



Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

JAMES ZEHRINGER, DIRECTOR

Richard J. Simmers, Chief
Division of Oil and Gas Resources Management
2045 Morse Road – Bldg. F
Columbus, OH 43229-6693
Phone: (614) 265-6922, Fax: (614) 265-6910

ORDER BY THE CHIEF

April 3, 2015

ORDER NO. 2015-125

TO: Kleese Development Associates
103 West Market Street, Suite 300
Warren, Ohio 44481

RE: Injection Well Surface Facility
5061 Warren-Sharon Road, Vienna, Ohio 44473

SUBJECT: Cease Operations at Surface Facility

Pursuant to Ohio Revised Code ("R.C.") Section 1509.03(D), the Chief of the Division of Oil and Gas Resources Management ("Chief" or "Division") makes the following Findings and issues the following Orders:

BACKGROUND:

- (1) Kleese Development Associates ("Kleese") is the operator of the following five (5) saltwater injection wells located in Vienna Township, Trumbull County, Ohio (hereinafter referred to collectively as the "Kleese Vienna Township Wells"):
 - a. Kleese No. 1, API #34-155-2-1438-00-00 (permitted 9/9/2011);
 - b. Kleese No. 2, API #34-155-2-1447-00-00 (permitted 9/9/2011);
 - c. Kleese No. 4, API #34-155-2-3732-00-00 (permitted 1/18/2013);
 - d. Kleese No. 5, API #34-155-2-3759-00-00 (permitted 1/18/2013); and
 - e. KDA Injection Well, API #34-155-2-4078-00-00 (permitted 8/20/2013, with authorization to inject permit issued 7/2/2014).
- (2) Kleese utilizes a single surface facility for all five of the Kleese Vienna Township Wells, located at 5061 Warren-Sharon Road, Vienna, Ohio 44473 ("Kleese Surface Facility"). Kleese constructed the surface facility pursuant to its permits for the Kleese No. 1 Well and Kleese No. 2 Well, and expanded the facility in November of 2012 with the Division's authorization.

- (3) On April 2, 2015, the Division was notified of oil contamination in a pond and wetlands adjacent to the Kleese Surface Facility. Division inspectors responded, and traced the spill back to an area near the Kleese Surface Facility. The Division's investigation determined that the spill was likely related to operations at the Kleese Surface Facility.
- (4) R.C. 1509.22(A) states, in pertinent part, that "no person shall place or caused to be placed * * * in or on the land * * * brine, crude oil, natural gas, or other fluids associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources that causes or could reasonably be anticipated to cause damage or injury to public health or safety or the environment."
- (5) R.C. 1509.03(A) states, in pertinent part, that the "[n]o person shall violate any rule of the chief adopted under this chapter."
- (6) Division (A) of Ohio Adm.Code 1501:9-3-04 mandates that "all persons engaged in any phase of saltwater disposal operations shall conduct such operations in a manner which will not contaminate or pollute the surface of the land, or water on the surface or in the subsurface."
- (7) Division (A)(6) and Division (B)(7) of Ohio Adm.Code 1501:9-3-05 require that "[a]ll saltwater storage facilities shall be constructed so as to prevent pollution to surrounding surface and subsurface soils and waters."

FINDINGS:

- (1) The Chief finds that Kleese placed or caused to be placed crude oil or other fluids associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources on the land in a manner that could reasonably be anticipated to cause damage or injury to health or safety or the environment.
- (2) The Chief finds that Kleese violated Ohio Adm.Code 1501:9-3-04(A) and R.C. 1509.03(A) by failing to conduct saltwater disposal operations in a manner which will not contaminate or pollute the surface of the land, or water on the surface or in the subsurface.
- (3) The Chief finds that Kleese violated Ohio Adm.Code 1501:9-3-05(A)(6), Ohio Adm.Code 1501:9-3-05(B)(7), and R.C. 1509.03(A) by failing to construct the Kleese Surface Facility so as to prevent pollution to surrounding surface and subsurface soils and waters.

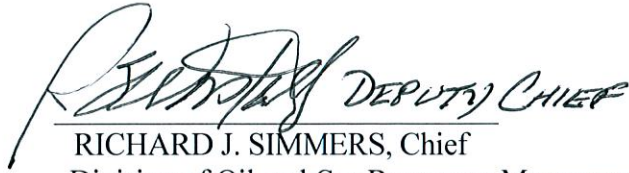
ORDERS:

IT IS HEREBY ORDERED

- (1) Kleese shall immediately cease all transfer to and storage of brine at the Kleese Surface Facility as of April 3, 2015.
- (2) Kleese shall remediate any contamination, as necessary, at the Kleese Surface Facility and any surrounding locations impacted by the oil contamination, and shall restore all locations to their previous condition.

4-3-2015

Date


DEPUTY CHIEF
RICHARD J. SIMMERS, Chief
Division of Oil and Gas Resources Management

Pursuant to R.C. 1509.224(B), addressee is hereby notified that this action is a preliminary order of the Chief and becomes a final order thirty (30) days after its issuance unless the person to whom the preliminary order is directed submits to the Chief a written request for an informal hearing before the Chief within that thirty (30) day period.

If no informal review is requested within thirty (30) days after the issuance of this order, this order is deemed final and effective and may be appealed pursuant to Sections 1509.36 and 1509.37 of the Ohio Revised Code. If the Order is appealed to the Ohio Oil and Gas Commission, 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 the Oil and Gas Commission within thirty (30) days after the date upon which the order becomes final, and sent to the following address: Oil and Gas Commission, 2045 Morse Road, H-3, Columbus, Ohio 43229.

In addition, within three (3) days after the appeal is filed with the Oil and Gas Commission, notice of the filing of the appeal must be filed with Richard J. Simmers, Chief of the Division of Oil and Gas Resources Management, Building F-2, 2045 Morse Road, Columbus, Ohio 43229-6633.

cc: UIC Section
Surety File
Well File
Legal File

SERVED BY HAND DELIVERY

Division of Oil and Gas Resources Management
Ohio Department of Natural Resources
2045 Morse Road, Building F-2
Columbus, OH 43229-6693
Voice: (614) 265-6922 Fax: (614) 265-6910

Delivery Receipt
Chief's Order No. 2015-125

I, Mathew Kleese, by my signature below acknowledge receipt
(Print Name)
of Chief's Order No. 2015-125, issued to Kleese Development Associates on April 3,
2015.

Received By:

MM
(Signature)
Print Name: Mathew Kleese
Print Title: Supervisor

Witnessed By:

Stephen John
Steve Ochs
Inspector
Division of Oil and Gas Resources Management