**Testimony on House Bill 166**

**Before the Senate Finance Committee**

**Senator Matt Dolan, Chair**

**Thursday, May 22nd, 2019**

Thank you, Chairman Dolan, Vice Chairman Burke, Ranking Member Sykes, and members of the Senate Finance Committee, for allowing me to present testimony on oil and gas provisions included in the state budget bill, House Bill 166, before you today.

My name is Matthew Hammond and I serve as the Executive Vice President of the Ohio Oil and Gas Association. The Ohio Oil & Gas Association (OOGA) is a statewide trade association representing a diverse group of members who explore for, develop and produce Ohio’s oil and natural gas resources. Our membership represents nearly all Ohio oil and gas production (both shale and conventional operations), midstream operations, interstate and intrastate pipeline companies, trucking operations, construction companies, attorneys, and other oil and gas service providers operating in the State of Ohio.

Generally, the oil and gas provisions added during consideration in the Ohio House are regulatory clarifications and fee reductions that will increase efficiency with the state’s oil and gas regulatory program. The changes include:

* Unitization - would clarify that the “full interest” of acreage being included in the current statutory acreage requirement of 65% be considered.
* Registration/Identification – clarifies that an operator must register and obtain an identification number with ODNR before operating in the state.
* Notification to ODNR on well transfers – requires a transferee to contact ODNR regarding the transfer of a well if the transferor did not or cannot do so.
* Elimination of well transfer fee – eliminates the current $100 fee that is required when ownership in a well is transferred.
* Timeline for appeals of Chief’s order – specifies that the person must appeal a Chief’s order within 30 days of receiving said order.
* Elimination of minimum regulatory cost recovery fee – eliminates a minimum, per well fee of $15 per quarter (or $60 annually). All wells would now be required to pay the current volumetric fee based solely on their true oil and gas production.

Additionally, there was an amendment added to the bill during House consideration regarding the monitoring of nine creeks in Jefferson, Belmont, and Monroe Counties. The amendment in question would require the ODNR and Ohio EPA to monitor streamflow and water withdraws from those specifically identified creeks in these areas.

We believe that the amendment is unnecessary for several reasons. First, two of these creeks have not been subject to water withdrawals from oil and gas operations. Secondly, there are multiple ways that the industry currently provides this information to regulators. One specific example includes an annual report that Oil and gas producers are required to submit which contains information about all water withdrawals in the state, including the rate, volume, and source of the withdrawal. Neither the OOGA or our members have been made aware of concerns about water withdrawals from any regulatory entity. We believe that the relevant data being sought through this amendment is already available and we would request its removal from House BIll 166.

Thank you once again, Chairman Dolan and members of the Senate Finance Committee, for allowing me to testify today. I will now make myself available to answer any questions that you might have regarding my testimony.

Respectfully Submitted,

Matthew Hammond

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