

**BEFORE THE
OIL & GAS COMMISSION**

POSTON OPERATING CO., INC.,	:	Appeal Nos. 718 & 719
	:	
Appellant,	:	Review of Chief's Order 2003-26
	:	and Chief's Order 2003-47
-vs-	:	
	:	
DIVISION OF MINERAL RESOURCES	:	<u>ORDER OF THE</u>
MANAGEMENT,	:	<u>COMMISSION ADOPTING</u>
	:	<u>CONSENT AGREEMENT</u>
Appellee.	:	

Appearances: John K. Keller, Joseph C. Blasko, Counsel for Appellant Poston Operating Co., 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. There being no outstanding issues of law or fact, the Commission hereby **DISMISSES** appeal numbers 718 and 719, with prejudice.

Date Issued: January 23, 2004



WILLIAM J. TAYLOR, Chairman



JOHN A. GRAY



JAMES H. CAMERON

RECUSED

BENITA KAHN, Secretary



MARILYN ENNIS

DISTRIBUTION:

John K. Keller
Robert Eubanks

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

Poston Operating Co., Inc.,)	Appeal Nos. 718 and 719
)	
Appellant,)	Chief's Order Nos.
)	2003-26, and 2003-47
)	
v.)	
)	
Division of Mineral)	
Resources Management,)	
)	
Appellee.)	

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OIL AND GAS
COMMISSION

CONSENT AGREEMENT

Now come the parties, the Division of Mineral Resources Management (hereinafter the "Division"), and Poston Operating Company, Inc. (hereinafter "POCI"), which, in order to settle the matter of placing into production, plugging or completing the restoration of certain wells in Hocking County and Athens County listed below in paragraph 1, stipulate to the following facts and conditions:

FACTS

1. POCI is the "owner," as that term is defined in Ohio Revised Code 1509.01(K), of the following oil and gas wells (hereinafter "Wells"), all of which are located in Hocking County and Athens County, Ohio.

Well Name	County	Permit No.
Tussing-Hawk #7 ¹	Hocking	1744
Tussing-Hawk #2	Hocking	1428
Evans-Wilson-Lehman #4	Hocking	2591
Tussing-Huprich #11	Hocking	1820
Tussing-Huprich #13	Hocking	1865
Johnson #2	Hocking	1885
Johnson #1	Hocking	1840
Poston Heirs #10	Hocking	2203
Poston Heirs #8	Hocking	1996
Tussing-Hawk #5	Hocking	1698

¹ Listed as Tussing-Hawk in Chief's Order No. 2003-26.

Well Name	County	Permit No.
Tussing-Hawk #9	Hocking	1867 ²
Tussing-Huprich #12	Hocking	1844
Tussing-(Hawk)/Huprich #17	Hocking	2077
Poston Heirs #1	Hocking	1051
Poston Heirs #6A	Hocking	2655
Poston Heirs #4	Hocking	2249
Tussing-Hawk #8	Hocking	1760
Poston-Heirs #2	Hocking	1896
Poston-Heirs #7	Hocking	1995
Oakley #1	Athens	1723

2. Chief's Order Nos. 2003-26 and 2003-47 ordered POCI to properly place into production, plug and/or complete the restoration of the Wells set forth in Paragraph 1.

CONDITIONS

3. By 12/31/03, POCI shall assign 100% of its working interest in all wells held by Owner #186, including the Wells listed in Paragraph 1 to a properly-bonded party (hereinafter, "Assignee").

4. Upon POCI's assignment to the Assignee, the Division agrees to dismiss POCI as a party subject to Chief's Order Nos. 2003-26 and 2003-47. Further, the Division agrees that the Assignee shall have a reasonable period of time or at least twelve (12) months, if necessary, to complete the work set forth in Chief's Order Nos. 2003-26 and 2003-47, ordering POCI to properly place into production, plug and/or complete the restoration of the Wells set forth in Paragraph 1.

5. The Division shall permit POCI to retain Certificate of Deposit No. 108703 in the amount of fifteen thousand dollars (\$15,000) through 12/31/03, at which time the Division will submit to the Delaware County Bank a request for payment to the Division of the fifteen thousand dollar (\$15,000) Certificate of Deposit No. 108703.


6. If POCI fails to meet the 12/31/03 deadline, the assignment of its interest in the Wells, POCI shall pay a penalty in January, 2004 of \$1,000 total for all Wells. In addition, POCI shall pay a penalty \$250 total for all Wells for each subsequent month until the deadline is met.

7. The deadlines set forth above are based upon the fact that the Wells listed in Paragraph 1 are currently not presenting evidence of immediate danger to humans, animals or the environment. In the event that the Division discovers conditions that it reasonably concludes are evidencing immediate danger to humans, animals or the environment, the above-established deadlines are not applicable and POCI shall take immediate action to eliminate the immediate danger to humans, animals and/or the environment.


8. All work on the Wells or well sites 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.

9. 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 penalties limited to the liquidated damages set forth in Paragraph 6 of this Agreement.

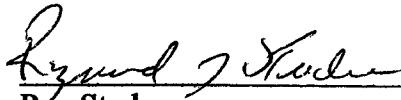
² Listed as Permit No. 1887 in Chief's Order No. 2003-47


Chief of Mineral Resources
Management

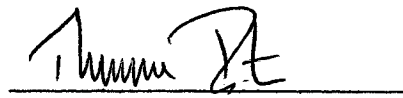
11/12/03
Date


Robert Eubanks
Assistant Attorney General
Environmental Enforcement Section

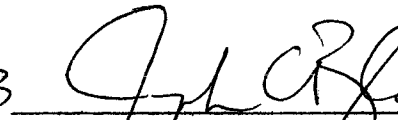
10-31-03
Date


Ray Studer
Assistant Attorney General
Environmental Enforcement
Section

11/12/03
Date


Therese Poston
On behalf of Poston Operating
Company, Inc.

10-27-03
Date


Joseph C. Blasko
Attorney for Poston Operating
Company, Inc.

10/28/03
Date