

BEFORE THE OIL & GAS COMMISSION

B T ENERGY CORPORATION, : Appeal No. 783
: :
Appellant, : :
: : Review of Chief's Order 2007-50
-vs- : :
: :
DIVISION OF MINERAL RESOURCES : ORDER OF THE
MANAGEMENT, : COMMISSION DISMISSING
: APPEAL

Appearances: Eddy L. Biehl, on behalf of Appellant BT Energy Corp.; Molly Corey, Assistant Attorney General, Counsel for Appellee Division of Mineral Resources Management.

Date Issued: June 17, 2008

BACKGROUND

This matter came before the Oil & Gas Commission upon appeal by BT Energy Corporation ["BT Energy"] from Chief's Order 2007-50. This Chief's Order alleged that BT Energy had failed to post bond, or an acceptable alternative, on all oil and gas wells held under its owner number 631 in violation of O.R.C. §1509.07. Chief's Order 2007-50 required BT Energy to comply with the requirements of O.R.C. §1509.07 by one of three methods, including the transfer of the wells held under owner number 631. Chief's Order 2007-50 also alleged that BT Energy had failed to file the required annual statements and production reports for years 2005 and 2006, in violation of O.R.C. §1509.11. Chief's Order 2007-50 ordered BT Energy to file said statements.

On October 5, 2007, BT Energy filed a notice of appeal from Chief's Order 2007-50. On December 3, 2007, the Appellee Division of Mineral Resources Management filed a Motion to Dismiss this appeal, asserting that the Commission lacks jurisdiction over the subject matter of this appeal, and also asserting that the appeal has been rendered moot by the actions of BT Energy. BT Energy did not oppose the Division's Motion.

The relief sought by BT Energy through its notice of appeal is the restoration of a \$15,000 Certificate of Deposit, which had been filed to satisfy the bonding requirements of O.R.C. §1509.07. Information submitted as part of this appeal indicates that BT Energy had filed a \$15,000 Certificate of Deposit as a blanket bond for wells held under owner number 631. The Appellee Division of Mineral Management ["Division"] claims that the Treasurer of the State of Ohio had informed the Division that no account information was available to support the Certificate of Deposit, and that these funds could not be verified. BT asserts in its notice of appeal that these funds have been lost by the State of Ohio, and asks the Commission to restore these moneys.

O.R.C. §1509.07 provides several methods of complying with the restoration of bond requirement, including transfer. In its Memorandum in Support of the Motion to Dismiss, the Division provides an affidavit from Erica Freeman, an employee of the Division, which indicates that the Appellant BT Energy filed a proper Form Seven transferring the wells covered by BT Energy to an account with a proper bond. The Division also states in its Memorandum in Support of the Motion to Dismiss, that BT Energy has, in fact, filed the annual statements and production reports for calendar years 2005 and 2006. This statement is verified by an affidavit signed by Division employee Mike McCormac.

Chief's Order 2007-50 seeks to compel BT Energy to have the wells under owner number 631 covered by a suitable bond using any of the three compliance methods provided for in O.R.C. §1509.07. The Chief's Order also provides that the annual production statements for calendar years 2005 and 2006 must be filed by a date certain. The Appellee's Memorandum in Support provides sworn testimony that both of these conditions have been met. Thus, the Commission finds that no case or controversy exists as to this matter, and hereby **dismisses** the instant appeal.

ORDER

Wherefore, for the reasons recited above, the Commission finds the appeal is now moot and hereby **DISMISSES** appeal #783.

See attached sheets

M. HOWARD PETRICOFF

JOHN A. GRAY

JAMES H. CAMERON

TIMOTHY C. McNUTT

INSTRUCTIONS FOR APPEAL

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

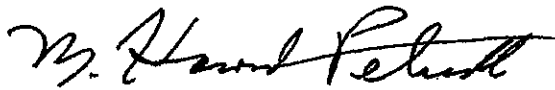
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Molly Corey
Via Fax [614-268-8871] and Inter-Office Certified Mail # 6435

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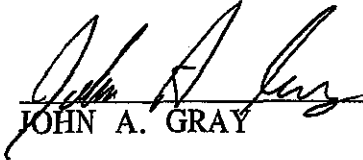
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