

3/30/2023

The Honorable Jay Edwards  
Chairman  
Finance Committee  
Ohio House of Representatives  
77 S. High St., 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Edwards,

The Ohio Oil and Gas Association, API Ohio, Ohio Environmental Council Action Fund, and the Nature Conservancy of Ohio, appreciate the opportunity to express our collective concern about the Ohio Oil and Gas Well Fund transfer provisions included in House Bill 33, the state operating budget.

The Oil and Gas Well Fund is funded through severance taxes paid by oil and gas producers. It provides operational resources for the Division of Oil and Gas, as well as money for the state's orphan well plugging program, one of the oldest and most successful programs in the country. As outlined in testimony, the state has identified around 20,000 orphan wells in Ohio, whereas industry research puts the amount at double the state's number. The amount of money needed to plug these wells, the vast majority of which were drilled prior to regulation in the mid-twentieth century, far exceeds the fund's current balance.

House Bill 33 provides for three instances where Oil and Gas Well Fund money would be transferred for other purposes:

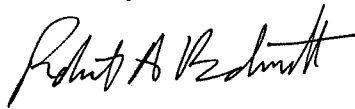
1. Allows the Director of OBM to transfer "excess" funds from the Oil and Gas Well Fund to the All Ohio Future Fund in future years;
2. Transfers \$16 million for the purchase of ODNR park vehicles; and
3. Transfers \$9.4 million for the Parks and Watercraft Federal Grants Fund.

Ohio and the Department of Natural Resources should be commended on the progress the state has made under the DeWine administration in regard to plugging orphan wells.

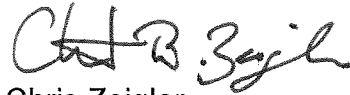
However, even with the one-time money from the federal government to help plug wells, concern remains that there will not be enough money to plug all the state's abandoned wells if there are continued attempts to redirect money in the Oil and Gas Well Fund to projects and issues outside its intended purpose. This is Ohio's only environmental fund designed to help reduce emissions and protect groundwater from legacy wells in the state. Therefore, we urge this committee to remove these provisions from the bill and return the Oil and Gas Well Fund to its intended purpose.

Thank you for taking our concerns into consideration as you and your colleagues continue to debate House Bill 33.

Sincerely,



Rob Brundrett  
President  
Ohio Oil and Gas Association



Chris Zeigler  
Executive Director  
API Ohio

**Pete Bucher**

Pete Bucher  
Chief of Staff  
Ohio Environmental Council Action Fund



Bill Stanley  
Ohio Director  
The Nature Conservancy