

**BEFORE THE
OIL & GAS COMMISSION**

MIKE JOHNSON,	:	Appeal No. 795
<i>dba</i> JOHNSON OIL & GAS,	:	
	:	Review of Chief's Order 2008-16
Appellant,	:	
	:	
-vs-	:	
	:	
DIVISION OF MINERAL RESOURCES	:	<u>ORDER OF THE</u>
MANAGEMENT,	:	<u>COMMISSION ADOPTING</u>
	:	<u>THE PARTIES' CONSENT</u>
	:	<u>DECISION & DISMISSING</u>
Appellee.	:	<u>APPEAL</u>

Appearances: Mike Johnson, Appellant *pro se*; Molly Corey, Assistant Attorney 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. 795.

Date Issued: 10/31/08



JAMES H. CAMERON



JOHN A. GRAY

TIMOTHY C. McNUTT



M. HOWARD PETRICOFF, Secretary



ROBERT W. CHASE

DISTRIBUTION:
Mike Johnson, Via Regular Mail
Molly Corey, Via Inter-Office Mail

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OIL & GAS COMMISSION

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

MIKE JOHNSON,
d.b.a JOHNSON OIL & GAS

Appellant,

v.

DIVISION OF MINERAL
RESOURCES MANAGEMENT,

Appellee.

Case No. 795

Review of Chief's
Order 2008-16

CONSENT AGREEMENT

Now come the parties, Appellant, Mike Johnson, d.b.a. Johnson Oil & Gas, and Appellee, Division of Mineral Resources Management, in order to settle the presently pending administrative proceedings captioned Mike Johnson, d.b.a. Johnson Oil & Gas v. Division of Mineral Resources Management, case number 795, stipulate to the following facts and conditions:

FACTS:

1. Mike Johnson is the owner of the oil and gas wells known as the Campbell Well No. 2, Permit 4488, and Lewis Well No. 2, Permit 3972, both located in Clayton Township, Perry County, Ohio.
2. The Campbell Well No. 2, Permit 4488, was plugged on March 28, 2007.
3. The Lewis Well No. 2, Permit 3972, was plugged on April 18, 2007.

4. R.C. Section 1509.072(B) requires that an owner or owner's agent, within six (6) months after a well has been plugged, "remove all production and storage structures, supplies, and equipment, and any oil, salt water, and debris, and fill any remaining excavations...[and] shall grade or terrace and plant, seed or sod the area disturbed where necessary to bind the soil and prevent substantial erosion and sedimentation."

5. On November 15, 2007, an inspection was conducted by the Division of Mineral Resources Management ("Division") on both the Campbell Well No. 2 and Lewis Well No. 2. Division staff discovered that each site had not been restored in a manner compliant with the provisions of R.C. Section 1509.072(B).

6. As a result of the November 15, 2007 inspections, the Division issued to Mike Johnson Notices of Violation for the Campbell Well No. 2 and the Lewis Well No. 2, citing the violation of R.C. Section 1509.072(B) and providing specific instructions regarding the actions necessary to remediate the violations.

7. On January 28, 2008, the Division conducted an inspection at both the Campbell Well No. 2 and the Lewis Well No. 2, and found that the violations had not been corrected.

8. R.C. Section 1509.071 states, in part, that, when the chief finds that an owner has failed to comply with the R.C. Section 1509.072(B) restoration requirements, "the chief shall make a finding of that fact and declare any surety bond filed to ensure compliance with those sections and rules forfeited in the amount set by rule of the chief."

9. Chief's Order No. 2008-16 was issued by the Chief on March 6, 2008 and was received by Mike Johnson on March 17, 2008. The Chief's Order was issued for

failure to comply with the restoration requirements set forth in R.C. Section 1509.072(B) for each well, and forfeited the entire amount of Mike Johnson's bond (Certificate of Deposit No. 95770, North Valley Bank in the amount of Fifteen Thousand Dollars (\$15,000)).

10. Mike Johnson appealed the issuance of Chief's Order No. 2008-16 to the Oil and Gas Commission on April 8, 2008.

CONDITIONS:

11. By November 1, 2008, Mike Johnson shall restore the well site of the Campbell Well No. 2 and Lewis Well No. 2 in a manner compliant with the provisions required by R.C. Section 1509.072(B). If the Campbell Well No. 2 and Lewis Well No. 2 are not fully restored by November 1, 2008, Mike Johnson will forfeit the full amount of Certificate of Deposit No. 95770, Fifteen Thousand Dollars (\$15,000).

12. All work on the well sites will be performed in a prudent and workmanlike manner and in compliance with the requirements of R.C. Chapter 1509 and Ohio Admin. Code Chapter 1501. If the original vegetation planted pursuant to reclamation requirements does not grow, additional planting will be performed until the well sites are in compliance.

13. Mike Johnson shall pay One Thousand Dollars (\$1,000) to the Division. Payment of the One Thousand Dollar (\$1,000) penalty must be made to the Division within seven (7) days of the adoption of this Consent Agreement by the Oil and Gas Commission, and shall be made by certified check or cashier's check, payable to the order of Treasurer, State of Ohio, and delivered to counsel for the Division, Assistant Attorney

General Molly S. Corey, Ohio Attorney General's Office, Environmental Enforcement Section, 2045 Morse Road, Building D-2, Columbus, Ohio 43229-6693. If such payment is not received by Assistant Attorney General Corey within seven (7) days of the adoption of this Consent Agreement by the Oil and Gas Commission, Mike Johnson will forfeit the full amount of Certificate of Deposit No. 95770 (Fifteen Thousand Dollars (\$15,000)) in addition to the One Thousand Dollar (\$1,000) penalty.

14. Nothing in this Consent Agreement shall be construed so as to prejudice the right of the Division to issue other decisions and orders to enforce the provisions of R.C. Chapter 1509 and Ohio Admin. Code Chapter 1501, including the seeking of civil penalties for the failure to comply with this consent agreement.

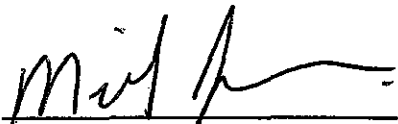
15. Nothing in this Consent Agreement shall be construed to contradict the oil and gas laws of the State of Ohio.

16. Appeal No. 795 is dismissed with prejudice.

17. The Division reserves all rights to enforce R.C. Chapter 1509 and Ohio Admin. Code Chapter 1501, including but not limited to the right to file a civil enforcement action seeking injunctive relief and civil penalty for noncompliance with this Consent Agreement.

IN WITNESS WHEREFORE, The parties hereby acknowledge that they have read and understood the terms and conditions of this Consent Agreement and with full awareness of the legal consequences, make a voluntary, knowing, and intelligent commitment, and intend to be fully bound thereby.

AGREED:



Mike Johnson

1753 Mt. Perry Road

Mt Perry, OH 43760

On behalf of himself and

Johnson Oil & Gas, who has authority to

Enter into this agreement and bind Johnson Oil and Gas

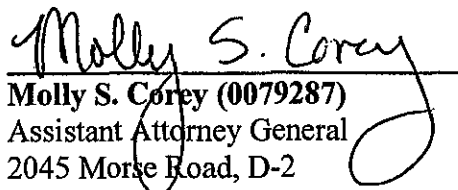


John Husted, Chief

Division of Mineral Resources Mgmt.

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Counsel for Division of Mineral Resources Management