

**Andy Thompson**  
95<sup>th</sup> Ohio House District

Finance  
Energy and Natural Resources  
Agriculture and Rural Development

Chair: Subcommittee on Agriculture,  
Development and Natural Resources



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**Ohio General Assembly  
Ohio House of Representatives  
Representative Andy Thompson**

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Chairman Landis, Vice Chair Hagan, Ranking Member O'Brien, and fellow members of the energy and natural resources committee, I am pleased to provide sponsor testimony for House Bill 225. HB225, also known as the "Get Wells Soon" bill, is just what the doctor ordered: legislation to help property owners and the state to move more expeditiously to identify and plug idle or orphaned wells.

There is a sense of urgency to this topic: Most of the orphan wells that have been identified emit methane gas in addition to often contributing to the runoff of oil and brine into the soil. As the casing on these wells deteriorates, large areas of groundwater can be contaminated because of the direct pathway that an abandoned well offers. We need to take action to reduce the risk posed to our citizens, to groundwater and to the environment generally. You will shortly hear proponent testimony from the Ohio Oil and Gas Association, the Ohio Farm Bureau and the Ohio Environmental Council, who share my sense of urgency.

Orphan wells have been identified in 58 of Ohio's 88 counties, largely in northwest, northeast, and southeast Ohio. Many of these wells were drilled several generations ago. Under the current orphan well program, it is estimated that it would take 20+ years to plug all of the known orphan wells (numbering more than 600) in the state.

Many orphan wells in the state go unreported because landowners fear the remediation costs that are incurred in the plugging process. Those costs can range anywhere from a few thousand dollars to upwards of hundreds of thousands of dollars, with the average cost being in the \$25,000-\$35,000 range. Landowners neglect to report these wells, because of this steep tab, and because, typically, the original owners and producers of these orphan wells are either defunct businesses or deceased individuals. HB 225 eliminates that fear by protecting landowners who are not the original owners of the orphan wells from the costs that come with plugging those wells. At the same time, the property owner will not be taxed on improvement that is being made to their property under this upgraded program.

Under the proposed bill, landowners whose property contains an orphan well will be able to notify the Ohio Department of Natural Resources to receive an inspection within 30 days.

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The ODNR Division of Oil and Gas Resources Chief then has 60 days from the date of inspection to assign a priority level to the orphan well. Wells will then be designated as distressed-high priority, moderate-medium priority, or maintenance-low priority. Wells with a distressed-high priority designation must be plugged by ODNR within six months. HB 225 would require evaluating the wells, prioritizing them, and ultimately getting down to work. Under this bill, ODNR will annually report to the Speaker of the House and the chair of the appropriate house committee on the number of idle or orphaned wells identified, the number of wells that have been plugged, the number of wells scheduled for plugging, and the estimated costs of those activities prior the date of each report.

The financial resources necessary for plugging these orphan wells are held in the Oil and Gas Producers Fund. The revenues in this fund are generated in large part by severance tax receipts; The current code directs ODNR to dedicate 14% of the fund to Orphan Well plugging; this bill would increase that percentage to 45%, with the goal being to encourage greater and more rapid plugging of those wells that are identified as result of this bill.

There is also an economic benefit to this legislation: To date, ODNR has certified 28 firms to plug wells as part of its orphan well program. This work will lead to greater employment for traditional oil and gas companies that carry out this work. The slowdown in oil and gas activity over the past two and a half years has hurt these same companies. Plugging orphaned and idle wells represents an opportunity to help these companies get back on their feet (along with their workforce) while resolving a serious environmental and public health concern.

HB 225 is overdue and much needed legislation for Ohio. It's a good bill and it creates jobs! Chairman Landis, Vice Chair Hagan, Ranking Member O'Brien and members of the House Energy and Natural Resources Committee, I thank you for your attention, and ask for your favorable consideration of House Bill 225. I will do my best to answer any questions you may have.