

STATE OF OHIO
DEPARTMENT OF NATURAL
RESOURCES

DIVISION OF MINERAL
RESOURCES MANAGEMENT
WELL PERMIT

API WELL NUMBER
34-153-2-2941-00-00

FORM 51 REVISED 3/01

OWNER NAME, ADDRESS

OHIO VALLEY ENERGY SYSTEM CORP (Owner #: 2456)
200 VICTORIA RD, BLDG. 4
AUSTINTOWN OH 44515

DATE ISSUED

3/16/2005

PERMIT EXPIRES

3/16/2006

TELEPHONE NUMBER

(330) 799-2268

IS HEREBY GRANTED PERMISSION TO: Drill New Well
IF UNPRODUCTIVE

AND ABANDON NEW WELL

PURPOSE OF WELL: Oil & Gas

SUBSTANCE TO BE STORED OR COMPLETION DATE IF PERMIT TO PLUG:

Cmpltd Dt:

DESIGNATION AND LOCATION:

LEASE NAME EDWARDS-SMITH UNIT
WELL NUMBER 1
COUNTY SUMMIT
CIVIL TOWNSHIP HUDSON
TRACT OR ALLOTMENT
FOOTAGE LOCATION 610'NL & 825'EL OF LOT 87

SECTION
LOT 87
FRACTION
QUARTER TOWNSHIP

X: 2295783
Y: 585180

TYPE OF TOOLS: Air Rotary/Fluid Rotary

GEOLOGICAL FORMATION(S):

PROPOSED TOTAL DEPTH 4050 FEET
GROUND LEVEL ELEVATION 1090 FEET

OHIO SHALE--CLINTON

SPECIAL PERMIT CONDITIONS:

CONDITIONALLY APPROVED CASING PROGRAM (SUBJECT TO APPROVAL OF THE OIL AND GAS WELL INSPECTOR):

CONDUCTOR MINIMUM OF 60' (IF AIR)
8 5/8" 50' BELOW BEREA, APPROX. 330' WITH CEMENT CIRCULATED TO SURFACE
4-1/2" PRODUCTION CASING TO T.D. CEMENTED IF PRODUCTIVE

This permit is NOT TRANSFERABLE and expires 365 days after issuance, unless drilling has commenced prior thereto. This permit, or an exact copy thereof, must be displayed in a conspicuous and easily accessible place at the well site before permitted activity commences and remain until the well is completed. Ample notification to inspector is necessary. All mudding, cementing, placing and removing casing, and plugging operations must be done under the supervision of:

OIL AND GAS WELL INSPECTOR:

WORSTALL BOB
2854 PREMAE DRIVE,
AKRON, OH 44312
Inspector's #: (330) 284-1418
District #: (330) 896-0616

JAY CHESLOCK - Supervisor
(330) 343-2374

FIRE AND EMERGENCY NUMBERS

FIRE: () - 911
MEDICAL SERVICE () - 911

DEPUTY MINE INSPECTOR: MUST BE NOTIFIED IF WELL IN A COAL-BEARING TOWNSHIP IS TO BE PLUGGED AND ABANDONED.

Michael L. Sponsler

CHIEF, DIVISION OF MINERAL RESOURCES
MANAGEMENT

STATE OF OHIO
DEPARTMENT OF NATURAL
RESOURCES

DIVISION OF MINERAL
RESOURCES MANAGEMENT
WELL PERMIT

API WELL NUMBER

34-153-2-2941-00-00

FORM 51 REVISED 3/01

OHIO VALLEY ENERGY SYSTEM CORP
200 VICTORIA RD, BLDG. 4
AUSTINTOWN, OH 44515

DAILY ROUTE SLIP

APPLICATION NO aPATT006632 TA: Drill New Well

CONAME OHIO VALLEY ENERGY SYST API

CTY CODE 153 CTY NAME SUMMIT

LEASE NAME /WELL N EDWARDS-SMIT

INITIALS/FEE AMT. DATE/CK NO.

DATE APPLICATION REC'

pn

3/3/2005

PERMIT FEE AND CHECK AMT.

\$250.00

42367

RUSH AMT RUSH CHK.NO

\$0.00

0

APPLICATIONS AND PLATS SENT
TO DIV. OF MINES

—

—

AFFIDAVIT REC'D FOR DIV. OF OIL
AND GAS

—

—

APPLICATION ENTERED

pn

3/3/05

GEOLOGIST APPROVAL

so

3-15

SPECIAL AREA/SAMPLES:

YES — NO

so

3-15

VERBAL APPROVAL FROM DIV.
OF MINES

—

—

WRITTEN APPROVAL FROM DIV. OF
MINES

—

—

DATA ENTRY /ISSUED

pn

3/16

PERMIT: TAKEN — MAILED

pn

3/17

FAX TO: —

FINAL MAP CHECK

so

3-31

COMMENTS: notice sent to Hudson, 3/3/05
Mail copies of development plan to inspector

Proof Sheet

APPL NUMBER	aPATT006632
OWNER NUMBER	2456
OWNER NAME	OHIO VALLEY ENERGY SYSTEM CORP
EXISTING WELL	0
API PERMIT NO	
APPL TYPE	NW
TYPE OF WELL	OG
VARIANCE REQUEST	
WELL NAME	EDWARDS-SMITH UNIT
WELL NUMBER	1
PREV/PROPOSED TD	4050
DRILL UNIT ACRES	21.47
TYPE OF TOOL	RTAF
WELL CLASS	Pool
FIRE PHONE	() - 911
MEDICAL PHONE	() - 911
COUNTY CODE	153
COUNTY NAME	SUMMIT
COAL (Y=1/N=0)	0
CIVIL TOWNSHIP	HUDSON
SURF QUAD	TWINSBURG
SURF ORIG X	2,295,783
SURF ORIG Y	585,180
GROUND ELEVATION	1090
SURF SEC	
SURF LOT	87
SURF QTR TWP	
SURF ALLOT	
SURF TRACT	
SURF FRACTION	

DISPOSAL PLAN 1	ND
DISPOSAL PLAN 2	
DISPOSAL PLAN 3	
DISPOSAL PLAN 4	
DISPOSAL PLAN 5	

PROPOSED FORMATIONS

NEWBURG/ORISKANY/OHIO SHALE
OHIO SHALE — CLINTON

TARG CIVIL TWP	
TARG QUAD	
TARG ORIG X	
TARG ORIG Y	
TARG ELEV	0
TARG SECTION	
TARG LOT	
TARG QTR TWP	
TARG ALLOT	
TARG TRACT	
TARG FRACTION	

Proof Sheet

SURFACE FOOTAGE

610' NL & 825' EL of
LOT 87

TARGET FOOTAGE

CASING PROGRAM

04		
31	8 3/8	330
21		

SPECIAL CONDITIONS/COMMENTS

1264 LL. 1112
 1090
 22

Be 302
 50
 352
 - 22
 330

COMPLETION DT

MINES APPROVAL

AFFIDAVIT APPROV

FINAL ENTRY DATE

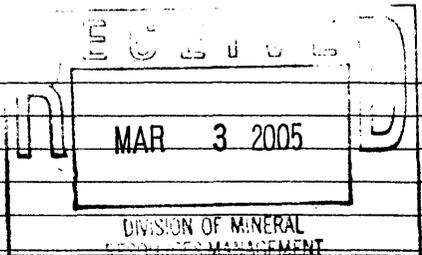
APPLICATION FOR A PERMIT
OHIO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINERAL RESOURCES MANAGEMENT
2045 Morse Road, Building H-3
COLUMBUS, OHIO 43229-6605

(614) 265-6633 http://www.dnr.state.oh.us/mineral/index.html

42367

PAH 6632

INSTRUCTIONS ON REVERSE SIDE		FORM 1: Rev. 9/2004/mpm
1. I, We (applicant) <u>Ohio Valley Energy Systems Corp</u> , 2. Owner # <u>2456</u> (address) <u>200 Victoria Rd. Bldg. 4, Austintown, OH 44515</u> , Phone # <u>330-799-2268</u> hereby apply this date <u>2/28/05</u> , 200 <u>15</u> for a permit to: <input type="checkbox"/> Reissue (check appropriate blank) <input type="checkbox"/> Revised Location & Reissue <input type="checkbox"/> Convert <input checked="" type="checkbox"/> Drill New Well <input type="checkbox"/> Plug Back <input type="checkbox"/> Deepen <input type="checkbox"/> Drill Directionally <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Reopen <input type="checkbox"/> Drill Horizontally <input type="checkbox"/> Orphan Well Program		
3. TYPE OF WELL: <input checked="" type="checkbox"/> Oil & Gas <input type="checkbox"/> Annular Disposal <input type="checkbox"/> Saltwater Injection <input type="checkbox"/> Stratigraphic Test <input type="checkbox"/> Storage of: _____ <input type="checkbox"/> Other (explain): _____ <input type="checkbox"/> Solution Mining* <input type="checkbox"/> Enhanced Recovery* * check appropriate box below <input type="checkbox"/> Input/Injection <input type="checkbox"/> Water Supply <input type="checkbox"/> Production/Extraction <input type="checkbox"/> Observation		
4. MAIL PERMIT TO: Ohio Valley Energy Systems Corp. (at above listed address)	20. TYPE OF TOOLS: <input type="checkbox"/> Cable <input type="checkbox"/> Air Rotary <input type="checkbox"/> Cable & Air Rotary <input checked="" type="checkbox"/> Air & Fluid Rotary <input type="checkbox"/> Cable & Fluid Rotary <input type="checkbox"/> Fluid Rotary <input type="checkbox"/> Cable & Air Rotary & Fluid Rotary	
5. COUNTY: <u>SUMMIT</u> 6. CIVIL TOWNSHIP: <u>HUDSON</u> 7. SECTION: _____ 8. LOT: <u>87</u> 9. FRACTION: _____ 10. QTR. TWP: _____ 11. TRACT/ALLOT: _____ 12. WELL #: <u>1</u> 13. LEASE NAME: <u>EDWARDS-SMITH UNIT</u> 14. PROPOSED TOTAL DEPTH: <u>4,050'</u> 15. PROPOSED GEOLOGICAL FORMATION: <u>Clinton Sandstone</u> <u>NEWBERG, ORISKANY, OHIO SHALE</u> 16. DRILLING UNIT IN ACRES (must be same as acres indicated on plat): <u>21.47</u>	21. PROPOSED CASING PROGRAM: <u>425' OF 8 5/8" CASING CEMENTED TO SURFACE</u> 4 1/2" casing set to total depth and cemented if if productive.	
17. IF PERMITTED PREVIOUSLY: API #: 34 _____ 0000 OWNER: _____ WELL #: _____ LEASE NAME: _____ TOTAL DEPTH: _____ GEOLOGICAL FORMATION: _____	22. FIRE AND MEDICAL DEPARTMENT TELEPHONE NUMBERS: (closest to well site) FIRE: <u>911</u> - _____ - _____ MEDICAL: <u>911</u> - _____ - _____	
18. IF SURFACE RIGHTS ARE OWNED BY THE OHIO DEPARTMENT OF NATURAL RESOURCES: Division Name: _____ Division Phone: _____	23. MEANS OF INGRESS & EGRESS: Township Road _____ County Road _____ Municipal Road <u>MIDDLETON Rd.</u> State Highway _____	
19. LANDOWNER ROYALTY INTEREST: Is There An Attached List? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Name _____ Address _____ Name _____ Address _____ Name _____ Address _____	24. IS THE WELL LOCATION OR PRODUCTION FACILITIES WITHIN AN URBANIZED AREA AS DEFINED BY 1509.03 ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 25. WILL THE PROPOSED LOCATION OF THIS WELL REQUIRE THE NOTICE SPECIFIED UNDER 1509.06 (I) ? <input type="checkbox"/> Yes (Submit Copies) <input checked="" type="checkbox"/> No	



I, the undersigned, being first duly sworn, depose and state under penalties of law, that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the facts stated herein are true, correct, and complete, to the best of my knowledge.

I, the undersigned, further depose and state that I am the person who has the right to drill on the tract or drilling unit and to drill into and produce from a pool and to appropriate the oil or gas that I produce therefrom either for myself or others as described in this application. And furthermore, I the undersigned, being duly sworn, depose and state at this time that I am not liable for any final nonappealable order of a court for damage to streets, roads, highways, bridges, culverts, or drainage ways pursuant to Section 5577.12 of the Ohio Revised Code (ORC), and that the notice required under Section 1509.06 (I), ORC has been given. If applying for a permit to plug and abandon a well, I hereby certify that the written notices, as required in Section 1509.13, ORC, have been given.

That I hereby agree to conform with all provisions of Chapter 1509, ORC, and to all orders and rules issued by the Chief, Division of Mineral Resources Management.

Signature of Owner/Authorized Agent: Richard A. Liddle
 Name (Type or Print) RICHARD A. LIDDLE Title PETROLEUM ENGINEER
 If signed by Authorized Agent, a certificate of appointment of agent must be on file.

Sworn to and subscribed before me this the 1st day of MARCH, 2005.
Kelly J. Clarke
 (Notary Public)



Before this application can be processed, a Form 9 (Authority and Organization Form), indicating the exact owner name on this Form 1, and proof of compliance with the surety requirements of Chapter 1509.07, Ohio Revised Code, must be on file with the Division of Mineral Resources Management. If a new owner name (i.e., one not currently on file with the Division) is used, a Form 9 and evidence of meeting the surety and insurance requirements must be filed with this application. The signature of owner/authorized agent must correspond with the signature of listing provided with the Form 9 on file with the Division.

All information requested on this form must be provided unless exempted by the instructions below. Incomplete applications may be returned to the applicant. An application for a permit requires the following:

- 1. Drill, reopen, reissue, deepen and plug back.**
 - a. Original and two (2) copies of Application for a Permit (Form 1);
 - b. Original and four (4) copies of an Ohio registered surveyor's plat;
 - c. Original and one (1) copy of the Restoration Plan (Form 4);
 - d. Reopen, deepen, plug back and convert will require three (3) copies of the Well Completion Record (Form 8);
 - e. \$250.00 check or money order payable to the Division of Mineral Resources Management and;
 - f. If requesting an expedited review, an additional \$500 fee and the Oil & Gas Affidavit if the proposed well location is in a Coal Bearing Township.

- 2. Plug and Abandon**
 - a. Original copy of Application for a Permit (Form 1);
 - b. Two (2) copies of the Ohio registered surveyor's plat originally filed, or modified, if available;
 - c. Three (3) copies of the Well Completion Record (Form 8) if available. If there is no Well Completion Record on file, with the Division, provide any information that is available.
 - d. \$50.00 check or money order payable to the Division of Mineral Resources Management.

- 3. Drill, reopen, reissue, deepen, plug back or convert a well to saltwater injection**
 - a. Same as above: 1(a), (b), (c), (d); and
 - b. \$100.00 check or money order payable to the Division of Mineral Resources Management.

Item 1. Permit holder's name - as it appears on Form 9. Indicate the type of or combination of activities to be permitted.

Item 2. Indicate owner number, if the owner number is not known, please contact the Division.

Item 3. Indicate the type of well for which the application is being submitted.

Item 4. Provide name, address, city, state and zip code where the permit is to be mailed.

Items 5-11. Indicate drilling location.

Items 12-16. Provide requested information.

Item 17. Complete when application is for a permit to reopen, deepen, reissue, plug back, convert, or plug and abandon. If the well was never permitted, list "NONE" under permit #; all other wells require the permit number.

Item 18. Complete if surface rights are owned by the Ohio Department of Natural Resources.

Item 19. List names and addresses of all landowner royalty interest holders. Names must coincide with those shown on the designated unit or subject tract on the surveyor's plat or an explanation must be included. Additional sheets may be attached (overriding royalty and working interests are not required).

Item 20. Indicate type of tools that may be used.

Item 21. Indicate size and amount of casing to be used, and/or formations to be cased off.

Item 22. Indicate fire and medical department emergency telephone numbers closest to the well site.

Item 23. List all county, township, and/or municipal roads, streets and highways by name or number that applicant anticipates to use as means of ingress and egress to and from the well site.

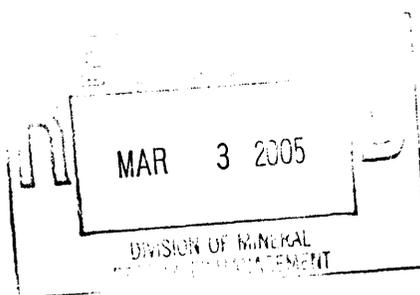
Item 24. An "urbanized area" is a municipal corporation or a township that has an unincorporated population of more than five thousand, as defined under Section 1509.03 of the Ohio Revised Code.

Item 25. If yes, copies of the notices required under Section 1509.06 (I) of the Ohio Revised Code must be provided. For an application for a permit to drill a new well, a sworn statement that the applicant has provided notice of the application to the owner of each occupied dwelling unit that is located within five hundred feet of the surface location of the well if the surface location will be less than five hundred feet from the boundary of the drilling unit and more than fifteen occupied dwelling units are located less than five hundred feet from the surface location of the well, excluding any dwelling that is located on real property all or any portion of which is included in the drilling unit. The notice shall contain a statement that an application has been filed with the Division of Mineral Resources Management, identify the name of the applicant and the proposed well location, include the name and address of the Division, and contain a statement that comments regarding the application may be sent to the division. The notice may be provided by hand delivery or regular mail. The identity of the owners of occupied dwelling units shall be determined using the tax records of the municipal corporation or county in which the dwelling unit is located as of the date of the notice.



INTEREST OWNERS - EDWARDS - SMITH #1

LAST NAME	FIRST NAME	ADDRESS 1	CITY, STATE ZIP	ACREAGE
1 EDWARDS - SMITH	KAREN , TRUSTEE	2891 HUDSON-AURORA RD	HUDSON, OH 44236	12.91
2 KERR	EDWARD A & ASHIYA D	7621 GREENTHORN DR	HUDSON, OH 44236	1.12
3 KINNEAR	KEVIN R & ALISON D	7608 GREENTHORN DR	HUDSON, OH 44236	0.78
4 KOLAR	JOHN & ROSEANNA	20 RACHELS WAY	HUDSON, OH 44236	0.79
5 KRAMER	KENNETH R & AMBERLEY B	7622 GREENTHORN DR	HUDSON, OH 44236	1.16
6 MAAS	THOMAS R & SUSAN A	7533 VALERIE LANE	HUDSON, OH 44236	0.91
7 MAAS	DOLORES A	7507 VALERIE LANE	HUDSON, OH 44236	0.57
8 MATUN	MICHELLE S & THOMAS M	7493 VALERIE LANE	HUDSON, OH 44236	0.57
9 MCDONALD	THOMAS F & BARBARA J	2487 MIDDLETON RD	HUDSON, OH 44236	1.68
10 SNYDER / WELTY	LESLIE R / CLAUDIA B	2501 MIDDLETON RD	HUDSON, OH 44236	0.98
			TOTAL	<u>21.47</u>



Drilling Permit Additional Requirements for the Edward-Smith #1

1. Summit County, Hudson Township
2. Drilling Rig will be equipped with a blow-out preventer (BOP) which will be tested to insure that it is in good working condition.

Install silt fencing on the southern extent of drill site.

Fencing will be installed around the drilling pits until the pits are closed. Pits will be closed within one week after the drilling rig moves out weather permitting.

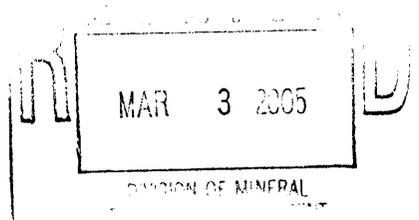
3. Private water supply

We are testing homes within 500 feet of the well head unless they decline. A list of the homeowners is attached.

Drill surface hole on air, fresh water/fresh water mud system. Set required amount of surface casing and cement to surface.

4. Use existing access on the Edwards-Smith property if possible. Otherwise, build a temporary road using gravel to access the drill site location. The tank battery will be located on the east central area of the property approximately 20 feet west and 60 feet north of the well head. The gas flow line from the well to the separator will run northwest from the well to the tank battery. The gas sales line will run from the tank battery to the west side of the Edwards-Smith property line and continue north to Middleton Rd. to the EOG tie-in. Please see the attached aerial map provided as part of this drilling application.
5. A chain link fence will be installed around the well head and tank battery. However, the landowner has been given the option to choose the type of fencing used, if any. White pines will be planted around the perimeter of the well head and tank battery. Again, the landowner has been given the option to choose the type of screening used, if any.
6. The drilling waste will be contained in 2 earthen pits lined with 9 mil reinforced liners. Production of oil and brine will be captured in a 100 bbl stock tank. All brine will be transported and disposed by a UIC approved brine hauler. Oil will be transported for sale by Ergon, Inc.

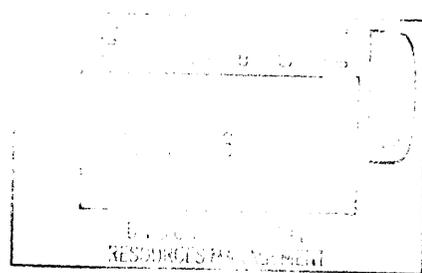
7. **Douglas Elliot**, City Manager 330.342.1700
Bob Carter, Fire Chief 330.342.1870



HUDSON, OHIO SUMMIT COUNTY

WATER TESTING

Last Name	First Name	Address
KRAMER	KENNETH & AMBERLY	7622 GREENTHORN DR. HUDSON OHIO
KINNEAR	KEVIN & ALISON	7608 GREENTHORN DR. HUDSON OHIO
VAJNER	MARY & KAREN	7594 GREENTHORN DR. HUDSON OHIO
FRANCISCO	JAMES & HELEN	7580 GREENTHORN DR. HUDSON OHIO
MALTHANER	ROBERT & ANN	7568 GREENTHORN DR. HUDSON OHIO
KOLAR	ROSEANNA	7554 GREENTHORN DR. HUDSON OHIO
KERR	EDWARD & ASHIYA	7621 GREENTHORN DR. HUDSON OHIO
MCDONALD	THOMAS & BARBARA	2487 MIDDLETON RD. HUDSON OHIO
SNYDER		2501 MIDDLETON RD. HUDSON OHIO
LINDNER	SCOTT & JULIE	7548 VALERIE LANE HUDSON OHIO
SASIC	SUE ELLEN	7536 VALERIE LANE HUDSON OHIO
CUPPER	RALPH	7522 VALERIE LANE HUDSON OHIO
MADDEN	SEAN	7508 VALERIE LANE HUDSON OHIO
DUBELKO	MARY E.	7494 VALERIE LANE HUDSON OHIO
BABYAK	JOSEPH & ANN	7482 VALERI LANE HUDSON OHIO
DUNNE	ANTHONY & HELEN	7465 VALERIE LANE HUDSON OHIO
DEAL	TONIA	7481 VALERIE LANE HUDSON OHIO
MATUN	TOM & MICHELLE	7493 VALERIE LANE HUDSON OHIO
MAAS	DOLORES	7507 VALERIE LANE HUDSON OHIO
MAAS	THOMAS	7533 VALERIE LANE HUDSON OHIO
CHARITAN	STEPHEN C.	7551 VALERIE LANE HUDSON OHIO
BEROHN	LYNDA	7565 VALERIE LANE HUDSON OHIO
EDMONDS	KENT & BARBARA	2425 WOODACRE DR. HUDSON OHIO
HENSEL	JOSEPH & KARIN	2433 WOODACRE HUDSON OHIO
MILLER	KIRK & LINDA	2447 WOODACRE HUDSON OHIO

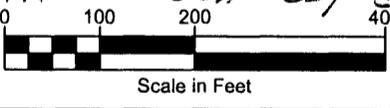




610 NL & 825 EL of LOT 87

21.47 Ac

Don - CL / Det - Mfg (SRWC) / CL (Pave) / RT



****Note: Well is 50' from pond**

Plat Showing Location of Well
 State of Ohio, Department of Natural Resources -- Division of Mineral Resource Management, Columbus, Ohio

Edwards - Smith Unit No. 1
 Oil or Gas New Location Scale: 1" = 200'

I hereby state that all drilling or producing wells within 600 feet and all buildings and streams within 150 feet have been shown, there are no drilling unit lines nearer than 300 feet, that this plat is true and correct and was prepared according to the current State of Ohio, Department of Natural Resources, Division of Mineral Resource Management.

David Bodo
 Registered Surveyor Number 6321 or Registered Surveyor Number 8239
David Bodo & Associates
 Professional Surveyors
 P.O. Box 396, Carrollton, Ohio, 44615
 (330) 627-3639 OV 430

Operator: **Ohio Valley Energy Systems Corp.**
 Address: 200 Victoria Road, Building 4, Austintown, Ohio 44515-2093
 Landowner: Surface Karen Edwards-Smith Trustee
 Minerals Karen Edwards-Smith Trustee
 Well Number 1 Drilling Unit Acre 21.47
 County: Summit
 Township: Hudson
 Quad: Twinsburg
 (NAD 83) Ohio State Plane Coordinates (NAD 27)
 X 2,264,320 X 2,295,783 ✓
 Y 585,210 Y 585,180 ✓

Subdivision Civil Township
 Township: 4 N
 Range: 10 W
 Quarter Township: --
 Section: -- Lot: 87
 Tract: --
 Allotment: --
 Fraction: -- Other: --
 Elevation: 1090 ✓ Date: 02/25/2005
Coordinates are based on actual GPS field observations

RESTORATION PLAN
OHIO DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINERAL RESOURCES MANAGEMENT, 1855 FOUNTAIN SQ. CT., H-3, COLUMBUS, OH 43224-1383

<p>1. DATE OF APPLICATION:</p>	<p>FORM 4: Revised 08/00/sly</p>
<p>2. OWNER NAME, ADDRESS, & TELEPHONE NO.:</p> <p style="margin-left: 20px;">Ohio Valley Energy Systems Corp. 200 Victoria Rd. Bldg 4 Austintown, OH 44515 330 - 799 - 2268</p>	<p>3. API #: 3 4 _____ ** 14 _</p> <p>4. WELL #: <u>1</u></p> <p>5. LEASE NAME: <u>EDWARDS-SMITH UNIT</u></p> <p>6. PROPERTY OWNER: <u>KAREN EDWARDS SMITH, TRUSTEE</u></p> <p>7. COUNTY: <u>SUMMIT</u></p> <p>8. CIVIL TOWNSHIP: <u>HUDSON</u></p> <p>9. SECTION: _____ 10. LOT: <u>87</u></p>
<p>11. CURRENT LAND USE:</p> <p><input type="checkbox"/> Cropland <input type="checkbox"/> Commercial</p> <p><input type="checkbox"/> Pasture <input type="checkbox"/> Idle Land</p> <p><input type="checkbox"/> Wetlands <input type="checkbox"/> Recreational</p> <p><input checked="" type="checkbox"/> Residential <input type="checkbox"/> Industrial</p> <p><input type="checkbox"/> Unreclaimed strip mine</p> <p><input type="checkbox"/> Woodland: (Circle <u>Broad-leaved</u> or <u>Needlelike</u>)</p>	<p>17. TYPE OF WELL:</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Other</p> <p>18. STEEPEST SLOPE GRADIENT CROSSING SITE:</p> <p><input checked="" type="checkbox"/> 0 to 2% <input type="checkbox"/> 2.1 to 8% <input type="checkbox"/> 8.1 to 10%</p> <p><input type="checkbox"/> 10.1 to 24% <input type="checkbox"/> greater than 24%</p>
<p>12. SLOPE GRADIENT & LENGTH DETERMINED FROM:</p> <p><input checked="" type="checkbox"/> Ground Measurement</p> <p><input type="checkbox"/> U.S. Geological Survey Topographical Maps</p> <p><input type="checkbox"/> Other (explain) _____</p>	<p>19. LENGTH OF STEEPEST SLOPE CROSSING SITE:</p> <p><input checked="" type="checkbox"/> 1 to 100 ft. <input type="checkbox"/> 101 to 200 ft.</p> <p><input type="checkbox"/> 201 to 400 ft. <input type="checkbox"/> greater than 400 ft.</p>
<p>13. TYPE OF FALL VEGETAL COVER:</p> <p><input type="checkbox"/> Little or no vegetal cover</p> <p><input type="checkbox"/> Short grasses</p> <p><input type="checkbox"/> Tall weeds or short brush (1 to 2 ft.)</p> <p><input type="checkbox"/> Brush or bushes (2 to 6 ft.)</p> <p><input type="checkbox"/> Agricultural crops</p> <p><input checked="" type="checkbox"/> Trees with sparse low brush</p> <p><input type="checkbox"/> Trees with dense low brush</p>	<p>20. RESTORATION OF DRILLING PITS: **</p> <p><input checked="" type="checkbox"/> Haul drilling fluids and fill pits</p> <p><input type="checkbox"/> Use steel circulating tanks</p> <p><input type="checkbox"/> Proposed alternative _____</p>
<p>14. SOIL & RESOILING MATERIAL AT WELLSITE:</p> <p><input checked="" type="checkbox"/> Stockpile and protect topsoil to be used when preparing seedbed</p> <p><input type="checkbox"/> Use of soil additives (e.g., lime, fertilizer)</p> <p><input type="checkbox"/> No resoiling planned</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>21. BACKFILLING AND GRADING AT SITE:</p> <p><input type="checkbox"/> Construct diversions channeled to naturally established drainage systems</p> <p><input type="checkbox"/> Construct terraces across slopes</p> <p><input checked="" type="checkbox"/> Grade to approximate original contour</p> <p><input type="checkbox"/> Grade to minimize erosion & control offsite runoff</p> <p><input type="checkbox"/> Proposed alternative _____</p>
<p>15. DISPOSAL PLAN FOR TREES AND TREE STUMPS:</p> <p><input type="checkbox"/> No trees disturbed <input type="checkbox"/> Haul to landfill</p> <p><input type="checkbox"/> Cut into firewood <input type="checkbox"/> Sell to lumber company</p> <p><input checked="" type="checkbox"/> Bury with landowner's approval</p> <p><input checked="" type="checkbox"/> Mulch small trees and branches, erosion control</p> <p><input type="checkbox"/> Use for wildlife habitat with landowner approval</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>22. VEGETATIVE COVER TO BE ESTABLISHED AT SITE:</p> <p><input checked="" type="checkbox"/> Seeding plan <input type="checkbox"/> Sod</p> <p><input type="checkbox"/> Agricultural crops <input checked="" type="checkbox"/> Trees and/or Bushes</p> <p><input type="checkbox"/> Proposed alternative _____</p>
<p>16. SURFACE AND SUBSURFACE DRAINAGE FACILITIES:</p> <p><input checked="" type="checkbox"/> No existing drainage facilities for removal of surface and/or subsurface water</p> <p><input type="checkbox"/> Tile drainage system underlying land to be disturbed</p> <p><input type="checkbox"/> Drain pipe(s) underlying land to be disturbed</p> <p><input type="checkbox"/> Surface drainage facilities on land to be disturbed</p>	<p>23. ADDITIONAL HOLES:</p> <p><input checked="" type="checkbox"/> Rat/Mouse, if used, will be plugged</p> <p>24. PROPOSED OR CURRENT LENGTH OF ACCESS ROAD:</p> <p><input type="checkbox"/> 100 ft. or less <input type="checkbox"/> 101 to 500 ft.</p> <p><input checked="" type="checkbox"/> 501 to 1500 ft. <input type="checkbox"/> greater than 1500 ft.</p>
<p>16. SURFACE AND SUBSURFACE DRAINAGE FACILITIES:</p> <p><input checked="" type="checkbox"/> No existing drainage facilities for removal of surface and/or subsurface water</p> <p><input type="checkbox"/> Tile drainage system underlying land to be disturbed</p> <p><input type="checkbox"/> Drain pipe(s) underlying land to be disturbed</p> <p><input type="checkbox"/> Surface drainage facilities on land to be disturbed</p>	<p>25. CURRENT LAND USE OF PATH OF ACCESS ROAD:</p> <p><input type="checkbox"/> Cropland <input type="checkbox"/> Pasture <input type="checkbox"/> Commercial</p> <p><input type="checkbox"/> Idle land <input type="checkbox"/> Wetlands <input type="checkbox"/> Recreational</p> <p><input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Residential</p> <p><input type="checkbox"/> Unreclaimed strip mine</p> <p><input type="checkbox"/> Woodland: (Circle <u>Broad-leaved</u> or <u>Needlelike</u>)</p>

REQUIRED BY SECTION 1509.06 (L), OHIO REVISED CODE - FAILURE TO SUBMIT MAY RESULT IN AN ASSESSMENT OF CRIMINAL FINES NOT LESS THAN \$100.00 NOR MORE THAN \$2,000.00 OR CIVIL PENALTIES NOT LESS THAN \$4,000.00. **PITS MUST BE FILLED WITHIN FIVE MONTHS AFTER COMMENCEMENT OF THE WELL.

<p>26. SURFACING MATERIAL FOR ACCESS ROAD:</p> <p><input checked="" type="checkbox"/> Gravel <input type="checkbox"/> Brick and/or tile waste</p> <p><input checked="" type="checkbox"/> Slag <input type="checkbox"/> Crushed stone</p> <p><input type="checkbox"/> No surfacing material to be used</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>29. STEEPEST SLOPE GRADIENT ON ACCESS ROAD:</p> <p><input checked="" type="checkbox"/> 0 to 5% <input type="checkbox"/> 6 to 10% <input type="checkbox"/> greater than 10%</p>
<p>27. PATH OF ACCESS ROAD TO BE DETERMINED BY:</p> <p><input checked="" type="checkbox"/> Landowner <input type="checkbox"/> Contractor</p> <p><input type="checkbox"/> Existing access road <input type="checkbox"/> Operator</p>	<p>30. APPROXIMATE LENGTH OF STEEPEST SLOPE ON ROAD:</p> <p><input checked="" type="checkbox"/> 0 to 100 ft. <input type="checkbox"/> 101 to 200 ft.</p> <p><input type="checkbox"/> 201 to 400 ft. <input type="checkbox"/> greater than 400 ft.</p>
<p>28. GRADING AND EROSION CONTROL PRACTICE ON ROAD:</p> <p><input type="checkbox"/> Diversions <input type="checkbox"/> Water breaks <input type="checkbox"/> Drains</p> <p><input checked="" type="checkbox"/> Outsloping of road <input type="checkbox"/> Open Top Culverts</p> <p><input type="checkbox"/> Pipe Culverts <input type="checkbox"/> Filter Strips <input type="checkbox"/> Riprap</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>31. HAS LANDOWNER RECEIVED A COPY OF THIS RESTORATION PLAN?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

The undersigned hereby agrees to implement all restoration operations identified on this form, and conform to all provisions of Section 1509.072 of the Ohio Revised Code, and to all Orders and rules issued by the Chief, Division Mineral Resources Management.

Signature of Owner/Authorized Agent *Richard A. Liddle*
PEITROLEUM ENGINEER, OHIO VALLEY ENERGY SYSTEMS CORP.
Name (Typed or Printed) RICHARD A. LIDDLE Date 2/28/05

RESTORATION PLAN MUST BE SUBMITTED TO THE DIVISION IN DUPLICATE.



Ohio Department of Natural Resources

BOB TAFT, GOVERNOR

SAMUEL W. SPECK, DIRECTOR

ODNR-Division of Mineral Resources Management

Michael L. Sponsler, Chief

2045 Morse Road—Bldg. H-3

Columbus, Ohio 43229-6693

Phone: (614) 265-6633 Fax: (614) 265-7998

March 3, 2005

Attention: Mr. Douglas R. Elliott, Jr., City Manager
City of Hudson
27 East Main Street
Hudson, Ohio 44236-3099

RE: Edwards-Smith Unit, well #1

Dear Mr. Elliott:

Pursuant to your request, we are notifying you of an application that we have received from The Ohio Valley Energy Systems, Corp. They have applied for a permit to drill an oil/gas well in Hudson. Attached please find a copy of the application and surveyor's plat for this proposed well.

Sincerely,

A handwritten signature in cursive script that reads "Patty Nicklaus".

Patty Nicklaus

Permitting, Hydrology and Bonding Section

(614) 265-6939

Enclosures

Sent to Columbus

JUN 08 2005

Casing Ticket

Ohio Department of Natural Resource
Division of Mineral Resources Management
1855 Fountain Square Court, Building H3
Columbus, Ohio 43224
Form 55: Revised 12/97

API Well Number:

34-153-2-2941-00-00

Record of Casing, Cementing and Mudding

Well Owner: **OHIO VALLEY ENERGY SYSTEM CORP**

Lease Name: **EDWARDS-SMITH UNIT** Well No. **1**

County: **SUMMIT** Township: **HUDSON**

Driller: **LANDOGS DRILLING** Tool **Air Rotar**

Refer Top Lat: **0.000000** Long: **0.000000**

Permit Issued: **03/16/2005**

Date Spudded: **05/16/2005**

Date Completed:

Inspector **WORSTALL BOB**

AD Meets Requirements

AD on Permit

Comments: **Surface hole drilled on fresh water. Ran 84' of 11-3/4" conductor pipe. Drilled 11" surface hole to 385'. Ran 8 joints (355') of new R-3, 23#, 8-5/8" surface casing set at 369'. Mixed 10 sacks of gel and 2 sacks of cottonseed hulls ahead. Cemented with 200 sacks of class A with 3% calcium chloride. Cement circulated to surface. Plug down at 20:50 on 5/17/05.**

FLD *Conductor Pipe File Bot 84 Diam 11.75 Top 0 LENGTH Set Dt 5/17/2005

**CMMT Casing Condition,
Weight and Cement Basket**

FLD *Surface Casing Fiel Bot 369 Diam 8.625 Top 0 LENGTH Set Dt 5/17/2005

CMMT Casing Condition, New, R-3, 23# casing
Weight and Cement Basket

CSG_STRING: *Surface Casing Field Entry

BOC 0 TOC 0 DT_CM 5/17/2005 Duration 2 WITNESSED

CMT_CON PETROSET CEMENTING SERVICE INC INSPECTOR WORSTALL BOB

CMMNT Centralizer Two centralizers on the bottom two joints.
Wiper Plug Shoe
Collar Other

CLASS_CMT Class A Cement SACKS 200

CMMN 3% calcium chloride.

Formation	TOP	BOT	METH_	Producing	NonStandard	CMMNT
GLACIAL DEPOSITS	0	84	I	No		
BEREA SANDSTONE	298	310	I	No		

3 4 1 5 3 2 2 9 4 1 1 4
 Permit No.

(To be submitted with Activity Report)

RECORD OF CASING, CEMENTING AND MUDDING

Well Owner: OHIO VALLEY ENERGY

Date Issued: 3-16-05 Expiration Date: 3-16-06

Lease Name: EDWARDS-SMITH Well No. 1

Spud Date: Month 5 Day 16 Year 05

County: SUMMIT Twp. HUDSON

Type of Job: SURFACE PRODUCTION OTHER

Contractor: LANDUGS

Type of Cement: CLASS A 3% CC Sacks: 200

Type of Tools: ROTARY CABLE

Amount of Mud: _____

Service Company: RETROSET

Size of Hole: 11 DEPTH 385 FT

Procedure: PRESSURE GRAVITY

Casing: SIZE 8 5/8 DEPTH 369 FT

Plugging of: _____

Float Equipment: SHOE COLLAR OTHER

Mouse hole YES NO _____ SACKS

Special Equipment: 2 CENTRALIZERS IN BOTTOM

Rat hole YES NO _____ SACKS

TRIP JTS OPEN ENDED

CASING RECORD

SIZE	SET	REMARKS
<u>11 3/4</u>	<u>84</u>	<u>LEFT IN</u>

Cement/Mud Circulated to Surface: YES NO

Notification Received: YES NO

Job Witnessed by Inspector: YES NO

Annular Disposal indicated on permit: YES NO

Meets construction requirements for A.D. (Explain below if no or if remedial action is required). YES NO

DATE JOB COMPLETED 5/17/05

Formations: (if available) DL EL KB RF GL

NAME TOP BOTTOM

Berea 298 310

Remarks:
(attach cement/mud tickets if available)

SURFACE HOLE DRILLED ON FRESH WATER. RAN
84' OF 11 3/4" CASING. LEFT IN. DRILLED 11"
HOLE TO 385. RAN 8 JTS (355') NEW, R-3
23# 8 5/8. SET @ 369. RAN 10 SKS GEL & 2
SKS HULLS AHEAD. CEMENT TO SURFACE
PLUG DOWN @ 8:50 PM. 20 BBL RETNS

Date: 5-17-05

Signed:

OIL AND GAS WELL INSPECTOR
 Yellow - Inspector

Memorandum

To: Permit File: 34-153-2-2941-00-00

From: J. Michael Biddison, Acting Chief

J. Michael Biddison *by net*

Date: November 1, 2011

Subject: Tank Battery Waiver Request-Ohio Valley Energy Systems Corp.
Edwards-Smith Unit #1, Summit County, City of Hudson

Pursuant to Section 1509:021(A) of the O.R.C., I hereby grant the waiver request to Ohio Valley Energy Systems Corp. to reduce the spacing requirement for the tank battery location to occupied dwellings from 150 feet to 138 feet in this urban area.

The affected property owners are aware of this request and have given their written consent in accordance with the statute.

Ohio Valley Energy
Oil and Gas Exploration

October 25, 2011

City of Hudson Council
27 East Main Street
Hudson, Ohio 44236-3099

Re: Request for Waiver

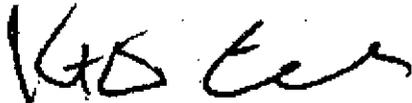
Dear City of Hudson Council:

We, Kent D. Edwards and Barbara S. Edwards, (LANDOWNERS), own the property located at 2425 Woodlark Dr. Hudson, Ohio 44236, Parcel ID No. 3002994, request to formally waive Section 1207.19 (c) (10 and 11) of the City of Hudson's Codified Ordinance which states: "That no structure suitable for occupancy shall be erected closer than 200 feet of a tank battery." LANDOWNERS acknowledge and agree that they have negotiated and received fair and equitable compensation from Ohio Valley Energy Systems Corp. to re-locate the tank battery pursuant to the Edwards Smith Unit No. 1 Well as shown on Exhibit "A" attached hereto and made a part hereof.

It is our belief that the City of Hudson granting consent and waiving Section 1207.19 (c) (10 and 11) would not adversely impact or affect our property.

We agree and consent to waive the one-hundred fifty foot (150') set back requirement of an occupied dwelling pursuant to Section 1509.21(A)(B) of the Ohio Revised Code.

Thank you for your consideration concerning this matter.



Kent D. Edwards



Barbara S. Edwards

10/26/2011

Cc: Hudson Planning Commission
Department of Community Development



November 15, 2010

City of Hudson Council
27 East Main Street
Hudson, Ohio 44236-3099

Re: Request for Waiver

Dear City of Hudson Council:

We, Kent D. Edmonds and Barbara S. Edmonds, (LANDOWNERS), own the property located at 2425 Woodacre Dr. Hudson, Ohio 44236, Parcel ID No. 3002994, request to formally waive Section 1207.19 (c) (10 and 11) of the City of Hudson's Codified Ordinance which states: "That no structure suitable for occupancy shall be erected closer than 200 feet of a tank battery." LANDOWNERS acknowledge and agree that they have negotiated and received fair and equitable compensation from Ohio Valley Energy Systems Corp. to re-locate the tank battery pursuant to the Edwards Smith Unit No. 1 Well as shown on Exhibit "A" attached hereto and made a part hereof.

It is our belief that the City of Hudson granting consent and waiving Section 1207.19 (c) (10 and 11) would not adversely impact or affect our property.

Thank you for your consideration concerning this matter.

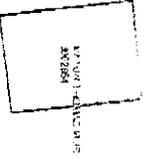
Kent D. Edmonds

Barbara S. Edmonds

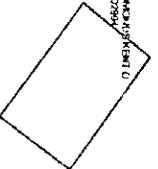
City of Hudson Planning Commission
Department of Community Development

EXHIBIT 'A'

EDWARDS



DANIEL ANTHONY LEE
300778



HENSEL, JOSEPH D
300773A

WILLER, MIKE G
300773B



Plot Plan

Edmonds

Property lines shown were taken from the County Auditor Records and have not been verified for accuracy.

Operator: Ohio Valley Energy Systems Corp.

County: Summit

Township: Hudson

SCALE: 1" = 50'

**Aerial Maps
are available for
this Permit.**

**Maps are on file
with the Division.**

OHIO VALLEY ENERGY SYSTEMS CORP.**200 Victoria Rd. Bldg 4, Austintown, Oh 44515-2093**

Phone (330) 799-2268 Fax (330) 799-2115

1-614-265-7998

Date: 10/25/11To: STEVE ODRITZL
ODNRTime: 2:00Number of Pages 3
(including cover sheet)From: ~~300~~
JOSH THREET
OHIO VALLEYMessage: AS DISCUSSED YESTERDAY- MOVING T/B ON EDWARDS - SMITH #1- WITHIN 150' OF EDMONDS HOUSE- LET ME KNOW IF WAIVER CAN BE GRANTEDFROM THIS LETTER AGREEMENT + EXHIBIT

Please call if there was a problem with this fax