

**BEFORE THE  
OIL & GAS COMMISSION**

STONEBRIDGE OPERATION CO.,  
HALWELL COMPANY, INC.,

Appeal No. 717

Appellants,

-vs-

Review of Chief's Order  
2003-37

DIVISION OF MINERAL RESOURCES  
MANAGEMENT,

**ORDER OF THE  
COMMISSION ACCEPTING  
CONSENT AGREEMENT**

Appellee.

Appearances: John Keller, Joseph Blasko, Attorney for Appellant Stonebridge Operating Co. / Halwell Company, Inc., Mark G. Bonaventura, Assistant Attorney General, Counsel for Appellee Division of Mineral Resources Management.

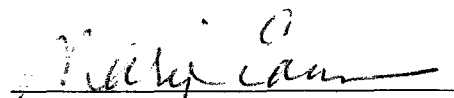
The Oil & Gas Commission has received and reviewed the parties' Consent Agreement and finds it well taken. Accordingly, the Commission hereby **ADOPTS** the Consent Agreement. There being no outstanding issues of law or fact, the Commission hereby **DISMISSES** appeal no. 717, with prejudice.

Date Issued: 4/5/05

  
WILLIAM J. TAYLOR, Chairman

  
JOHN A. GRAY

  
JAMES H. CAMERON

  
MARILYN ENNIS

**DISTRIBUTION:**

John K. Keller, Joseph Blasko (Via Fax [614-719-4627] & Regular Mail)  
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St. Paul Insurance [Attn: Mary Rose]

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**JAN 13 2005**

**CONSENT AGREEMENT**

**OIL AND GAS  
COMMISSION**

Now come the parties, the Division of Mineral Resources Management (hereinafter the "Division"), and Stonebridge Operating Co., LLC (hereinafter "Stonebridge"), which, in order to settle all issues relating to Chief's Orders 2000-153 and 2003-37 and any claims arising from the Consent Agreement concerning Chief's Order 2000-153, agree to the following:

- 1 Stonebridge agrees that, to the extent that the following oil and gas wells have not been plugged in accordance with law, that said wells will be plugged in accordance with law within 30 days after the date of this Consent Agreement, weather permitting. The subject wells, located in Morgan County, Ohio, are the following:

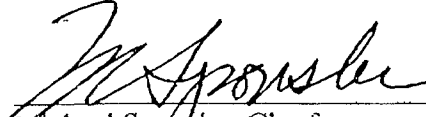
| <b>Well Name</b>   | <b>Permit Number</b> |
|--------------------|----------------------|
| Johnson Well No. 2 | Permit No. 2445      |
| Grove Well No. 1   | Permit No. 3582      |
| Johnson Well No. 2 | Permit No. 2452      |
| Hall Well No. 1    | Permit No. 2447      |

Stonebridge believes that the land upon which said wells were drilled has been reclaimed, but agrees that if the Division determines that reclamation has not been completed, Stonebridge shall within thirty (30) days after receipt of written notice from the Division of any deficiencies in said reclamation, perform any additional needed reclamation, weather permitting.

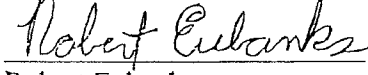
2. For the purposes of this Consent Agreement, Stonebridge and the Division each agree that, after investigation, the wells listed in paragraph 1 are not covered by any valid and existing surety bond or by any acceptable alternative as required by O.R.C. 1509.07
3. There exist other wells owned or operated by Halwell Company ("Halwell"), which are not currently covered by any surety bond as provided in R.C. 1509. Stonebridge agrees that within 20 days after the execution of this Consent Agreement, it will, in accordance with R.C. 1509, file a required bond or other acceptable security in the amount of \$15,000. The Division agrees to cooperate with Stonebridge in such efforts.
4. Within 10 days after the execution of this Consent Agreement, Stonebridge or Halwell shall pay the Division three thousand dollars (\$3,000) in civil penalties to resolve the earlier consent agreement concerning Chief's Order 2000-153
5. The deadline for restoration set forth above is based upon the fact that the subject wells are currently not presenting evidence of immediate danger to humans, animals or the environment. In the event that the Division discovers conditions that it concludes are evidencing immediate danger to humans, animals or the

environment. the above-established deadlines are not applicable and Stonebridge shall take immediate action to eliminate the immediate danger to humans, animals and/or the environment.


6. If the deadline for the payment of civil penalties mentioned in paragraph 4 of this agreement is not met, Stonebridge shall pay an additional five thousand and seven hundred dollars (\$5700) in civil penalties to the Division and one thousand dollars (\$1000) for each additional month or part of a month thereafter in which Stonebridge has not fully paid said civil penalties.
7. All work on a well or well site shall be performed in a prudent and workmanlike manner and in compliance with the requirements of R.C. Chapter 1509 and Chapter 1501 of the Ohio Admin. Code.
8. Stonebridge will submit the proper paperwork to add all the wells that it owns to the Division's records.
9. The Division agrees that any orders or actions to date that the Division could have legally taken concerning the lack of bond for Ohio wells owned and/or operated by Stonebridge or Halwell are settled by this Consent Agreement, if the paragraph 3 of this agreement is complied with fully in a timely manner.
10. The parties agree that in any litigation to enforce any default under this Consent Agreement venue shall be proper in the Franklin County Ohio Court of Common Pleas.
11. The provisions of this consent agreement cannot be changed or altered except by written agreement between the parties signed by the Chief of the Division of Mineral Resource Management and by an authorized representative of Stonebridge.

  
Michael Spensler, Chief  
Division of Mineral Res. Mgt.

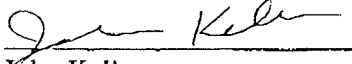
10/4/04  
Date

  
Robert Eubanks  
Assistant Attorney General  
Environ. Enforc. Section

9-30-04  
Date

  
Officer, Agent, or Representative  
of Stonebridge authorized to enter  
into this consent agreement and to  
bind Stonebridge Operating Co., LLC

10/20/04  
Date

  
John Keller  
Counsel for Stonebridge  
Vorys, Sater, Seymour and Pease LLP

10/28/04  
Date

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OIL AND GAS  
COMMISSION