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IN THE COURT OF COMMON PLEAS

KNOX COUNTY, OHIO

STATE OF OHIO, ex rel.) ANTHONY J. CELEBREZZE, JR.) ATTORNEY GENERAL OF OHIO) Plaintiff,) V.) VALLEY PETROLEUM MANAGEMENT,) et al.) Defendants and Third) Party Plaintiffs) V.) NORWESCO) Third Party) Defendant.)

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CASE NO. 87-0T0-20019

JUDGE THOMAS BADGER

CONSENT JUDGMENT AND FINAL JOURNAL ENTRY

The Complaint having been filed in the above-referenced case on February 2, 1987 and plaintiff State of Ohio and defendants Valley Petroleum Management, Dale Dugan and Dennis Dugan having consented to this Consent Decree without findings of fact or conclusions of law.

Now, THEREFORE, before the taking of testimony, upon the pleadings and upon the consent of the above-stated parties, it is ORDERED, ADJUDGED and DECREED as follows:

This Court has jurisdiction over the parties consenting to this Decree, and over the subject matter of the action. The complaint states a claim upon which relief may be granted under Chapter 1509, Revised Code.

II

This Consent Judgment applies to defendants Valley Petroleum Management, Dennis Dugan and Dale Dugan, their agents, employees and successors and to all persons, firms, corporations and other entities having notice of the Judgment and acting in privity with either or both of the defendants.

III

Defendants are permanently enjoined from disposing of brine and other oilfield wastes in a manner inconsistent with R.C. 1509.22 in Knox, Coshocton and Muskingum Counties, State of Ohio.

IV

Defendants shall be permanently enjoined from allowing brine and other oilfield wastes from escaping the confines of any spill prevention dike in violation of R.C. 1509.22(C)(3) for all wells owned by any or all of the defendants in Knox, Coshocton and Muskingum Counties, State of Ohio.

V

Defendants shall be permanently enjoined from utilizing tanks for the storage of brine and other oilfield wastes which are not liquid tight within the contemplation of Ohio Adm. Code 1501:9-3-08(B) at all of the defendants' wellsites in Knox, Coshocton and Muskingum Counties, State of Ohio.

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Defendants shall be permanently enjoined from failing to fill all pits used for containing brine, other waste substances resulting, obtained, or produced in connection with exploration, drilling, or production of oil or gas, or oil that are not required by other state or federal law or regulation and to grade or terrace and plant, seed, or sod the areas disturbed by drilling, production or related operations, and brine or other waste discharge, in order to bind the soil and prevent further substantial erosion and sedimentation if and to the extent such work is required by R.C. 1509.072(A) at all wellsites owned by defendants in Knox, Coshocton and Muskingum Counties, State of Ohio.

VII

Defendants shall be permanently enjoined to remove all production and storage structures, supplies and equipment, and any oil, saltwater, and debris, and fill any remaining excavations and to grade or terrace and plant, seed, or sod the area disturbed, where necessary to bind the soil and prevent substantial erosion and sedimentation if and to the extent such work is required by R.C. 1509.072(B) at all wellsites owned by defendants in Knox, Coshocton and Muskingum Counties, State of Ohio.

VIII

Defendants are permanently enjoined to legibly identify all oil and gas well sites in accordance with Ohio Adm. Code 1501:9-3-11(D)(1) and 1501:9-9-05(A)(10) which defendants own in Knox, Coshocton and Muskingum Counties, State of Ohio.

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Defendants shall pay a civil penalty of ten thousand dollars (\$10,000.00). Payment shall be made within thirty days after entry of this judgment by forwarding a certified check for the entire amount made payable to the order of "Treasurer, State of Ohio" to the attention of Todd Musheff, Assistant Attorney General, Environmental Enforcement Section, Division of Oil and Gas, Fountain Square, Building A, Columbus, Ohio 43224.

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Defendants shall pay court costs.

BADGER

Knox County Common Pleas Court

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APPROVED:

ANTHONY J. CELEBREZZE, JR. ATTORNEY GENERAL OF OHIO

By:

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

KEVIN M. MALONEY

Denmead, Blackburn and Willard 37 West Broad St., Suite 1150 Columbus, OH 43215-4189 Attorney for defendants, Valley Petroleum Management, Dennis Dugan and Dale Dugan