

CONSENT AGREEMENT
BETWEEN CAPSTAR DRILLING L.P. and
DIVISION OF MINERAL RESOURCES MANAGEMENT

This Consent Agreement is by and between CapStar Drilling L.P. (hereinafter "CapStar") whose place of business is P.O. Box 944, Wooster OH 44691-0944; and the State of Ohio, Department of Natural Resources, Division of Mineral Resources Management (hereinafter "Division").

WHEREAS, The Chief of the Division of Mineral Resources Management is charged with the responsibility of administering, implementing, and enforcing Ohio Revised Code Chapter 1509 and Ohio Administrative Code Chapter 1501; and

WHEREAS, CapStar is a limited partnership authorized to do business in the state of Ohio and is a "person" as that term is defined in O.R.C. 1509.01(T) and O.A.C. 1501; and

WHEREAS, CapStar is a contractor, as that term is defined in O.R.C. Chapter 1509, and was, on November 18, 2005, drilling the 13A St. Denis well, Permit No. 1862, located in Chardon Township, Geauga County, Ohio; and

WHEREAS, On November 18, 2005, the Division inspected the drilling location associated with Permit 1862, Geauga County, Chardon Township, issued to Great Plains Exploration, LLC. During inspection, the Division discovered that brine, surfactant, and/or other waste substances were escaping the drilling pit(s), entering a pond and flowing across a golf course fairway; and

WHEREAS, O.R.C. 1509.22 (A) states, that " ... no person shall place or cause to be placed brine in surface or ground water or in or on the land in such quantities or in such manner as actually causes or could reasonably be anticipated to cause: (2) damage or injury to public

health or safety or the environment"; and

WHEREAS, O.R.C. 1509.22 (B) prohibits any " ... person from storing or disposing of brine in violation of an approved plan ... "; and

WHEREAS, O.R.C. 1509.22 (C) (3) requires that " ... A dike or pit so used shall be constructed and maintained to prevent the escape of brine and the reservoir within such a dike or pit shall be kept reasonably free of brine and other waste substances."; and

WHEREAS, O.A.C. 1501:9-1-07 requires that "All persons engaged in any phase of operation of any well or wells shall conduct such operation or operations in a manner which will not contaminate or pollute the surface of the land, or water on the surface or subsurface."; and

WHEREAS, O.A.C. 1501:9-3-08 requires that "All pits used for the temporary storage of saltwater and oil field wastes shall be liquid tight and constructed and maintained so as to prevent escape of saltwater and oil field wastes. The level of saltwater in excavated pits shall at no time be permitted to rise above the lowest point of the ground surface level."

NOW, THEREFORE, for and in consideration of the promises and mutual agreements of the parties hereto, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. CapStar shall pay Five Thousand Dollars (\$5,000) to the Division. The Division agrees to suspend Two Thousand Five Hundred Dollars (\$2,500) of the Five Thousand Dollar (\$5,000) penalty, provided CapStar does not have a significant and like or similar violation for a period of one (1) year from the final execution date of this signed agreement. Payment of the Two Thousand Five Hundred Dollar (\$2,500) penalty must be made to the Division within seven (7) days of the final execution of this agreement by certified check or cashier's check payable to the order of Treasurer, State of Ohio, and delivered to counsel for the Division, Assistant

Attorney General Molly S. Corey, Ohio Attorney General's Office, Environmental Enforcement Section, 2045 Morse Road, Building D-2, Columbus, Ohio 43229-6693. If such payment is not received by Assistant Attorney General Corey within seven (7) days of it being signed by the Chief of the Division, the suspended Two Thousand Five Hundred Dollars (\$2,500) will become immediately due and the entire Five Thousand Dollars (\$5,000) shall immediately be forwarded to Assistant Attorney General Corey by certified check or cashier's check.

Should a significant and like or similar violation occur within the one (1) year period from the final execution date of this agreement, CapStar shall submit payment of the suspended portion of the penalty within seven (7) days of notice of such violation from the Division. This payment shall be made by certified check or cashier's check payable to the order of Treasurer, State of Ohio, and delivered to counsel for the Division, Assistant Attorney General Molly S. Corey, Ohio Attorney General's Office, Environmental Enforcement Section, 2045 Morse Road, Building D-2, Columbus, Ohio 43229-6693 . In addition, the Division, may pursue any and all remedies provided for under O.R.C. 1509 and O.A.C. 1501 for any additional violation occurring either within or after the one year period from the final execution of this agreement.

2. The payment required herein shall not be construed as a valuation of any civil penalty and the Division reserves the right to seek civil penalties for any additional violation that occurs.

3. Nothing in this Consent Agreement shall be construed to contradict the oil and gas laws.

4. 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 to enforce the provisions of Ohio Revised Code Chapter 1509 and Ohio Administrative Code Chapter 1501,

including the seeking of civil penalties and injunctive relief for the failure to comply with this Consent Agreement.

5. In the event of any default of the terms set forth herein, the Division may elect any and all remedies it deems appropriate. Further, in the event of default, CapStar, its heirs, assigns, 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, Ohio Court of Common Pleas and
- b) service of process and summons thereof are hereby waived.

IN WITNESS WHEREFORE, The parties hereby acknowledge that they have read and understood the terms and conditions of this Consent Agreement and with full awareness of the legal consequences, make a voluntary, knowing, and intelligent commitment, and intend to be fully bound thereby.

AGREED:

CAPSTAR DRILLING L.P.

By: Bob Hillman RISK MANAGER
Title

Date: 7/26/06

AGREED:

STATE OF OHIO,
DEPARTMENT OF NATURAL RESOURCES,
DIVISION OF MINERAL RESOURCES MANAGEMENT

By: Michael L Spensler by Net Date: 8-7-06
MICHAEL L. SPONSLER, Chief
Division of Mineral Resources Management

APPROVED:

By: [Signature] Date: July 31, 2006
Counsel for CapStar Drilling L.P.

APPROVED AS TO FORM:

By: Molly S. Conroy Date: August 3, 2006
Assistant Attorney General
Counsel for Division of Mineral Resources Management