

October 26, 2025

TO: Chair Chavez, Vice Chair Landis, Ranking Member Smith, and Members of the Senate Energy Committee

SUBJ: SB 219 Opposition Testimony

While considering the subject bill and the reasons and projected outcomes, there are deficiencies that will result in higher costs to Ohioans in the long run.


In general, this bill unnecessarily gives the oil and gas industry breaks to not pay their fair share and externalize costs on the public. Legislation needs to ensure the industry does not leave its costs to ratepayers and property owners by lowering values as well. This bill deals with the exorbitant costs to plug orphaned conventional wells illustrating a good lesson to be learned. Now that it is well known that fracked wells are much more costly to plug our elected representatives must see that Ohio taxpayers could be on the hook again in the future for even more costly closures when the fracking boom becomes a bust. There will be additional costs, such as leaking injection wells and water depletion and contamination, that should be considered when a bill regulating oil and gas is considered. Such loopholes can lead to serious, expensive problems in the future; in fact, they already have.

Such recommendations which should be heeded, for instance, would be to: “**Require levels of financial assurance that are sufficient to protect the public.** Drillers should be required to post financial assurance of *at least* \$250,000 per well for the cost of plugging and reclamation and at least \$5 million per well for damage to private property, health and natural resources, as well as environmental cleanup. Some measure of financial assurance should be required for at least 30 years to protect the public against problems that emerge only over time. Drillers should also be required to pay into industry-wide cleanup funds to act as a backstop source of funds for cleanup and victim compensation in the event that financial assurance rules are violated or fail to offer adequate protection.”

<https://frontiergroup.org/resources/who-pays-costs-fracking/>.

In general, SB219 as written is more favorable to oil and gas than for Ohio taxpayers and, most importantly, residents who live in the region of oil and gas exploitation along with their towns and villages. The following changes will make SB219 a more fair and equitable bill:

- 1) Remove the elimination of the Road Use Maintenance Agreement (RUMA) that requires a horizontal well permit applicant to enter into road maintenance agreements with local governments, ending the voluntary agreements after three years. Even more of a nod to the oil and gas industry is given by exempting the requirement for a horizontal well permit holders to obtain a special regional heavy hauling permit if the load size or weight exceeds legal limits. Why should a single industry be given lucrative loopholes in legislation that no other industry can have? This is unfair and should be removed.

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- 2) Eliminates the authority of the Chief of the Division of Oil and Gas Resources Management at the Ohio Department of Natural Resources to refuse requests for expedited reviews of drilling permit applications. What is the reason for this? Why take away the authority of the Chief now unless it would be to give greater authority – not lesser - which is what is really needed.
 - 3) The bill relieves the well owner from maintaining obligations and liabilities until the transferee takes control of the well if the owner files required information with the Division of Oil and Gas Resources Management. There must be a cradle to grave traceability of ownership and liability, or Ohio could be on the hook for another orphaned well program which would be tremendously expensive when the boom becomes a bust and the LLC's dissolve.

Please also consider two additional comments below for this opponent testimony:

- 1) For good ethical policy, language should be added stating that anyone on the decision making committees, individually or with family members, who could benefit from legislation that would ease oil and gas regulations by any means should recuse themselves from such decision making.
- 2) It is well known and documented that immediate action should be taken to ensure that the oil and gas industry is adequately bonded and insured to cover its closing and remediation costs in the long run, or there will be another orphan well taxpayer cost of a much greater magnitude in the future.

Thank you in advance for your serious consideration of this appeal to improve legislation that will be fair to Ohioans by avoiding the externalization of future industry costs upon them.

Sincerely,

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