



**ENCINO**  
**Energy**

Corporate Headquarters  
5847 San Felipe St., Suite 400  
Houston, TX 77057

Ohio Office  
1015 Waynesburg Rd NE  
Carrollton, OH 44615  
[encinoenergy.com](http://encinoenergy.com)

Ohio Senate Energy and Public Utilities Committee  
The Honorable Bill Reineke, Chairman  
Opponent Testimony House Bill 205  
Jackie Stewart | Encino Energy  
November 14, 2023

Chairman Reineke, Vice Chair McColley and Ranking Member Smith, my name is Jackie Stewart and I am the Director of External Affairs for Encino Energy. Thank you for allowing me to submit written testimony in opposition to HB 205.

Encino Energy is one of the largest private oil and natural gas producers in the U.S. and a top 25 North American natural gas producer. While headquartered in Houston, our operations in the prolific Northern Utica Shale make us the largest oil producer in Ohio and the second-largest natural gas producer in the state. But beyond our day-to-day operations, we are a company dedicated to our values of results, transparency, innovation, ownership, and sustainability. These foundational values guide our employees and make us who we are. Encino Energy's proven management team is deeply committed to our people, and we are fully invested in the communities we call home.

Encino has been growing its footprint in Ohio and is hiring Ohioans nearly every day. Encino engaged FTI Consulting, Inc. ("FTI") to evaluate the benefits the company delivered to the Ohio economy in 2021. As shown in Figure 1, Encino's business activities supported approximately 10,000 jobs in Ohio, \$2.7 billion in output, \$1.4 billion in GDP, and \$670 million in labor income. The company also supported roughly \$163 million in federal revenues and \$115 million in state and local revenues in 2021. In 2021, Encino directly paid \$333 million to Ohioans through ad valorem and severance taxes, right-of-way payments, royalties to rightsholders, and other taxes and fees. If the same study was conducted in 2023, these figures would be even higher on an annual basis as the study was conducted assuming a two-drilling program. Today, we have three rigs operating in Ohio.



Figure 1 – Encino’s 2021 Economic Impact in Ohio (2022 \$)



**Employment supported:** 10,000



**Output supported:** \$2.7 billion



**Ohio GDP supported:** \$1.4 billion



**Labor income supported:** \$670 million



**Federal revenues supported:** \$163 million



**State and local revenues supported:** \$115 million<sup>4</sup>

The majority of our employees are here in Ohio and the vast majority of Encino’s contractors are Ohio companies as well. We source all our steel production casing in the Buckeye State and the majority of our oil production is also refined right here in Ohio. Over the past five years we’ve quietly unlocked emerging oil production in the Ohio’s Utica shale. The Ohio Department of Natural Resources recently stated<sup>1</sup> that oil production in the state is “going to be breaking records” this year. There is no doubt this will occur, as Ohio is starting to gain headlines <sup>2</sup>as competing with some of the top oil producing states in the country. This emerging oil production in the state has recently attracted new companies to Ohio to explore and invest in this exciting new phase of the over \$100 billion<sup>3</sup> Utica Shale success story. In other words, robust development of Ohio’s oil and natural gas industry is key to both Encino’s and Ohio’s future.

HB 205 would negatively impact Ohio’s future energy development which is why Encino opposes this legislation.

Ohio should be supporting legislation that will support oil and natural gas development, not hinder its current upward trajectory. HB 205 creates a labor mandate that establishes a new classification system for workers at Ohio refineries and does nothing to increase safety, transparency, or efficiency. Such a mandate will most certainly result in increased costs at Ohio refineries and, in turn, threaten any possible expansion of refining capacity here. Ohio needs more refining capacity, not less. Encino and other oil and natural gas companies in Ohio are providing real-time “home grown” energy by extracting oil and natural gas here in Ohio and

<sup>1</sup> Energy In Depth: Midyear Outlook: Ohio Soaring to New Oil Heights While Natural Gas on the Rise, September 2023

<sup>2</sup> Hart Energy: EOG: Emerging Ohio Utica Combo Play Competes with Premium Portfolio, November 8, 2023

<sup>3</sup> Cleveland State University, SHALE INVESTMENT DASHBOARD IN OHIO Q1 AND Q2 2022, Published April 2023



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refining it here as well. That energy can be supplied to vehicles, manufacturing, and agricultural equipment right here in Ohio. We can be truly energy independent with policies that promote this type of energy development, not discourage it. For these reasons Encino opposes the passage of HB 205 and urges a no vote on this legislation.

