Ohio Department of Natural Resources

TED STRICKLAND, GOVERNOR SEAN D. LOGAN, DIRECTOR

The Division of Mineral Resources Management
John F. Husted, Chief
2045 Morse Road, Building H-3
Columbus, Ohio 43229-6693
Phone: (614) 265-6633/Fax: (614) 265-7998

ORDER BY THE CHIEF

ORDER NO. 2010-25

TO: Raymond Beck
Beck Energy Corp
P.O. Box 1070
Ravenna, Ohio 44266

RE: Permit No. 4264, Well No. 3, Harry Cisler Lease,
Benton Township, Monroe County

SUBJECT: Response to Informal Hearing Held on 07/07/2010

Pursuant to Ohio Revised Code Section 1509.03, the Chief of the Division of Mineral Resources Management ("Division") hereby makes the following Findings and Conclusions and issues the following Orders:

FINDINGS AND CONCLUSIONS:

(1) Beck Energy Corporation is the owner of permit 4264, Monroe County.

(2) On June 21, 2010, Pat Shreve, Inspector for the Division, inspected permit 4264, Monroe County. Inspector Shreve observed the drilling pit at permit 4264 had been cut with a trackhoe by a representative of Beck Energy allowing the brine, frac water and other oil field waste fluids contained in the pit to be released into a nearby stream.

(3) The actions described in paragraph (2) of these Findings and Conclusions constitute separate violations of Sections 1509.22(A)(1), 1509.22.(A)(2), 1509.22(C)(1), 1509.22(C)(2), 1509.22(C)(3), and 1509.22(C)(5) of the Ohio Revised Code and Sections 1501:9-1-07(A), 1501:9-3-08(A), and 1501:9-3-08(C) of the Ohio Administrative Code.

(4) The violations described in paragraph (3) of these Findings and Conclusions constitute Material and Substantial Violations of ORC Chapter 1509 and the rules adapted thereunder.

(5) On June 25, 2010 the Division informed Beck Energy Corp. that based on the inspection conducted on June 21, 2010, Material and Substantial Violations of Ohio Revised Code (ORC) Chapter 1509 and rules promulgated thereunder exist at the referenced well site.

(6) Beck Energy Corp. requested an informal hearing and the hearing was held on July 7, 2010.

(7) After review of the information presented on July 7, 2010 by Beck Energy Corp. and their representatives, the Division finds nothing in what was presented on July 7, 2010 changes the Divisions position that the actions taken by Beck Energy Corp. on permit 4264 resulted in Material and Substantial Violations to ORC 1509 and the rules promulgated thereunder.

ORDERS:

(1) Pursuant to ORC Sections 1509.03 and 1509.08, it is therefore Ordered that the actions and violations described in paragraphs (2) and (3), respectively, constitute Material and Substantial Violations of ORC 1509 and the rules promulgated thereunder.

7·15·10
Issue Date

John F. Husted, Chief
Division of Mineral Resources Management

Addressee is further notified that this action may be appealed to the Oil and Gas Commission pursuant to Section 1509.36 of the Ohio Revised Code. The appeal must be in writing and must set forth the orders complained of and the grounds upon which the appeal is based. Such appeal must be filed with Linda Osterman, Hearing Officer, Oil and Gas Commission, Ohio Department of Natural Resources, 2045 Morse Road, Building F-2, Columbus, Ohio 43229-6693, within thirty (30) days after the receipt of this order.

In addition, within three (3) days after the appeal is filed with the Oil and Gas Commission, notice of the filing must be submitted to John F. Husted, Chief of the Division of Mineral Resources Management, Ohio Department of Natural Resources, Building H-2, 2045 Morse Road, Columbus, Ohio 43229-6693.

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