

Testimony of Rebecca Clutter,
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To the House Energy and Natural Resources Committee

Good afternoon, Chairman Landis, Vice Chair Hagan, Ranking Member O'Brien, and members of the Committee, thank you for the opportunity to provide written testimony as a proponent of H.B. 225

My name is Rebecca Clutter. I am a volunteer board member of the National Association of Royalty Owners (NARO) Appalachia Chapter and also the founder of the Landowners for Energy Access and Safe Exploration (LEASE). Both organizations' mission is to represent the interest of our members who are comprised of land, mineral, and royalty owners in Appalachia and to this point, more specifically here in Ohio. I am also a concerned citizen of Medina County.

Old Orphan and Abandoned wells dot Ohio's landscape from an era before the State of Ohio had established regulations on proper plugging methods to protect the surface and ground water. We hear regularly from our members, from many parts of the State, of their concerns of these idle and orphaned wells that have been discovered on their properties.

On a personal level, I live in Chatham Township, Medina County. There are so many Orphan and Abandoned wells in my township that the ODNR did an entire presentation of the Orphan Well Program in Chatham during the State of the Union Address tour of Medina County back in 2014. It is a big enough issue that my township banned all underground water wells in the area and even discuss this in the township's written comprehensive plan.

The residential parcel that my home sits on has at least three (3) of these old, abandoned wells. Well #1 has a type of cap that the ODNR was unable to identify. It occasionally leaks. Well #2 has a spill area about the size of my dining room and old equipment sitting on site. Well #3 is basically a large open casing in the ground with no cover that was recently discovered in the woods behind my home. All three of these old wells are within 100 feet of my house. My adjacent neighbors all have similar issues with active leaks on their properties. Some of my neighbors have made it onto the plug list while others, including mine, have not. Of those that have made it onto the plug list, no timelines have been provided.

I inquired with the ODNR on when some of these Chatham Township wells might get plugged and was told that some people have been on the plug list for over 8 years and that emergency situations always bump those currently on the list backward in the order. I was also advised that the delays are related to the lack of appropriate funding for this program and as a result they were limited on the number of wells that could be plugged annually. Bumping the percentage would certainly speed the process of improving the environment. The tax exemption portion of this bill removes the financial hardship from land owners and is critical for accurate reporting.

I recently attended a meeting where shallow well operators were in attendance. Many of them expressed a willingness to tackle this problem should the state release the funds to do so. This would create jobs!

My only caution on this would be to ask that you NOT to be tempted to increase the severance tax.

1. The oil and gas fund for this is self-funded so long as the funds dedicated for this specific purpose do not get diverted. The percentage increase noted in this bill is absolutely vital to making a dent in this overwhelming problem. At the current percentage along with the diversion of money, however, this does not even begin to tackle the problem. H.B. 225 would correct this.
2. We at NARO frequently find on royalty audits where Severance taxes are being passed down and deducted from individual mineral/land owner royalty checks from some of the E&P operators despite contractual clauses that prohibit this practice, and despite the fact that the mineral owner is NOT the severer. Any increase in this tax would inappropriately and negatively impact land/mineral owners.

It is very interesting to note here that not often does a bill get presented where finances are self-funded and all parties (industry, environmental, land and mineral owners) come together and can agree. This is one of those bills. H.B. 225 is necessary to the safety of people, wildlife, the surface and to our ground water. It protects our environment, improves property valuation and creates jobs. Thank you for allowing me to present testimony in favor of this bill.