMENT**

Now come the parties, Appellant Heartland Oil and Gas, Inc. ("Heartland") and Appellee the Ohio Department of Natural Resources, Division of Mineral Resources Management ("Division"), and in order to settle this appeal stipulate to the following facts and conditions.

**A. FACTS:**

1. The Chief of Division is charged with the responsibility of administering, implementing and enforcing Ohio Revised Code ("R.C.") Chapter 1509 and Ohio Administrative Code ("O.A.C.") Chapter 1501:9.

2. Heartland is an "owner," as that term is defined in R.C. 1509.01(K), of oil and gas wells in the state of Ohio, including but not limited to the following wells ("subject injection wells"):

<u>Permit No.</u>	<u>Well Name</u>	<u>County</u>	<u>Township</u>
2168	Walkden-Packard Lease, ERP #59	Medina	Chatham
2170	Walkden-Packard Lease, ERP #59	Medina	Chatham
4647	Walkden-Packard Lease, ERP #59	Medina	Chatham
4648	Walkden-Packard Lease, ERP #59	Medina	Chatham

3. Inspections by the Division found that the subject injection wells are incapable of injection per R.C. 1501:9-5-10(J).

4. On May 24, 2005, the Chief issued Order No. 2005-36 requiring Heartland to either place the subject injection wells into operation as enhanced recovery injection wells within 10 days of receipt of the order, or properly plug and abandon them within 30 days of receipt of the order.

5. Heartland failed to appeal Chief's Order 2005-36.

6. On November 2, 2005, Chief's Order 2005-99 forfeiting Heartland's bond in the form of a certificate of deposit, pursuant to R.C. 1509.07 and R.C. 1509.12, for failing to comply with Chief's Order 2005-36.

7. To date, the subject injection wells have not been placed into operation as enhanced recovery injection wells.

8. To date, the subject injection wells have not been properly plugged and abandoned.

**B. CONDITIONS**

**I. SCHEDULES**

1. Prior to plugging any of the subject injection wells, Heartland shall obtain a permit to plug and abandon the subject injection wells from the Division pursuant to R.C. 1509 and O.A.C. 1501:9.

2. On or before May 28, 2006, Heartland shall plug well Permit No. 2168, Walkden-Packard Lease, ERP #59 and the well site shall be properly restored within 6

months of plugging. All plugging and restoration activities shall be in accordance with the requirements of Ohio's oil and gas laws.

3. On or before June 28, 2006, Heartland shall plug well Permit No. 2170, Walkden-Packard Lease, ERP #59 and the well site shall be properly restored within 6 months of plugging. All plugging and restoration activities shall be in accordance with the requirements of Ohio's oil and gas laws.

4. On or before July 28, 2006, Heartland shall plug well Permit No. 4647, Walkden-Packard Lease, ERP #59 and the well site shall be properly restored within 6 months of plugging. All plugging and restoration activities shall be in accordance with the requirements of Ohio's oil and gas laws.

5. On or before August 28, 2006, Heartland shall plug well Permit No. 4648, Walkden-Packard Lease, ERP #59 and the well site shall be properly restored within 6 months of plugging. All plugging and restoration activities shall be in accordance with the requirements of Ohio's oil and gas laws.

6. Heartland shall be responsible to follow-up at each well site, which is to be plugged and/or restored to insure full compliance with the requirements of R.C. Chapter 1509 and O.A.C. Chapter 1501, including but not limited to the establishment of vegetative cover to bind the soil and prevent substantial erosion. If necessary Heartland will reseed the sites until proper growth of vegetation occurs.

7. The deadlines set forth above are based upon the fact that the subject injection wells are not currently presenting evidence of immediate danger to humans, animals, or the environment. In the event that the Division discovers conditions that it concludes may present a threat to public health, welfare, or the environment, the above-

established deadlines are not applicable and Heartland shall take immediate action to eliminate the threat to public health, welfare or the environment.

8. All work on the subject injection wells and the well sites shall be performed in a prudent and workmanlike manner and in compliance with the requirements of R.C. Chapter 1509 and O.A.C. Chapter 1501:9.

9. For each deadline set forth in this Consent Agreement that Heartland fails to meet, Heartland shall pay \$1,500 for each missed deadline. In addition, for each additional month or part of a month in which Heartland remains in noncompliance with the deadlines set forth in this Consent Agreement, Heartland shall pay an additional \$100.

10. All payments shall be made payable to "The Treasure, State of Ohio".

11. All payments shall be mailed to counsel for the Division at the address below.

12. If Heartland timely performs all of these conditions the Division will rescind the Chief's Bond Forfeiture Order No. 2005-99.

13. In the event that Heartland fails to meet any of the conditions set forth in this Consent Agreement, the Division will forfeit Heartland's bond or acceptable alternative, which is posted at the time of default, without further notice by the Division. Heartland waives any rights of appeal from such bond forfeiture.

## **II. RESERVATION OF RIGHTS**

14. Nothing in this Consent Agreement shall be construed so as to limit the authority of the Division to issue other decisions and orders to enforce the provisions of R.C. Chapter 1509 and O.A.C. Chapter 1501:9, including the seeking of injunctive relief and civil penalties for the failure to comply with this Consent Agreement.

15. In the event of any default of the conditions set forth herein, the Division may elect all remedies it deems appropriate. Further, in the event of default Heartland, it's officers, assigns and successors-in-interest agree that, in any litigation brought by the Division to enforce this Consent Agreement, venue shall be proper in the Court of Common Pleas for Franklin County, Ohio.

### III. SIGNATORIES

16. The parties hereby acknowledge that they have read this Consent Agreement, understand its terms and intend to be fully bound thereby.

17. Signed and subscribed on behalf of the parties hereto.

**AGREED:**

Peter D. Mongeau  
Peter D. Mongeau  
724 Lancaster St.  
Marietta, OH 45750  
Phone: (740) 374-8651

**APROVED:**

4-11-06  
Date

President, Heartland Oil and Gas, Inc.

**AGREED:**

Michael Sponsler by PO 4-14-06  
Michael Sponsler, Chief  
Division of Mineral  
Resources Management,  
ODNR

Date

**APROVED:**

Holly N. Deas Martin 4/18/06  
Holly N. Deas Martin (0076383) Date  
Assistant Attorney General  
Environmental Enforcement Section  
Public Protection Division  
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