

Testimony on SB 219

October 28, 2025

Chairman Chavez and members of the Senate Energy Committee, my name is Roxanne Groff and I live in Athens County. As a former Athens County Commissioner and Bern Township trustee, I have had the opportunity to testify to many bills throughout the years. While SB 219 appears to elevate and improve laws governing oil and gas operations in Ohio, the bill does just the opposite.

Oil and Gas Resolution and Remediation Fund

The bill creates the Oil and Gas Resolution and Remediation Fund (OGRRF) as a custodial fund. It requires the Chief of the Division of Oil and Gas Resources Management to use money in the OGRRF to plug orphaned wells in accordance with current law. The OGRRF was vetoed in HB 96, the budget bill, by Governor DeWine. Testimony on this bill fails to elaborate on why the governor did so. Governor DeWine's veto stated:

This item creates the Oil and Gas Resolution and Remediation Fund for the purposes of plugging orphaned oil and gas wells in the state; requires that each fiscal year, excess money in the Oil and Gas Well Fund be transferred to the Oil and Gas Resolution and Remediation Fund; requires the Treasurer of State to make quarterly disbursements to the Ohio Department of Natural Resources (ODNR) Division of Oil and Gas; and prohibits the Ohio Budget and Management (OBM) Director or Controlling Board from transferring any money out of the fund to any other fund. There are more than 20,000 known orphaned wells in Ohio, with hundreds more discovered each year. ODNR has been a good steward of the Oil and Gas Well Fund during this administration and significantly increased well plugging from 51 in 2018 to more than 450 in 2024. The bureaucratic process created in this item will significantly hamper Ohio's progress in plugging orphan wells and ensuring the safety of Ohioans by inefficiently moving around funding and unnecessarily complicating ODNR's current effective process to plug orphaned wells. Additionally, the director of OBM has had long-standing authority and flexibility to maintain the balance of the state's general revenue fund. Prohibiting transfers from the Oil and Gas Resolution and Remediation Fund erodes OBM's ability to balance the budget in the case of a potential economic downturn. The De Wine-Tressel Administration will continue working with key stakeholders to utilize the Oil and Gas Well Fund to plug abandoned gas wells, while also efficiently and appropriately managing tax resources and serving Ohioans. Therefore, a veto of this item is in the public interest.

While it is true that the orphan well program needs as much attention as possible to expedite and insure funding for the many years to come to find and plug over 20,000 wells in Ohio, it is clear that increased funding for the program has been made available and it is commendable

that the general assembly wishes to ensure the longevity of the program, this section of the bill only states there is money in the current budget and there will likely be funding leftover. While I do agree that the oil and gas well fund should not be "raided" to make up budget deficits, is it prudent to tie funds to the industry's desire without examining the needs of the agency and the director's approval? There are only so many companies that can perform plugging operations. It is a specialized operation, and the state wants to ensure that companies are qualified to perform the plugging service. Though no fault of the company as far as reports reveal, the recent terrible disaster in Washington County, resulting in the tragic death of one worker, will hopefully never occur again. Legislators must be duly informed and educated as to why this fund must be created. Additionally, interest funds can also be dispersed by the director, with the advice of the Technical Advisory Committee for Oil and Gas made up of 8 members, six of whom are employed by oil and gas production companies. The bill does not explain its impact. Therefore, I object to this part of the bill.

Expedited drilling permit review

The bill eliminates the Chief's authority to refuse to accept requests for expedited reviews of applications for drilling permits (to drill, reopen, convert, or plug back a well). Under current law, if, in the Chief's judgment, the acceptance of expedited review requests would prevent the issuance, within 21 days of their filing, of permits for which applications are pending, the Chief may refuse to accept the requests. The bill eliminates this authority. However, the bill also limits the number of expedited review requests that a well owner may submit to the Chief to no more than ten times within a calendar year. Accordingly, the bill prohibits the Chief from issuing more than ten expedited permits to an owner within a calendar year unless an emergency requires that an expedited permit be issued, as determined by the Chief.

What is **NOT** in this bill is the fact that it includes Class II injection well permits. ORC 1509.01 clearly states (A) "Well" means any borehole, whether drilled or bored, within the state for production, extraction, or injection of any gas or liquid mineral, excluding potable water to be used as such, but including natural or artificial brines and oil field waters. "Well" includes a stratigraphic well.

Therefore, if Class II drilling permits are expedited, the public process is eliminated. New rules were written to increase the public participation for injection well permitting and this bill would eliminate that if a company requested an expedited permit. It is true that the drilling permit is only part of the process, however, the injection permit is not a public process. Therefore, I object to this section of the bill.

Road use agreements and heavy hauling permits

Under current law, horizontal well permit applicants must enter into RUMAs, ensuring that local governments or ODOT can recover costs for road impacts. RUMAs establish

maintenance obligations, duration, and compensation for road use, while special regional heavy hauling permits provide additional revenue.

The bill could result in uncertain fiscal effects for the state and political subdivisions related to road maintenance and heavy hauling associated with horizontal well operations. The bill makes road maintenance and safe use agreements (RUMAs) voluntary rather than mandatory. As a result, local governments and the Ohio Department of Transportation (ODOT) may no longer be guaranteed compensation for road wear or damage caused by oversized or overweight loads. Additionally, an exemption from special regional heavy hauling permits, under the bill, could reduce permit revenue that would otherwise help offset road maintenance costs. A standard RUMA is not achieved by eliminating the mandate. The fiscal effect would be significant if roads are used without compensation. I strongly object to this part of the bill.

Statute of limitations – oil and gas lease termination action

The bill requires an action alleging that an oil and gas lease has terminated or is no longer in effect or expired to be brought within six years after the cause of the action accrued.

This clearly reduces liability to an operator or company and puts a greater burden on the landowner. The reasoning of it makes good business sense without looking at the effects of a landowner is an egregious attempt by industry to nullify the importance of leases in good faith. References to the statutes affected are not even cited in the bill (R.C. 2305.041 and 2305.06). This issue has been controversial for years and many settlements in court have taken place because of breach of contracts by oil and gas companies. This important issue should be considered by at least the Farm Bureau and the Royalty Landowners Association.

Without establishing a statute of limitations with other interested parties and stakeholders, I object to this portion of the bill.

Respectfully submitted,

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