



**Senate Bill 219 Proponent Testimony- Bruce Levensgood, Sound Energy Company Inc.**

Chairman Chavez, Vice Chair Landis, Ranking Member Smith, and members of the Senate Energy and Natural Resources Committee, thank you for allowing me to testify in support of Senate Bill 219.

My name is Bruce Levensgood. I am the President of Sound Energy Company, Inc. and former past Chairman of the Ohio Oil and Gas Association. Sound Energy Company, Inc. is a private family-owned, conventional, independent producer and explorer of Ohio Oil & Natural Gas. Headquartered in Dover Ohio, we operate over 500 producing wells in 18 different counties in Ohio.

Ohio's oil and gas industry was long dominated by conventional, vertical operators, since the first wells were drilled in the state. Today Ohio maintains a robust conventional industry working with and often partnering with the horizontal shale operators. Due to commodity economics and federal regulation conventional operators have been expanding their business focus and many also operate service companies and plug orphan wells across Ohio.

Ohio's orphan well plugging program is tremendous benefit to the state. The program is generally well regarded and managed. The state of Ohio has publicly stated that there are over 20,000 orphan wells in Ohio and recognizes there are probably many more. Protecting the Oil and Gas Fund is key to reducing Ohio's orphan well liabilities. The bill creates a custodial fund within the office of the Ohio Treasurer to shield the fund from administrative rotary raids. Protecting these funds for the purpose of plugging wells creates a sustainable funding mechanism to eliminate orphan wells. Knowing that the funds cannot be used for non-plugging purposes will only increase the number of wells plugged in the near term.

While conventional operators share many of the same challenges as our unconventional counterparts several parts of the bill look to address issues that impact vertical, legacy operations.

Among these provisions include streamlining title notification for the landowner pass-through plugging program, reduction of the statute of limitations for terminating a lease and streamlining the paperwork process when selling a well, so that the liability for a well follows the buyer more quickly.



Thank you once again, Chairman Chavez and members of the committee, for allowing me the opportunity to testify before you today. I will now make myself available for any questions, should the members of the committee have them.