

**BEFORE THE
OIL & GAS COMMISSION**

GEMINI ENERGY, INC.,

Appellant,

-vs-

DIVISION OF MINERAL RESOURCES
MANAGEMENT,

Appellee.

Appeal No. 713


Review of Chief's Order 2002-67

**ORDER OF THE
COMMISSION ADOPTING
CONSENT AGREEMENT**

Appearances: Robert W Gentzel, Counsel for Appellant Gemini Energy, Inc., Robert Eubanks, 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. In accordance with the terms of this agreement, the Commission **ACCEPTS** Gemini's voluntarily dismissal of this appeal. There being no outstanding issues of law or fact, and consistent with the parties' agreement, the Commission hereby **DISMISSES** appeal number 713, without prejudice.

Date Issued: January 23, 2004


WILLIAM J. TAYLOR, Chairman


JOHN A. GRAY


JAMES H. CAMERON


BENITA KAHN, Secretary


MARILYN ENNIS

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Robert W Gentzel
Robert Eubanks

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MANAGEMENT**

CONSENT AGREEMENT

Appellee

To resolve certain issues which are the subject of "Orders by the Chief", Order No. 2002-02 and 2002-67, issued by Michael L. Sponsler as Chief of the Division of Mineral Resources Management ("Division") and directed to Gemini Energy, Inc. ("Gemini"), the following Consent Agreement has been entered into between the parties:

1. Gemini shall complete the installation of necessary equipment, materials and controls for the Gas Scrubbing Plant ("Plant") located on Crescent Road at the intersection of Greenwich-Rome Road in Fitchville, Ohio, which plant is necessary for the operations and production from Gemini's wells and regulated by the Ohio Environmental Protection Agency by September 16, 2003,

2. Gemini shall update the owner I.D signs at all wells, at the well heads and/or tank batteries, as required, by July 10, 2003,

3. Upon completion of the installation of materials and controls to the plant, Gemini shall commence system purge and testing of the plant and upon completion of same shall deliver a clean gas sample to Gatherco meter site by September 30, 2003;

4. Subject to Gatherco setting a meter (which normally takes approximately 6 weeks), in a timely manner, Gemini shall commence delivery of gas to Gatherco by a target date of November 15, 2003 for first delivery. Gemini shall make all reasonable efforts and will act in a diligent manner to assist, as necessary, in securing the setting of the meter by Gatherco. The initial gas supplied from Gemini's wells to Gatherco will be from the wells identified with Permit 107, Permit 101 and Permit 218. The timing of this process will be done to minimize crop operations by the landowners upon whose land these wells are located.

5. Gemini shall apply for a permit to plug by October 1, 2003 and plug the "Streng" #4 Permit 172 and the "Crececius -Lorcher" Permit 182 by October 1, 2003,

6. Gemini shall complete the application to the Division of Mineral Resources Management for conversion of "Barman" #2, Permit 213 well to an injection well for an enhanced oil recovery project by January 1, 2004. Complete conversion of the well to enhanced oil recovery injection status will be done within 90 days after receipt of regulatory approval;

7. Provided that there is a successful startup and operation of the plant in a timely manner, Gemini shall complete an application to the Ohio Environmental Protection Agency for a "Permit to Operate" by December 1, 2003 and shall also submit an application to increase the production rate to 30 mcf per hour. In the event that the time frames under #4 are extended, the October 1, 2003 timeline under this item may be extended accordingly, not to go beyond January 15, 2004;

8. Gemini will commence production on the wells identified by permit nos. 174, 220, 221, 175, 176, 203, 165 and 171 by December 31, 2003;

9. Gemini shall replace a damaged line at "Krisha-Harris", permit 183 well by April 1, 2004;

10 Provided that there is a successful start up and operation of the plant in a timely manner, Gemini shall commence production on the wells identified by permit 117, 209, 219, 202, 153, 118, 225, 164, 204, 140, 138, 108, 109, 217, 216, 214, 215, 151 and 150 by March 1, 2004, in order to minimize interference with agricultural operations of the landowners on whose land the wells are located;

11. Provided that there is a successful start up and operation of the plant in a timely manner, Gemini shall test the wells identified by permit nos. 120 and 121 by February 28, 2004 and either place each well in production by April 28, 2004 or plug the wells by July 31, 2004.

In consideration for Gemini's agreement to the terms set forth above, the Division hereby dismisses without prejudice, the bond forfeiture proceedings, which it initiated through the Order by the Chief No. 2002-67, thereby restoring Gemini's bond filed as a certificate of deposit no. 1633641708 from Ohio National Bank in the amount of Fifteen Thousand Dollars (\$15,000) in fulfillment of the bonding requirements of §1509.07, O.R.C. and Chief's Order No. 2002-2 shall be rescinded, withdrawn and of no further affect.

Upon and in consideration of the forgoing terms agreed to between Gemini and the Division, Gemini shall dismiss without prejudice its appeal of the bond forfeiture action, which it had filed with the Oil and Gas Commission, docketed as Case No. 713

Agreed to and approved by:

Gemini Energy, Inc.

By: Vincent Innone

Division of Mineral Resources Management

By: Robert Eulanky