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~~IN THE COURT OF~~ COMMON PLEAS  
SUMMIT COUNTY, OHIO

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A. R. LOCKHART DEVELOPMENT CO. )  
and )  
WAYNE AND CAROLINE ARNOLD )  
and )  
MAVERICK OIL & GAS, INC., )  
Plaintiffs, )  
v. )  
OHIO DEPARTMENT OF NATURAL )  
RESOURCES, DIV. OF OIL & GAS )  
et. al., )  
Defendants )

CASE NO. 2006 11 7338  
JUDGE BURNHAM UNRUH

**JOURNAL ENTRY AND CONSENT ORDER**

The Complaint in the above-captioned matter has been filed herewith and the Plaintiffs, Lockhart Development Co., Wayne and Caroline Arnold, and Maverick Oil & Gas, Inc., (hereinafter "Plaintiffs"), and Defendant the Ohio Department of Natural Resources, Division of Mineral Resources Management (f.k.a. Division of Oil & Gas) (hereinafter the "Division"), have consented to the entry of this Order.

**NOW, THEREFORE**, without trial of any issue of fact or law, upon the pleadings and the consent of the parties hereto, it is hereby **ORDERED, ADJUDGED, AND DECREED** as follows:

**I. JURISDICTION AND VENUE**

The Court has jurisdiction over the parties and the subject matter of this case. Venue is proper in this Court.

## II. BINDING EFFECT

The provisions of this Journal Entry and Consent Order shall apply to and be binding upon the parties to this action, their agents, officers, employees, assigns, successors in interest, and any person acting in concert or participation with them.

## III. STATEMENT OF FACTS

A. Murphy Oil Company is the statutory "owner," as defined in Ohio Revised Code 1509.01(K), of the following oil and gas wells and is, therefore, responsible for the compliance of these wells with Ohio oil and gas law. Maverick Oil & Gas, Inc., claims to hold the lease rights and claims ownership rights to the following oil and gas wells.

<u>WELL NAME &amp; NO.</u>	<u>PERMIT NO.</u>	<u>COUNTY</u>	<u>TOWNSHIP</u>
Lockhart No. 3	1798	Summit	Coventry
Boss No. 1	801	Summit	Copley
Fabro No. 2	793	Summit	Norton
Wasil No. 1	792	Summit	Norton

B. Maverick Oil & Gas, Inc. has not posted the surety bond, proof of insurance, or an authority and organization form, or an acceptable alternative with the Division as required by R.C. 1509.07 and R.C. 1509.071.

## IV. AGREED COMPLIANCE SCHEDULE

A. By January 15, 2007, Maverick Oil & Gas, Inc. will provide the Division with bond, proof of insurance, and an authority and organization form as required by R.C. 1509.071 and will have transferred pursuant to the requirements of R.C. 1509.06 all four wells listed in Paragraph III(A) to Maverick Oil & Gas, Inc.

B. By February 2, 2007, Maverick Oil & Gas, Inc. shall plug or commercially produce the Wasil No. 1 well listed in Paragraph III(A). To meet the standard of commercial production, the well in accordance with Division approval must be fitted with equipment that is used for the recovery and sale of oil and gas; the well must be hooked up with a gas meter, tanks; separator; gathering, sales, and/or production lines; and other required equipment; and the well must include a sales point for any natural gas. Commercial production specifically excludes swab production of oil and domestic use of natural gas. In order to ensure rig availability, Maverick Oil & Gas, Inc. must prepay the plugging rig and/or other equipment needed to plug or rework the well a non-refundable deposit at least one month before the scheduled plugging or reworking of this well. Additionally, as soon as such rig or equipment to plug or rework this well is reserved, Brian Carr, as the President of Maverick Oil & Gas, Inc., will contact Jay Cheslock, North Region Assistant Manager for the Division, and provide him with the name of each rig and/or equipment operator. Failure to comply with this deadline will result in a \$2,000.00 penalty. An additional \$1,000.00 penalty will be paid by Maverick Oil & Gas, Inc., for every 30-day period or part of a 30-day period during which the Wasil No. 1 well remains neither plugged nor commercially produced. If Maverick Oil & Gas, Inc. plugs the well, it must notify the landowner(s) by certified mail within the scheduled timeframe pursuant to R.C. 1509.13.

C. By May 2, 2007, Maverick Oil & Gas, Inc. shall plug or commercially produce the Fabro No. 2 and Boss No. 1 wells listed in Paragraph III(A). To meet the standard of commercial production, the well in accordance with Division approval must be fitted with equipment that is used for the recovery and sale of oil and gas; the well must be hooked up with a gas meter, tanks; separator; gathering, sales, and/or production lines; and other required equipment; and the well must include a sales point for any natural gas. In order to ensure rig availability, Maverick Oil & Gas,

Inc. must prepay the plugging rig and/or other equipment needed to plug or rework these wells a non-refundable deposit at least one month before the scheduled plugging or reworking of these wells. Additionally, as soon as such rig or equipment is reserved, Brian Carr, as the President of Maverick Oil & Gas, Inc., will contact Jay Cheslock, North Region Assistant Manager for the Division, and provide him with the name of each rig and/or equipment operator. Commercial production specifically excludes swab production of oil and domestic use of natural gas. Failure to comply with this deadline will result in a \$2,000.00 penalty for each well. An additional \$1,000.00 penalty for each well will be paid by Maverick Oil & Gas, Inc. for every 30-day period or part of a 30-day period during which either of the above wells remains neither plugged nor commercially produced. If Maverick Oil & Gas, Inc. plugs either well, it must notify the landowner(s) by certified mail within the scheduled timeframe pursuant to R.C. 1509.13.

D. By June 2, 2007, Maverick Oil & Gas, Inc. shall plug or commercially produce the Lockhart No. 3 well listed in Paragraph III(A). To meet the standard of commercial production, the well in accordance with Division approval must be fitted with equipment that is used for the recovery and sale of oil and gas; the well must be hooked up with a gas meter, tanks; separator; gathering, sales, and/or production lines; and other required equipment; and the well must include a sales point for any natural gas. In order to ensure rig availability, Maverick Oil & Gas, Inc. must prepay the plugging rig and/or other equipment needed to plug or rework this well a non-refundable deposit at least one month before the scheduled plugging or reworking of this well. Additionally, as soon as such rig or equipment is reserved, Brian Carr, as the President of Maverick Oil & Gas, Inc., will contact Jay Cheslock, North Region Assistant Manager for the Division, and provide him with the name of each rig and/or equipment operator. Commercial production specifically excludes swab production of oil and domestic use of natural gas. Failure to comply with this deadline will result in

a \$2,000.00 penalty. An additional \$1,000.00 penalty will be paid by Maverick Oil & Gas, Inc. for every 30-day period or part of a 30-day period during which the Lockhart No. 3 well remains neither plugged nor commercially produced. If Maverick Oil & Gas, Inc. plugs the well, it must notify the landowner(s) by certified mail within the scheduled timeframe pursuant to R.C. 1509.13.

E. All work on the well sites shall be performed in a prudent and workmanlike manner and in compliance with the requirements of Chapter 1509 of the Ohio Revised Code and Chapter 1501 of the Ohio Administrative Code.

F. Pursuant to R.C. 1509.072, each well plugged pursuant to this agreement shall be reclaimed within six months of the completion of plugging. For each reclamation deadline that is not met, a penalty of \$1,000.00 for every 30-day period or part of a 30-day period, per well, will be paid by Maverick Oil & Gas, Inc.

G. If the prepaid-deposit requirements discussed in Paragraphs IV(B), IV(C), and IV(D) above are complied with, the Division may be asked to agree to reasonable extensions based on the contractors' schedule and obligations. In the event the Division does not agree to the extension request, Plaintiffs may apply to the Court for a reasonable extension of any deadline imposed hereunder; however, in order to obtain any extension, the Plaintiffs bear the burden of showing that the reason for the extension were circumstances outside of the reasonable control of the Plaintiffs such as strikes, unusual weather, or the unavailability of equipment which was timely contracted. Timely contracted means that Maverick Oil & Gas, Inc. has prepaid any plugging rig and/or other equipment as described in Paragraphs IV(B), IV(C), and IV(D) above. Lack of necessary funds shall not be a valid reason for an extension request.

**V. PRESERVATION OF RIGHTS**

A. Nothing in this Consent Agreement shall be construed to contradict the oil and gas laws of the State of Ohio.

B. Nothing in this Journal Entry and Consent Order shall be construed so as to prejudice the right of the Division of Mineral Resources Management to issue other decisions and orders and enforce the provisions of Ohio Revised Code Chapter 1509 and Ohio Administrative Code Chapter 1501, including the seeking of civil penalties, injunctive relief, and bond forfeiture for the failure to comply with this Consent Agreement.

C. 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 if a breach of this Consent Agreement occurs.

D. Brian Carr shall be personally liable to insure payment of all penalties due under this Agreement.

**VI. RETENTION OF JURISDICTION**

This Court retains jurisdiction over this action for the purpose of making any order or decree it may deem necessary to carry out this Journal Entry and Consent Order.

**VII. COSTS**

Maverick Oil & Gas, Inc. shall pay all costs of this action incurred by the Court or its clerk.

**VIII. ACKNOWLEDGMENT**

Brian Carr, President of Maverick Oil & Gas, Inc., states that he fully understands this Journal Entry and Consent Order and that Maverick Oil & Gas, Inc. has the ability to comply with it fully.

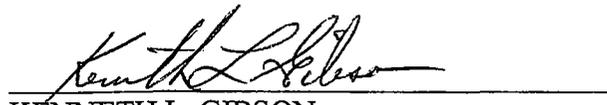
**IX. APPROVAL**

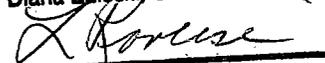
The Court, being fully advised as to the premises herein, approves and confirms this Journal Entry and Consent Order entered into by and between the parties hereto. The Clerk of Courts shall enter this judgment upon the journal and serve all counsel of record and unrepresented parties in a manner prescribed by Civ. R. 5(B) and note the service in the appearance docket.

**IT IS SO ORDERED.**

  
HONORABLE BRENDA BURNHAM UNRUH

 Dec 4, 2006  
BRIAN CARR,  
personally and as an officer of  
Maverick Oil & Gas, Inc.

 Dec 4, 2006  
KENNETH L. GIBSON  
234 Portage Trail  
Cuyahoga Falls, OH 44221  
Counsel for Plaintiffs

*I certify this to be a true copy of the original.*  
Diana Zaleski, Clerk of Courts  
 Deputy

Richard Simmers  
RICK SIMMERS, Acting Deputy Chief  
Division of Mineral Resources Management  
Ohio Department of Natural Resources

Dec 4, 2006

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Dec 4, 2006