

**BEFORE THE
OIL & GAS COMMISSION**

ROCANVILLE CORP.,

Case No. 715

Appellant,

Review of Chief's Order 2003-09

-vs-

DIVISION OF MINERAL RESOURCES
MANAGEMENT,

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

Appellee.

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. 715, with prejudice.

Date Issued:

6/25/03

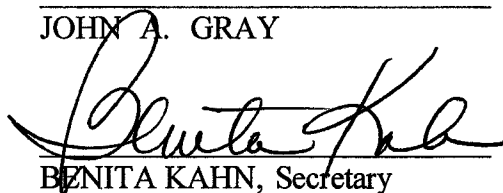


WILLIAM J. TAYLOR, Chairman

JOHN A. GRAY



JAMES H. CAMERON



BENITA KAHN, Secretary



MARILYN ENNIS

DISTRIBUTION:

W.H. Hudson
Brett A. Kravitz

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

RECEIVED

APR 10 2003

**OIL AND GAS
COMMISSION**

ROCANVILLE CORP.,)	Appeal No. 715
)	Chief's Order No. 2003-09
Appellant,)	
)	
v.)	
)	
DIVISION OF MINERAL RESOURCES)	
MANAGEMENT,)	
)	
Appellee.)	

CONSENT AGREEMENT

Now comes the parties, Rocanville Corporation ("Rocanville") and the Division of Mineral Resources Management ("Division") of the Ohio Department of Natural Resources, which, in order to settle the above referenced administrative proceeding pertaining to Well No. 2 of the Stanley Passmore lease, Permit No. 389, located in Belmont County, Washington Township, stipulate the following facts and conditions.

FACTS

1. On or about November 10, 1999, a complaint concerning the non-production of Well No. 2 of the Stanley Passmore Lease under Permit No. 389 located in Belmont County, Washington Township ("the subject well") was filed with the Division.
2. A subsequent Division inspection on or about November 17, 1999, revealed that the subject well was not completed and that production equipment on the subject well was lacking.
3. On or about November 17, 1999, the Division issued Notice of Violation 22667 concerning the subject well which the Division found to be idle, and the Division through the Notice of Violation ordered that the subject well be produced or plugged by January 3, 2000.

4. On or about September 7, 2001, the Division issued to Rocanville Chief's Order No. 2001-62 concerning the subject well. Chief's Order 2001-62 found that Rocanville was the owner of the subject well and that an inspection on November 17, 1999 revealed that the subject well was incapable of producing oil and/or gas in commercial quantities. Chief's Order 2001-62 ordered Rocanville, its successors, and assigns to place the well into production within ten days or to plug the well within thirty days of receipt of the Chief's Order.

5. On or about September 20, 2001, Rocanville appealed Chief's Order No. 2001-62 to the Oil and Gas Commission in Appeal No. 704.

6. A hearing concerning the appeal of Chief's Order No. 2001-62 was set for April 10, 2002.

7. On June 18, 2002, the Division and Rocanville entered into a settlement agreement for the completion and/or production or plugging of the subject well disposing of the need for a hearing at that time.

8. On October 10, 2002, the Commission dismissed Appeal No. 704 of Chief's Order 2001-62 after Rocanville requested to withdraw the appeal under the terms of the June 18, 2002 Settlement Agreement.

9. The subject well was not completed, produced or plugged within the time frames set forth in the June 18, 2002 Settlement Agreement and the subject well as of the date of this agreement is not completed, produced or plugged.

10. On or about January 29, 2003, the Division issued Chief's Order 2003-09 to forfeit bond under R.C. 1509.03 for the subject well's continued non-compliance with Ohio law and the Chief's Order 2001-62, and for the related breach of the June 18, 2002 Settlement Agreement.

11. On or about March 3, 2003, Rocanville appealed Chief's Order 2003-09.

12. Prior to an April 9, 2003 hearing, the parties came to this Consent Agreement disposing of the necessity for a hearing.

CONDITIONS

1. In consideration for the obligations of Rocanville under this Consent Agreement, the Division agrees to allow an additional ninety (90) days from the execution of the this settlement agreement for the completion and commercial production or plugging of the subject well subject to the term and conditions of this agreement.

2. Appeal of Chief's Order 2003-09 in Appeal No. 715 is dismissed with prejudice.

3. Rocanville agrees to forfeit the \$15,000 bond as provided for in Chief Order 2003-09.

4. Rocanville will repost \$15,000 bond in the form of cash, certificate of deposit, or bond within twenty eight (28) days of the execution of this agreement.

5. Rocanville will transfer the subject well to Kerogen Resources through the proper execution of an Ohio Form 7 within fourteen (14) days of the execution of this agreement.

6. Nothing in this Consent Agreement shall be construed so as to prejudice the right of the Division of Mineral Resources Management to issue other decisions and Orders and enforce the provisions of Ohio Revised Code Chapter 1509 and Chapter 1501:09 of the Ohio Administrative Code including but not limited to enforcement actions for further violations of the well subject to this Consent Agreement.

7. In the event that extreme weather conditions occur which cause a delay in Rocanville's compliance with the producing and/or plugging requirements of this Consent Agreement, Rocanville shall notify the Ohio Department of Natural Resources, Division of Mineral Resources Management, in writing within ten (10) calendar days of the event, describing in detail the anticipated length of the delay, the precise cause or causes of the delay, the measures

taken and to be taken by Rocanville to prevent or minimize the delay and the timetable by which measures will be implemented. Rocanville will adopt all reasonable measures to avoid or minimize any such delay.

8. At that time of requesting a time extension under Paragraph 7 for any producing or plugging requirements, the burden of proving that any delays with the producing and/or plugging requirements of this Consent Agreement were based on extreme weather conditions shall rest with Rocanville. "Extreme weather conditions" are defined as those unanticipated weather conditions beyond Rocanville's control that make producing or plugging the subject well nearly impossible to occur. The mere fact that weather conditions may not be optimal will not constitute "extreme weather conditions."

9. Unanticipated or increased costs associated with the implementation of any action required by this Consent Order, or changed financial circumstances, shall not constitute circumstances that serve as a basis for an extension of time under this Consent Order. Failure by Rocanville to comply with the notice requirements of Paragraphs 7 shall render Paragraphs 8 and this Paragraph void and of no force and effect as to the particular incident involved and shall constitute a waiver of Rocanville's right to request an extension of its obligations under this Consent Order based on such incident. An extension of one compliance date based on a particular incident does not mean that Rocanville qualifies for an extension of a subsequent compliance date or dates. Rocanville must make an individual showing of proof regarding each incremental step or other requirement for which an extension is sought. The Division will determine whether sufficient proof has been shown by Rocanville to justify an extension.

10. This Consent Agreement shall become effective upon the signature of the Chief of the Division of Mineral Resources Management of the Ohio Department of Natural Resources.

11. The provisions of this Consent Agreement shall apply to and be binding upon the parties hereto, their agents, officers, employees, assignees, heirs, and successors in interest.

12. In the event of any default on this Consent Agreement, the Division may elect any and all remedies it deems appropriate. Further, in the event of default, Rocanville, its heirs, assignees, and successors in interest agree that, in any litigation brought by the Division to enforce this Consent Agreement: a) venue shall be proper in the Franklin County Court of Common Pleas and b) service of process and summons thereof are hereby waived.

13. This Consent Agreement represents the entire agreement between the parties and supercedes any written or verbal communication occurring prior to the effective date hereof.

14. The signatory for the Appellant represents and warrants that he/she has been duly authorized to sign this document and so bind the corporation to all terms and conditions thereof.

15. This Agreement may be executed simultaneously in two or more counterparts, all of which together shall constitute one and the same instrument, and each executed copy thereof shall be deemed an original and fully enforceable against the signatory to that counterpart.

Signed and subscribed on behalf of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Consent Agreement in two or more counterparts, any of which may be considered an original without presentation of the other. The parties acknowledge that they have read this Consent Agreement, understand its terms, are capable of complying with them, and agree to comply with them fully.

IT IS SO AGREED.



William H. Hodson

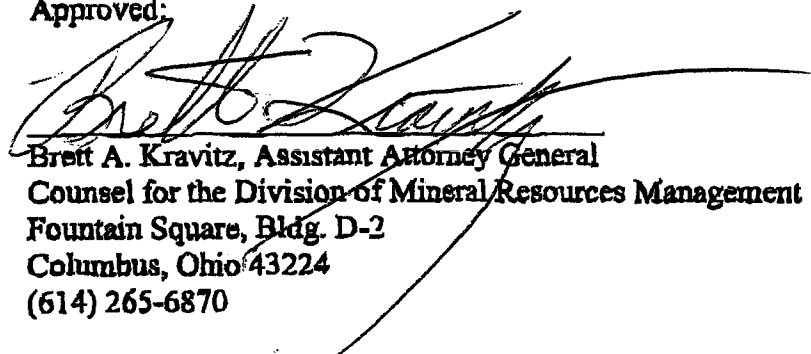
9 April 03
DATE:

President, who is authorized to sign this Agreement and
bind Rocanville Corporation


The Division of Mineral Resources Management
Chief Michael Sponster

DATE: 4/9/03

Approved:


Brett A. Kravitz, Assistant Attorney General
Counsel for the Division of Mineral Resources Management
Fountain Square, Bldg. D-2
Columbus, Ohio 43224
(614) 265-6870

4/9/03