



March 12, 2025

The Honorable Brian Stewart
Chairman
House Finance Committee
77 S. High St., 13th Floor
Columbus, OH 43215

RE: House Bill 96 Interested Party Testimony

Dear Chairman Stewart:

Chairman Stewart and members of the committee, thank you for the opportunity to provide Interested Party Testimony regarding House Bill 96.

The Ohio Oil and Gas Association (OOGA) is a 78-year-old statewide trade association representing both independent conventional producers and large independent horizontal operators exploring Ohio's shale play. OOGA membership also consists of midstream companies, large-scale transmission line companies, contractors, oilfield service and supply providers, manufacturers, gas utilities and various other professional entities.

OOGA appreciates the efforts of the Governor to protect the Oil and Gas Well Fund from earmarks and transfers outside the intended purpose of the fund.

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. Today Ohio has about 20,000 officially documented orphaned wells, though most experts and industry observers concede it is likely more than double that 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, even with one-time money from the federal government. Protecting the Oil and Gas Well Fund from earmarks and cash transfers over the next two years will allow Ohio's orphan well plugging program to continue its important work.

Ohio's program is funded with industry severance tax dollars. With the advent of the shale industry in Ohio in the 2010s, the program has been able to build up resources and increase the number of wells plugged over the past decade. In fact, the program has grown from plugging very few wells per year in the '80s and '90s to plugging a record 411 wells in 2024. As stated in ODNR's budget testimony, the state expects to



plug a record 500 wells in 2025. Keeping a strong fund is important to achieve these goals.

OOGA also supports the administration's provision requiring order appeals to be made only to the Oil and Gas Commission. This helps ensure Ohio's laws are applied consistently and predictably across the industry.

Again, OOGA appreciates the opportunity to provide feedback on HB 96 and looks forward to working with committee members and the rest of the House on this bill. You can contact me with any questions at stephanie@ooga.org.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Kromer". The script is fluid and cursive.

Stephanie Kromer
Director of Legislative & Regulatory Affairs