

Andy Thompson
95th Ohio House District

Finance
Energy and Natural Resources
Agriculture and Rural Development

Chair: Subcommittee on Agriculture,
Development and Natural Resources



Verne Riffe Center
77 South High Street
Columbus, Ohio 43215

Phone: (614) 644-8728
Rep95@ohiohouse.gov

Ohio General Assembly Ohio House of Representatives Representative Andy Thompson

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Chairman Balderson, Vice Chair Jordan, 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.

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.

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.

HB225 also makes sure that the money that is generated by the severance tax is used for the purpose for which it was collected. Over the course of the past year or so, more than \$62 million has been removed from the fund to pay for lawsuit judgements, and to shore up the state budget. This bill seeks to better apply these resources so that we adequately and aggressively address the purposes under which these taxes and fees were collected, namely regulatory oversight and the urgent threat posed by orphan wells. The scope of the orphan well issue is not yet fully known. As more wells are identified and assessed we will be able to calculate the resources necessary. Certainly draining these funds for other purposes seems ill advised, given the paltry number of wells plugged to date, and the expectation that the list of projects will increase substantially.

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There is also an economic benefit to this legislation: ODNR has certified 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. Plugging orphaned and idle wells represents an opportunity to help these companies get back on their feet 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 Balderson, Vice Chair Jordan, Ranking Member O'Brien, and fellow members of the 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.