

For Immediate Release



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D & L Energy Questions Findings, Timing of ODNR Report

(March 9, 2012)(Youngstown, Ohio)- D & L Energy Group, an energy exploration and production company with headquarters in Youngstown, Ohio, makes the following observations on the Ohio Department of Natural Resources' (ODNR) latest news release outlining a preliminary report on seismic activity in Youngstown.

- ODNR makes its **preliminary conclusions** without conducting any testing at the Northstar No. 1 well site. The agency appears satisfied to base its conclusions on the limited scientific data available from outside sources.
- D & L prepared, drilled and is now the operating manager of the Northstar No.1 injection well in full compliance with ODNR permits and supervision. Everything done at the Northstar No. 1 well site was done with ODNR knowledge and approval. These statements apply to all other injection wells D & L either currently operates or has in development.
- While ODNR repudiates drilling into the Precambrian formation now, the agency permitted D & L to do so in the case of the Northstar No. 1 well and then used this site to collect geological information. The current preliminary report does not indicate ODNR accepts any responsibility for its decision.
- D & L has been in constant contact with ODNR regarding extensive testing **the agency asked us to conduct** to investigate any possible connections between seismic activity and the Northstar No. 1 well (sometimes referred to as the Ohio Works well in previous releases).
- The D & L research project will provide scientifically sound data in excess of what is available now. It is unfortunate ODNR pre-empted a thorough search for information,

opting instead for a politically expedient preliminary report that sacrifices true understanding for haste.

- Given the costs of new research, which could reach as high as \$1 million and will be borne by D & L and not the state nor the taxpayers, we ask why ODNR asked us to do the work if the agency had no interest in the results.
- D & L reminds ODNR and the community that the Northstar No. 1 well is currently inactive. It is not accepting water for injections. Given this idle status, there is no reason to rush and accept bad or incomplete science.
- D & L has no immediate reaction to the proposed changes in injection well regulations except to state the company has always been an environmentally responsible and legally operating energy producer that voluntarily implements industry best practices that exceed current laws and regulations.

D & L intends to continue with its study pending ODNR approval. In fact, today's report comes as a surprise as D & L and ODNR has a meeting scheduled in Columbus later this month to discuss the D & L study proposal. D & L calls on ODNR to let science guide its regulatory actions and to remain open to the data they requested in the first place.

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