

BEFORE THE OIL AND GAS BOARD OF REVIEW
DEPARTMENT OF NATURAL RESOURCES
STATE OF OHIO

CEMCO OPERATING, INC.

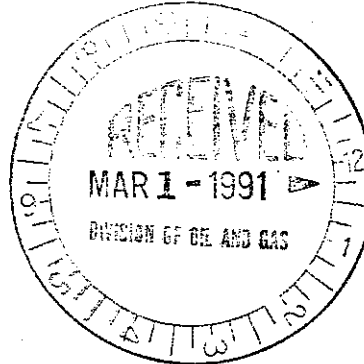
Appellant,

v.

**SCOTT KELL, Acting Chief,
Division of Oil and Gas, Department
of Natural Resources**

Appellee.

APPEAL NO. 433



ORDER OF WITHDRAWAL

Upon joint request of the parties to the above captioned appeal, Appeal No. 433 is hereby **DISMISSED**.

Handwritten signature of Alan Coogan in cursive.

Alan Coogan, Chairman

Handwritten signature of Benita Kahn in cursive.

Benita Kahn, Secretary

Handwritten signature of Robert Alexander in cursive, reading "not present at hearing".

Robert Alexander

Handwritten signature of William G. Williams in cursive.

William G. Williams

Handwritten signature of Gail Ignatz-Hoover in cursive.

Gail Ignatz-Hoover

CERTIFICATE OF SERVICE

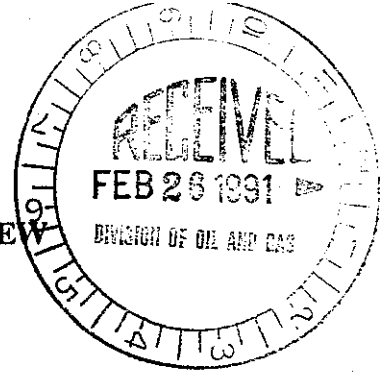
I hereby certify that, to the best of my knowledge, a copy of the foregoing Order was served, via certified United States Mail, postage pre-paid, this 27th day of February 1991, to counsel for appellant CEMCO Operating, Inc., Allan M. Blue, at 8001 Ravines Edge Court—Suite 301, Worthington, Ohio 43235.


BENITA KAHN

I hereby certify that, to the best of my knowledge, a copy of the foregoing Order was served, via regular United States Mail, postage pre-paid, this 27th day of February 1991, to counsel for appellee Chief of the Division of Oil and Gas, Ohio Department of Natural Resources, Assistant Attorney General Todd Musheff, Environmental Enforcement Section, at Fountain Square, Building A, Columbus, Ohio 43224.


BENITA KAHN

BEFORE THE OIL AND GAS BOARD OF REVIEW
DEPARTMENT OF NATURAL RESOURCES
STATE OF OHIO



CEMCO OPERATING, INC.

Appellant,

v.

SCOTT KELL, Acting Chief,
Division of Oil and Gas, Department
of Natural Resources

Appellee.

APPEAL NO. 433

OIL AND GAS BOARD
OF REVIEW
FEB 22 1991

JOINT NOTICE OF WITHDRAWAL

Now come appellant CEMCO Operating, Inc. and appellee Chief of the Division of Oil and Gas and hereby jointly notify the Oil and Gas Board of Review that the instant appeal, Appeal No. 433, has been jointly resolved and the parties do hereby jointly request that the instant appeal be withdrawn.

Respectfully submitted,

LEE FISHER
ATTORNEY GENERAL OF OHIO

TODD M. MUSHEFF
Assistant Attorney General
Environmental Enforcement Section
Division of Oil and Gas
Fountain Square, Building A
Columbus, Ohio 43224
Counsel for Appellee Chief of
the Division of Oil and Gas

ALLAN M. BLUE
8001 Ravines Edge Court—Suite 301
Worthington, Ohio 43235
Counsel for Appellant
CEMCO Operating, Inc.

AGREEMENT

This Agreement is entered into by the parties to resolve disputes as to Chief's Order Nos. 90-714 and 91-95 and Oil and Gas Board of Review Appeal No. 433.

- (A) As a condition precedent to the obligations of the Division of Oil and Gas as set forth below in ¶B, CEMCO Operating, Inc. shall carry out all of the following:
- (1) By July 1, 1991, CEMCO Operating, Inc. shall make a final determination as to whether each of the wells listed on Exhibit A to this agreement will be plugged and abandoned or placed into production;
 - (2) By July 1, 1991, CEMCO Operating, Inc. shall properly plug and abandon at least five (5) of the oil and gas wells listed on Exhibit A to this agreement;
 - (3) By September 1, 1991, CEMCO Operating, Inc. shall have each well listed on Exhibit A to this agreement either actually plugged and abandoned or actually placed into production. For purposes of this agreement, "actually placed into production" includes, but is not limited to, the requirement that any well producing gas characterized by the presence of H₂S gas (or "sour gas") shall be connected to a scrubbing plant that removes sufficient quantities of the H₂S to allow the treated gas to be sold directly into commercial transmission lines;
 - (4) During the first five (5) days of each month, from March 1991 to September 1991, inclusive, CEMCO Operating, Inc. shall submit to the Division of Oil

and Gas a written progress statement of all action taken in the previous month to fulfill the obligations of this agreement;

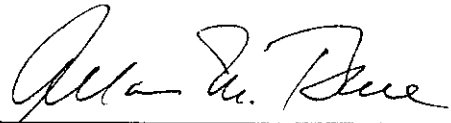
- (5) During the time period beginning with the execution of this agreement by both parties and ending on September 1, 1991, or such other earlier date as CEMCO Operating, Inc. complies completely and fully with all of its obligations under this agreement, CEMCO Operating, Inc. shall submit no more than twenty-five (25) applications to drill new oil and gas wells to the Division of Oil and Gas.
- (B) As consideration for the obligations of CEMCO Operating, Inc., as set forth in ¶A above, the Division of Oil and Gas agrees to the following:
 - (1) The Division of Oil and Gas agrees to forbear from the enforcement of Chief's Order No. 90-714, requiring the plugging of several Morrow County oil and gas wells, until September 1, 1991. If CEMCO Operating, Inc. complies completely and fully with all of its obligations under ¶A of this agreement, the Division of Oil and Gas will consider CEMCO Operating, Inc. to be in compliance with Chief's Order No. 90-714;
 - (2) The Division of Oil and Gas agrees to forbear from the enforcement of Chief's Order No. 91-95, a bond forfeiture order, until September 1, 1991. If CEMCO Operating, Inc. complies completely and fully with all of its obligations under ¶A of this agreement, the Division of Oil and Gas agrees to rescind Chief's Order No. 91-95;

- (3) The Division of Oil and Gas agrees to forbear from denying CEMCO Operating, Inc. any permits by reason of CEMCO Operating, Inc.'s non-compliance with Chief's Order No. 90-714 and CEMCO Operating, Inc.'s non-compliance with the bonding requirements of R.C. Chapter 1509 as a result of the issuance of Chief's Order 91-95. Nothing in this agreement, however, shall be construed to impede the Division of Oil and Gas' authority to deny permits if CEMCO Operating, Inc. is otherwise determined to be in material and substantial violation of R.C. Chapter 1509, the rules promulgated and terms and condition of permits and registration certificates issued thereunder with respect to requirements other than Chief's Order Nos. 90-714 and 91-95;
- (4) The Division of Oil and Gas agrees to process the permit application for the conversion of the White #2 well, Athens County Permit No. 3325, into a brine disposal well, the permit application to plug back the Eash #5 well, Morrow County Permit No. 3711, and the permit application to plug back the Hosler-Keefer #1 well, Morrow County Permit No. 3666 in the normal course of the Division of Oil and Gas' operations. Nothing in the preceding sentence shall be construed to require the Division of Oil and Gas to issue said injection well permit if the White #2 well and well site do not meet all of the requirements of Ohio law for conversion to a brine disposal well and the plug-back permits for the Eash #5 and Hosler-Keefer #1 wells if the requirements for obtaining these permits under Ohio law are not otherwise met.

- (C) Nothing in this agreement shall be construed as an admission by CEMCO Operating, Inc. of any violation of Ohio law.
- (D) Nothing in this agreement shall be construed to impede the Division of Oil and Gas' authority to pursue remedies for violations of R.C. Chapter 1509, the rules promulgated and the terms and conditions of permits and registration certificates issued thereunder except as specifically set forth in ¶B above.
- (E) The Division of Oil and Gas agrees to reasonably take into account the weather conditions in enforcing the time restraints of this agreement. As a condition precedent to obtaining such consideration for adverse weather conditions, however, CEMCO Operating, Inc. shall diligently and continuously pursue all of its obligations set forth in this agreement.



TODD M. MUSHEFF
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Counsel for Division
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ALLAN M. BLUE
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Counsel for CEMCO
Operating, Inc.

EXHIBIT "A"

<u>County</u>	<u>Township</u>	<u>Permit No.</u>	<u>Lease Name and No.</u>
Morrow	Troy	3535	Beal #1
Morrow	Troy	3537	Webster #1
Morrow	Troy	3540	Shuff #1
Morrow	Troy	3622	Litt #1
Morrow	Troy	3652	Schenk/Caudill #1
Morrow	Troy	3655	Webster/Shuff #1
Morrow	Troy	3656	Webster #4
Morrow	Troy	3657	Campbell/Logan #1
Morrow	Troy	3658	Shuff #3
Morrow	Troy	3659	Webster #6
Morrow	Troy	3660	Webster #7
Morrow	Troy	3664	Campbell/Litt #1
Morrow	Troy	3668	Webster #8
Morrow	Troy	3680	Shuff #5
Morrow	Troy	3681	Webster #5
Morrow	Troy	3695	Webster #3
Morrow	Perry	3642	McWilliams #1-19
Morrow	Perry	3643	McWilliams #2
Morrow	Perry	3649	Eash #2
Morrow	Perry	3757	Wengerd #1-A
Morrow	Congress	3654	Sauter #1