



Ohio Oil and Gas Association
Proponent Testimony
Substitute Senate Bill 219

House Natural Resources Committee
Representative Monica Robb Blasdel, Chair

February 18, 2026

Madam Chair and members of the committee, thank you for the opportunity to provide proponent testimony on Senate Bill 219.

My name is Rob Brundrett, and I am the President of the Ohio Oil and Gas Association (OOGA), a 79-year-old statewide trade association representing all segments of Ohio's oil and gas industry—upstream, midstream, and downstream.

Ohio is a vitally important energy-producing state. Ohio ranks seventh in natural gas production, tenth in crude oil production, and sixth in refining capacity nationwide. Our state also has one of the richest histories in American energy development. Ohio is home to the first documented oil well in North America—the 1814 Thorla-McKee well in Noble County, accidentally discovered while drilling for salt. Ohio's first commercial well followed in 1860, shortly after the Drake well in Pennsylvania, and our first major oil boom arrived in the 1880s, along with the state's earliest oil and gas laws.

During the late 1800s and early 1900s, Ohio—home to John D. Rockefeller's Standard Oil—was the nation's leading oil producer. The state has consistently been at the forefront of industry innovation, including hosting the first offshore oil well at Grand Lake St. Marys.

Ohio has experienced multiple drilling booms, each shaping the regulatory framework we use today. The Morrow County boom of the 1960s ushered in the modern era of oil and gas regulation and led to the creation of the Division of Oil and Gas within the Ohio Department of Natural Resources.

Most recently, the shale revolution transformed Ohio's energy landscape. Over the past decade and a half, production has increased dramatically, and drilling efficiency and technology have evolved in ways unimaginable twenty years ago.

In 2012, the General Assembly passed Senate Bill 315 to modernize Ohio's statutes for the shale era. That legislation helped make Ohio a national leader in responsible energy development. Fourteen years later, Senate Bill 219 provides the next necessary update, reflecting the significant changes and advancements that have continued across the industry. I would like to highlight some of these provisions in my testimony today.

Protecting the Oil and Gas Well Fund and Plugging Efficiencies

Ohio has one of the oldest and most respected orphan well plugging programs in the nation. A program that plugged roughly 20 wells a year a decade ago now plugs around 500 annually, with potential to reach 1,000. Achieving that goal requires protecting the Oil and Gas Well Fund, which is supported by severance taxes and has been vulnerable to past "rotary raids" that diverted dollars away from plugging work.

The original version of SB 219 proposed a custodial fund to prevent such diversions. However, similar protections have been vetoed in recent years. As a result, the substitute bill includes uncodified language safeguarding the fund for the current biennium. While OOGA still believes a custodial fund is the strongest long-term solution,

this protection is an important interim step. We respectfully request that the House restore language previously in R.C. 1509.075(E) clarifying permissible uses of the fund.

The bill also streamlines notice provisions in the Landowner Pass-Through Plugging Program, which has expanded significantly thanks to prior legislative improvements. These updates will support continued growth and efficiency.

Aligning Ohio Law with Modern Operations

Since Ohio has not updated its oil and gas laws in over a decade, it is important to align Ohio's laws with the industry as it continues to mature.

The bill clarifies that operators acting under a valid ODNR unitization order are not in breach of lease terms—a correction prompted by a single outlier court decision.

It also aligns oil and gas lease termination with general business contract standards by reducing the statute of limitations from 21 years to six.

Substitute Senate Bill 219 also provides needed consistency for Road Use Maintenance Agreements (RUMAs). Both the industry and local governments would point to RUMAs as being an important tool for oil and gas development. The bill maintains the existing requirement to pursue a RUMA or file an affidavit explaining why one cannot be reached. It sets a three-year term for RUMAs with renewal options and establishes a clear path forward during frost laws if parties cannot reach agreement (bonding and reporting requirements). These provisions encourage cooperation while ensuring development can proceed responsibly.

The bill also updates the definition of “owner” for purposes of obtaining a permit from the regulatory agency, recognizing that there may be multiple people with the right to drill and produce on a tract of land.

Business Efficiencies

The bill has a focus on creating efficiencies across the law and industry.

The bill authorizes up to ten expedited drilling and plugging permits per year per operator, with ODNR able to allow more when warranted. I do not believe this provision was ever intended to consider injection well permits. OOGA would like to work with the House to clarify that injection well permits are not part of the expedited permitting process outlined in this bill.

To address administrative paperwork delays in transferring well liability, the bill allows either the buyer or seller to submit required transfer information to ODNR, while keeping the underlying requirements intact so there is no gap in liability.

Ohio's State Lands Leasing Program

The bill makes several changes to Ohio's current state lands leasing program.

Substitute Senate Bill 219 provides clear timelines for state lands leasing: 90 days for the Commission to act on nominations, 60 days to accept a winning bid, and 30 days for lease execution. Current law uses a quarter system that is up for interpretation as to applying deadlines. The bill also reaffirms that the General Assembly sets economic terms for leasing.

The bill also provides tolling of leases during litigation or environmental assessments and includes a shut-in provision. We look forward to working with the House and the Governor's office to align the shut-in language with industry norms.

Clarifying Ohio Law

The bill makes belt and suspender changes to oil and gas laws. The bill expressly confirms:

- ODNR authority over cross state drilling
- Gathering lines are not subject to public utility tax
- Simultaneous operations are allowed, consistent with current rules

Bonding

At the request of ODNR, the bill makes changes to bonding for operators. Current law allows for sworn financial statements in lieu of a surety bond. The bill eliminates this outdated option for operators.

Other Items

The bill updates procedures for notices and orders from the Division of Oil and Gas Resources Management and makes changes to the appeals framework for the Oil and Gas Commission. This was ODNR language that at one time was in the operating budget but did not make the final version of the bill.

It also incorporates language from House Bill 522 and Senate Bill 312 regarding local government royalties from operations in the Wayne National Forest. We defer to the local entities on this issue.

Closing

Madam Chair and members of the committee, thank you for your attention. I would once again like to thank Senator Landis for introducing this important piece of legislation and I am happy to try to answer any questions the committee may have. Thank you.