Ohio Department of Natural Resources

TED STRICKLAND, GOVERNOR

SEAN D. LOGAN, DIRECTOR

The Division of Mineral Resources Management
John F Husted, Chief
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Columbus, Ohio 43229-6693
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ORDER BY THE CHIEF

ORDER NO.2010-49

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

RE: Failure to comply with prior enforcement actions – Compliance Notices

SUBJECT: Failure to Comply With Prior Enforcement Actions – Compliance Notice Nos. 288999177; 1417920490; 571799587; 1282576788; -538013947; 430809570; 1897048361; 1280693752; and –1161384182.

Pursuant to Ohio Revised Code (RC) Section 1509.03, and 1509.04 the Chief of the Division of Mineral Resources Management ("Division") hereby makes the following Findings:

FINDINGS:

(1) On July 27, 2010, an inspection was completed at the Pero Robert Unit No. 1, API Well No. 34-151-23191-00-00. The well was found to be incapable of production and has been idle since 1999. As a result, Beck Energy Corp. was cited with a violation of RC 1509.12; Notice number 288999177. The well is reported to have a hole in the production string. A follow-up inspection was completed on October 1, 2010. The well remains idle and the Division has not received any plan to address mechanical problems with the well.

(2) On July 27, 2010, an inspection was completed at the Nestle EK-Gibson EN Unit No. 1, API Well No. 34-151-21150-00-00. The well was found to be idle and has no reported production since 2007. Proper well identification was required. As a result, Beck Energy Corp. was cited with violations of RC 1509.12, RC 1509.23 and section 1501:9-

Energy Corp. was cited with violations of RC 1509.12, RC 1509.23 and section 1501:9-9-05(A)(10) of the Ohio Administrative Code ("OAC"); Notice number 1417920490. A follow-up inspection was completed on October 5, 2010. The well remains idle, proper identification has not been posted, and the Division has not received any plan to address the reported violations.

(3) On July 27, 2010, an inspection was completed at the Walter David No. 1, API No. 34-151-23665-00-00. The posting of proper identification was required and the clean-up of oil stained soils at the wellhead required action. As a result, Beck Energy Corp. was cited with violations of RC 1509.22(A), OAC 1501:9-1-07, RC 1509.23 and OAC 1501:9-9-05(A)(10); Notice number 57199587. A follow-up inspection was completed on October 1, 2010. Identification was posted but oil stained soils were not addressed. The Division has not received any plan to address the remaining violation.

(4) On August 19, 2010, an inspection was completed at the Scott-Copeland No. 1, API No. 34-133-23173-00-00. The well was found to be incapable of production and was not properly identified. The tank battery has been dismantled and removed. The last reported production was in 1988. As a result, Beck Energy Corp. was cited with violations of 1509.12, RC 1509.23 and OAC 1501: 9-9-05(A)(10); Notice number 1282576788. On November 1, 2010, a follow-up inspection was completed. The well remains idle and proper identification has not been posted. The Division has not received any plan to address the reported violations.

(5) On August 19, 2010, an inspection was completed at the Yurgen William No. 1, API No. 34-133-22054-00-00. The well was found to be incapable of production and was not properly identified. The last reported production was in 1999. The tank battery and pump jack have been dismantled and removed. As a result, Beck Energy Corp. was cited with violations of RC 1509.12, RC 1509.23 and OAC 1501:9-9-05(A)(10); Notice number 538013947. On November 1, 2010 a follow-up inspection was completed. The well remains idle and proper identification has not been posted. The Division has not received any plan to address the reported violations.

(6) On August 19, 2010, an inspection was completed at the Thomas Unit No. 3, API No. 34-133-23271-00-00. The well was found to be incapable of production and was not properly identified. The last reported production was in 2004. The tank battery and pump jack have been dismantled and removed. As a result, Beck Energy Corp. was cited with a violation of RC 1509.12, RC 1509.23 and OAC 1509:9-9-05(A)(10); Notice number 430809570. On November 1, 2010, a follow-up inspection was completed. The well remains idle and proper identification has not been posted. The Division has not received any plan to address the reported violations.

(7) On July 27, 2010, an inspection was completed at the Ferguson-Kunar Unit No. 2, API No. 34-133-23377-00-00. The well was found to be idle, identification was not properly posted and a 210 bbl tank was leaking, which was causing contamination inside the containment system. The last reported production was in 2007. As a result, Beck Energy Corp. was cited with violations of RC 1509.12, RC 1509.22(A), OAC 1501:9-1-07, RC 1509.23, and OAC 1501:9-9-05(A)(10); Notice number 1897048361. On

November 1, 2010, a follow-up inspection was completed. The well remains idle, proper identification has not been posted, and tank mechanical integrity/contamination issues have not been corrected. The Division has not received any plan to address the reported violations.

(8) On July 27, 2010, an inspection was completed at the Ferguson Unit No. 1, API No. 34-133-23360-00-00. The well was found to be idle, identification was not properly posted, and a 210 bbl tank was leaking, which was causing contamination inside the containment system. The last reported production was in 2007. As a result, beck Energy Corp. was cited with violations of RC 1509.12, RC 1509.22(A), OAC 1501:9-1-07, RC 1509.23 and OAC 1501: 9-9-05(A)(10); Notice number 1280693752. On November 1, 2010, a follow-up inspection was completed. The well remains idle, proper identification has not been posted, and tank mechanical integrity/contamination issues have not been corrected. The Division has not received any plan to address the reported violations.

(9) On July 28, 2010, an inspection was completed at the Shiflett No. 1, API No. 34-133-23289-00-00. The well was found to be idle and was not properly identified. All equipment has been dismantled and removed. The well was the subject of a 1998 consent agreement. As a result, Beck Energy Corp. was cited with a violation of RC 1509.12, RC 1509.23 and OAC 1509:23 and OAC 1501:9-9-05(A)(10); Notice number 1161384182. On November 1, 2010, a follow-up inspection was completed. The well remains idle and proper identification has not been posted. The Division has not received any plan to address the reported violations.

(10) RC 1509.04 authorizes the chief to issue an order finding that an owner has committed a material and substantial violation and immediately suspend drilling or operating activities related to a material and substantial violation and suspend and revoke an unused permit after finding either of the following:

(a) An owner has failed to comply with an order issued under division (B)(2) of this section that is final and nonappealable; or

(b) An owner is causing, engaging in, or maintaining a condition or activity that the chief determines presents an imminent danger to the health or safety of the public or that results in or is likely to result in immediate substantial damage to the natural resources of this state.

ORDER:

(11) It is hereby Ordered that: Beck Energy Corp. by their failure to comply with listed Compliance Notices is in Material and Substantial Violation of RC 1509 and the rules promulgated thereunder.

(12) Within 14 days of receipt of this Order, Beck Energy Corp. must contact Richard

Simmers, Statewide Field Enforcement Administrator at 330-896-0616 to schedule a meeting to present a detailed plan with timeframes whereby Beck Energy Corp. will demonstrate how each well referenced in this Order will be placed into compliance with RC 1509 and the rules promulgated thereunder. The Division reserves the right to request modifications to any plan submitted and or reject such plan if the timeframes and or proposed approach to achieve compliance are not adequate.

11-4-10
Issue Date

John F. Husted, Chief
Division of Mineral Resources Management

Upon receipt of this Order, Beck Energy Corp. may within five (5) calendar days, request an informal hearing. At this hearing, I will provide you with an opportunity to present evidence or mitigating factors demonstrate that Beck Energy Corp's. actions are not material or substantial violations of the law and the rules promulgated thereunder. To arrange a hearing, contact me at (614) 265-6893 to make an appointment.

Addressee is further notified that this action may be appealed to the court of common pleas of the county in which the activity that is the subject of the order is located pursuant to RC 1509.04(D) (3).

Raymond Beck
Beck Energy Corp
PO Box 1070
Ravenna, OH 44266

CERTIFIED MAIL # 91 7018 2133 3932 1020 4942

C: Chief Order file copy