Reviewed As To Form By
Legislative Service Commission

I_136_1609-8

136th General Assembly
Regular Session
2025-2026

Sub. S. B. No. 219

To amend sections 155.33, 155.34, 1503.35, 1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 2305.041, 5577.02, and 5727.02 and to enact section 131.52 of the Revised Code and to amend Section 343.30 of H.B. 96 of the 136th General Assembly to make changes to the law governing oil and gas wells and to address federal mineral royalty payments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 155.33, 155.34, 1503.35, 1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 2305.041, 5577.02, and 5727.02 be amended and section 131.52 of the Revised Code be enacted to read as follows:

Sec. 131.52. (A) As used in this section:

(1) "Federal mineral royalty" means the state of Ohio's share of payments received under 30 U.S.C. 191 from oil, gas, or other mineral production on federal lands within this state, including national forest system lands.

(2) "County of origin" means the county where a wellhead or mine is located to which a federal mineral royalty is attributable.

(B) The treasurer of state shall deposit all federal mineral royalties received from the United States department of the interior's office of natural resources revenue into the federal mineral royalty clearing fund, which is hereby established and shall be in the custody of the treasurer of state but shall not be part of the state treasury. Within thirty days after each deposit, the director of the office of budget and management shall transfer from the fund to each county of origin an amount equal to the royalty payments attributable to that county.

(C) Money received by a county under division (B) of this section may be appropriated by the board of county commissioners solely for one of the following purposes:

(1) Planning;

(2) Construction and maintenance of public facilities;

(3) Provision of public services.

Sec. 155.33. (A)(1) Beginning on April 7, 2023, and ending on the effective date of the rules adopted under section 155.34 of the Revised Code, a state agency shall lease, in good faith, a formation within a parcel of land that is owned or controlled by the state agency for the exploration for and development and production of oil or natural gas. The lease shall be on terms that are just and reasonable, as determined by custom and practice in the oil and gas industry, and shall include at least the terms required under ~~divisions (A)(1)(a) to (d)~~division (A) of section 155.34 of the Revised Code as that division existed

prior to the effective date of this amendment. The person seeking to lease the formation shall submit to the state agency the proof described in divisions (D)(5)(a) and (b) of this section before entering into the lease. On and after the effective date of the rules adopted under section 155.34 of the Revised Code, a formation within a parcel of land that is owned or controlled by a state agency may be leased for the exploration for and development and production of oil or natural gas only in accordance with divisions (A)(2) to (H) of this section and those rules.

(2) On and after the effective date of rules adopted under section 155.34 of the Revised Code, any person or state agency that is interested in leasing a formation within a parcel of land that is owned or controlled by a state agency for the exploration for and the development and production of oil or natural gas may submit to the oil and gas land management commission a nomination that shall include all of the following:

(a) The name of the person making the nomination and the person's address, telephone number, and email address;

(b) An identification of the formation and parcel of land proposed to be leased that specifies all of the following:

(i) The percentage of the interest owned or controlled by the state agency, and whether that interest is divided, undivided, or partial;

(ii) The source deed by book and page numbers, including the description and acreage of the parcel and an identification of the county, section, township, and range in which the parcel is located;

(iii) A plat map depicting the area in which the parcel is

located.

(c) If the person making the nomination is not a state agency, a nomination fee of one hundred fifty dollars;

(d) The proposed lease bonus that applies to the nomination and any additional proposed gross landowner royalty that applies to the nomination that is in addition to the amount required under division (A)(1)(b) of section 155.34 of the Revised Code;

(e) If the person making the nomination is not a state agency, proof of both of the following:

(i) That the person has obtained the insurance and financial assurance required under section 1509.07 of the Revised Code;

(ii) That the person has registered with and obtained an identification number from the division of oil and gas resources management under section 1509.31 of the Revised Code.

(3) In order to encourage the submission of nominations and the responsible and reasonable development of the state's natural resources, only the information submitted under division (A)(2)(b) of this section may be disclosed to the public until a person is selected under division (F) of this section. Until a person is selected under division (F) of this section, all other information submitted under division (A)(2) of this section is confidential, shall not be disclosed by the commission, and is not a public record subject to inspection or copying under section 149.43 of the Revised Code.

(4) When a nomination is not submitted by a state agency, the nomination is the opening bid for purposes of division (D) of this section. However, the person submitting the nomination

may supplement or amend that bid by providing additional information in accordance with that division.

(B)(1) ~~Not less than thirty days, but not more than one hundred twenty days following the receipt of a nomination, the~~ The commission shall conduct ~~a meeting~~ one or more meetings for the purpose of determining whether to approve or disapprove the nomination for the purpose of leasing a formation within the parcel of land that is identified in the nomination.

In making its decision to approve or disapprove the nomination, the commission shall consider all of the following:

(a) The economic benefits, including the potential income from an oil or natural gas operation, that would result if the lease of a formation that is the subject of the nomination were approved;

(b) Whether the proposed oil or gas operation is compatible with the current uses of the parcel of land that is the subject of the nomination;

(c) The environmental impact that would result if the lease of a formation that is the subject of the nomination were approved;

(d) Any potential adverse geological impact that would result if the lease of a formation that is the subject of the nomination were approved;

(e) Any potential impact to visitors or users of a parcel of land that is the subject of the nomination;

(f) Any potential impact to the operations or equipment of a state agency that is a state university or college if the lease of a formation within a parcel of land owned or controlled

by the university or college that is the subject of the nomination were executed;

(g) Any comments or objections to the nomination submitted to the commission by the state agency that owns or controls the parcel of land on which the proposed oil or natural gas operation would take place;

(h) Any comments or objections to the nomination submitted to the commission by residents of this state or other users of the parcel of land that is the subject of the nomination;

(i) Any special terms and conditions the state agency included in its comments or objections that the state agency believes are appropriate for the lease of the parcel of land because of specific conditions related to that parcel of land.

(2) The commission shall approve or disapprove a nomination not later than ~~two calendar quarters~~ ninety days following the receipt of the nomination. The commission shall post notice of the commission's decision on the commission's web site and send notice of the decision by email and by certified mail to the person that submitted the nomination and to the state agency that owns or controls the formation within the parcel of land that is the subject of the nomination.

(C) ~~Each calendar quarter, the~~ The commission shall proceed to advertise for bids for a lease for a formation within a parcel of land that was the subject of a nomination approved ~~during the previous calendar quarter~~by the commission. The commission shall publish the advertisement on its web site for a period of time established by the commission. The advertisement shall include all of the following:

(1) An identification of each formation and parcel of land

proposed to be leased that includes all of the information specified in division (A)(2)(b) of this section;

(2) The deadline for the submission of bids;

(3) A statement that each bid must contain all of the items required under division (D) of this section;

(4) A statement that a standard lease form that is consistent with the practices of the oil and natural gas industries and adopted by rule by the commission will be used for the lease of a formation within the parcel of land;

(5) Any special terms and conditions that may apply to the lease because of specific conditions related to the parcel of land;

(6) The amount of the bid fee that is required to be submitted with a bid;

(7) Any other information that the commission considers pertinent to the advertisement for bids.

(D) A person interested in leasing a formation within a parcel of land owned or controlled by a state agency for the exploration for and development and production of oil or natural gas may submit a bid to the commission on a parcel by parcel basis that contains all of the following:

(1) A bid fee of twenty-five dollars;

(2) The name of the person making the bid and the person's address, telephone number, and email address;

(3) An identification of the formation and parcel of land for which the bid is being submitted, including all of the information specified in division (A)(2)(b) of this section;

(4) The proposed lease bonus that applies to the bid and any additional proposed gross landowner royalty that applies to the bid and any additional proposed gross landowner royalty that applies to the bid that is in addition to the amount required under division (A)(1)(b) of section 155.34 of the Revised Code;

(5) Proof of both of the following:

(a) That the person has obtained the insurance and financial assurance required under section 1509.07 of the Revised Code;

(b) That the person has registered with and obtained an identification number from the division of oil and gas resources management under section 1509.31 of the Revised Code.

(6) Any other information that the person believes is relevant to the bid.

(E) In order to encourage the submission of bids and the responsible and reasonable development of the state's natural resources, the information that is contained in a bid submitted to the commission under this section is confidential, shall not be disclosed by the commission, and is not a public record subject to inspection and copying under section 149.43 of the Revised Code until a person is selected under division (F) of this section.

~~The~~ Not later than sixty days following a nomination's approval, the commission shall select the person who submits the highest and best bid, taking into account the financial responsibility of the prospective lessee and the ability of the prospective lessee to perform its obligations under the lease. After the commission selects a person, the commission shall notify the applicable state agency and send the person's bid to

the agency. The state agency shall enter into a lease with the person selected by the commission. The state agency shall fully execute the lease and deliver it to the selected person not later than thirty days after the commission selects such person. The person shall execute the lease and deliver it back to the state agency not later than forty-five days after receiving such lease. If a person fails to so execute and deliver the lease, the lease is void.

(G)(1) Except as otherwise provided in section 155.37 of the Revised Code, all money received by a state agency from signing fees, rentals, and royalty payments for leases entered into under this section shall be paid by the state agency into the state treasury to the credit of the state land royalty fund created in section 131.50 of the Revised Code.

(2) All money received from nomination fees and bid fees shall be paid into the state treasury to the credit of the oil and gas land management commission administration fund created in section 155.35 of the Revised Code.

(H) Notwithstanding any other provision of this section to the contrary, a nature preserve as defined in section 1517.01 of the Revised Code that is owned or controlled by a state agency shall not be nominated or leased under this section for the purpose of exploring for and developing and producing oil and natural gas resources.

(I) Except as otherwise provided in this chapter, the commission and any state agency shall not require as part of a bid or lease either of the following:

(1) Any royalty payment in excess of the amount specified in division (A)(1)(b) of section 155.34 of the Revised Code;

(2) Any additional payment that the commission or agency is not specifically authorized or required to charge under this section.

Sec. 155.34. (A) ~~Not later than one hundred twenty days after September 30, 2021, the~~ The oil and gas land management commission shall adopt rules in accordance with Chapter 119. of the Revised Code establishing ~~both~~ all of the following:

(1) A standard lease form that shall be used by a state agency for leases entered into under this chapter, is consistent with the practices of the oil and natural gas industries, and contains all of the following:

(a) A prohibition against the use of the surface of the parcel of land for oil and gas development unless the state agency, in its sole discretion, chooses to negotiate and execute a written surface use agreement established under this section;

(b) A one-eighth gross landowner royalty;

(c) A shut-in royalty provision, provided payments under the provision shall not be less than five thousand dollars per month and not less than sixty thousand dollars per calendar year;

(d) A primary term of five years;

~~(d)~~ (e) An option for the lessee to extend the primary term of the lease for an additional ~~three~~ five years by tendering to the state agency the same bonus paid when first entering into the lease~~.~~ ;

(f) A provision that states: "Notwithstanding any other provision of this Lease to the contrary, Lessee is entitled to pay any advanced delay rentals/bonus amounts owed under this

Lease within sixty (60) calendar days after Lessee receives a copy of this Lease executed by Lessor."

(g) A provision that states: "Notwithstanding any other provision of this Lease to the contrary, in the event that a parcel subject to this Lease was acquired or improved through, or is otherwise encumbered by, a federal grant program, the Primary Term of the Lease shall be tolled until the requirements of the program, and any related grant documents, have been fully satisfied by Lessor and Lessor notifies Lessee in writing of same."

(h) A provision that states: "Notwithstanding any other provision of this Lease to the contrary, in the event that a parcel subject to this Lease was acquired or improved through, or is otherwise encumbered by, a federal grant program, Lessee may defer payment of all sums otherwise due and owing under this Lease until the requirements of the program, and any related grant documents, have been fully satisfied by Lessor and Lessor notifies Lessee in writing of same."

(i) A provision that states: "Notwithstanding any other provision of this Lease to the contrary, in the event that litigation of any kind or character is filed by a third party that prevents the Lessee from conducting operations under the Lease, including an appeal before a court or the oil and gas commission, the Primary Term of the Lease shall be tolled until such time as there is a final, nonappealable order entered in such litigation."

(j) A provision that states: "Notwithstanding any other provision of this Lease to the contrary, in the event that litigation of any kind or character is filed by a third party that prevents the Lessee from conducting operations under the

Lease, including an appeal before a court or the oil and gas commission, Lessee may defer payment of all sums otherwise due and owing under this Lease until a final, nonappealable order is entered in such litigation."

(l) A provision that states: "Except as explicitly provided in this Lease, the Primary Term of the Lease may be tolled and payments may be deferred only as a result of an event of force majeure."

(2) A requirement that, notwithstanding any provision of law to the contrary, a lessee shall not be required to terminate drilling operations under a lease when a civil action is filed against the lessee, unless the applicable court issues an injunction or otherwise orders such drilling operations to cease.

(3) Any other procedures necessary to implement sections 155.30 to 155.36 of the Revised Code, subject to division (I) of section 155.33 of the Revised Code.

(B) ~~Not later than one hundred twenty days after September 30, 2021, the~~ The commission shall establish a standard surface use agreement that a state agency shall use to authorize the use of the surface of a leased parcel of land.

(C) Section 121.95 of the Revised Code does not apply to rules adopted under this section and the commission is not subject to any requirements of that section.

Sec. 1503.35. ~~The~~ (A) Except as provided in division (B) of this section, the director of natural resources shall distribute money received by the state pursuant to 16 U.S.C. 500 from the sale of national forest timber and other national forest products to the applicable county or counties in which

the national forest is situated. Money received by a county under this section shall be used by a county as follows:

~~(A)~~ (1) Fifty per cent shall be used to maintain county roads and bridges;

~~(B)~~ (2) Fifty per cent shall be used for the benefit of public schools.

(B) A federal mineral royalty, as defined in section 131.52 of the Revised Code, is not a forest product subject to distribution under this section. Any federal mineral royalty received by the state shall be deposited in accordance with that section.

Sec. 1509.01. As used in this chapter:

(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.

(B) "Oil" means crude petroleum oil and all other hydrocarbons, regardless of gravity, that are produced in liquid form by ordinary production methods, but does not include hydrocarbons that were originally in a gaseous phase in the reservoir.

(C) "Gas" means all natural gas and all other fluid hydrocarbons that are not oil, including condensate.

(D) "Condensate" means liquid hydrocarbons separated at or near the well pad or along the gas production or gathering system prior to gas processing.

(E) "Pool" means an underground reservoir containing a

common accumulation of oil or gas, or both, but does not include a gas storage reservoir. Each zone of a geological structure that is completely separated from any other zone in the same structure may contain a separate pool.

(F) "Field" means the general area underlaid by one or more pools.

(G) "Drilling unit" means the minimum acreage on which one well may be drilled, but does not apply to a well for injecting gas into or removing gas from a gas storage reservoir and does not apply to a stratigraphic well.

(H) "Waste" includes all of the following:

(1) Physical waste, as that term generally is understood in the oil and gas industry;

(2) Inefficient, excessive, or improper use, or the unnecessary dissipation, of reservoir energy;

(3) Inefficient storing of oil or gas;

(4) Locating, drilling, equipping, operating, or producing an oil or gas well in a manner that reduces or tends to reduce the quantity of oil or gas ultimately recoverable under prudent and proper operations from the pool into which it is drilled or that causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas;

(5) Other underground or surface waste in the production or storage of oil, gas, or condensate, however caused.

(I) "Correlative rights" means the reasonable opportunity to every person entitled thereto to recover and receive the oil and gas in and under the person's tract or tracts, or the equivalent thereof, without having to drill unnecessary wells or

incur other unnecessary expense.

(J) "Tract" means a single, individual parcel of land or a portion of a single, individual parcel of land.

~~(K)~~ (K)(1) "Owner," unless referring to a mine or except as provided in division (K)(2) of this section, means the person who has the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil or gas produced therefrom either for the person or for others, except that a person ceases to be an owner with respect to a well when the well has been plugged in accordance with applicable rules adopted and orders issued under this chapter. ~~"Owner"~~

(2) "Owner," for purposes of obtaining a permit under section 1509.06 of the Revised Code, means each person having the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil and gas produced therefrom either for the person or for others, except that a person ceases to be an owner with respect to a well when the well has been plugged in accordance with applicable rules adopted and orders issued under this chapter.

(3) "Owner" does not include a person who obtains a lease of the mineral rights for oil and gas on a parcel of land if the person does not attempt to produce or produce oil or gas from a well or obtain a permit under this chapter for a well or if the entire interest of a well is transferred to the person in accordance with division (B) of section 1509.31 of the Revised Code.

(L) "Royalty interest" means the fee holder's share in the production from a well, except a stratigraphic well.

(M) "Discovery well" means the first well, except a

stratigraphic well, capable of producing oil or gas in commercial quantities from a pool.

(N) "Prepared clay" means a clay that is plastic and is thoroughly saturated with fresh water to a weight and consistency great enough to settle through saltwater in the well in which it is to be used, except as otherwise approved by the chief of the division of oil and gas resources management.

(O) "Rock sediment" means the combined cutting and residue from drilling sedimentary rocks and formation.

(P) "Excavations and workings," "mine," and "pillar" have the same meanings as in section 1561.01 of the Revised Code.

(Q) "Coal bearing township" means a township designated as such by the chief of the division of mineral resources management under section 1561.06 of the Revised Code.

(R) "Gas storage reservoir" means a continuous area of a subterranean porous sand or rock stratum or strata into which gas is or may be injected for the purpose of storing it therein and removing it therefrom and includes a gas storage reservoir as defined in section 1571.01 of the Revised Code.

(S) "Safe Drinking Water Act" means the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(f), and regulations adopted under those acts.

(T) "Person" includes any political subdivision, department, agency, or instrumentality of this state; the United States and any department, agency, or instrumentality thereof;

any legal entity defined as a person under section 1.59 of the Revised Code; and any other form of business organization or entity recognized by the laws of this state.

(U) "Brine" means all saline geological formation water resulting from, obtained from, or produced in connection with exploration, drilling, well stimulation, production of oil or gas, or plugging of a well.

(V) "Waters of the state" means all streams, lakes, ponds, marshes, watercourses, waterways, springs, irrigation systems, drainage systems, and other bodies of water, surface or underground, natural or artificial, that are situated wholly or partially within this state or within its jurisdiction, except those private waters that do not combine or effect a junction with natural surface or underground waters.

(W) "Exempt Mississippian well" means a well that meets all of the following criteria:

(1) Was drilled and completed before January 1, 1980;

(2) Is located in an unglaciated part of the state;

(3) Was completed in a reservoir no deeper than the Mississippian Big Injun sandstone in areas underlain by Pennsylvanian or Permian stratigraphy, or the Mississippian Berea sandstone in areas directly underlain by Permian stratigraphy;

(4) Is used primarily to provide oil or gas for domestic use.

(X) "Exempt domestic well" means a well that meets all of the following criteria:

(1) Is owned by the owner of the surface estate of the

tract on which the well is located;

(2) Is used primarily to provide gas for the owner's domestic use;

(3) Is located more than two hundred feet horizontal distance from any inhabited private dwelling house other than an inhabited private dwelling house located on the tract on which the well is located;

(4) Is located more than two hundred feet horizontal distance from any public building that may be used as a place of resort, assembly, education, entertainment, lodging, trade, manufacture, repair, storage, traffic, or occupancy by the public.

(Y) "Urbanized area" means an area where a well or production facilities of a well are located within a municipal corporation or within a township that has an unincorporated population of more than five thousand in the most recent federal decennial census prior to the issuance of the permit for the well or production facilities.

(Z) "Well stimulation" or "stimulation of a well" means the process of enhancing well productivity, including hydraulic fracturing operations.

(AA) "Production operation" means all operations and activities and all related equipment, facilities, and other structures that may be used in or associated with the exploration and production of oil, gas, or other mineral resources that are regulated under this chapter, including operations and activities associated with site preparation, site construction, access road construction, well drilling, well completion, well stimulation, well site activities, reclamation,

and plugging. "Production operation" also includes all of the following:

(1) The piping, equipment, and facilities used for the production and preparation of hydrocarbon gas or liquids for transportation or delivery;

(2) The processes of extraction and recovery, lifting, stabilization, treatment, separation, production processing, storage, waste disposal, and measurement of hydrocarbon gas and liquids, including related equipment and facilities;

(3) The processes and related equipment and facilities associated with production compression, gas lift, gas injection, fuel gas supply, well drilling, well stimulation, and well completion activities, including dikes, pits, and earthen and other impoundments used for the temporary storage of fluids and waste substances associated with well drilling, well stimulation, and well completion activities;

(4) Equipment and facilities at a wellpad or other location that are used for the transportation, handling, recycling, temporary storage, management, processing, or treatment of any equipment, material, and by-products or other substances from an operation at a wellpad that may be used or reused at the same or another operation at a wellpad or that will be disposed of in accordance with applicable laws and rules adopted under them.

(BB) "Annular overpressurization" means the accumulation of fluids within an annulus with sufficient pressure to allow migration of annular fluids into underground sources of drinking water.

(CC) "Orphaned well" means a well that has not been

properly plugged or its land surface restored in accordance with this chapter and the rules adopted under it to which either of the following apply:

(1) The owner of the well is unknown, deceased, or cannot be located and the well is abandoned.

(2) The owner of the well has abandoned the well and there is no money available to plug the well in accordance with this chapter and the rules adopted under it.

(DD) "Temporarily inactive well" means a well that has been granted temporary inactive status under section 1509.062 of the Revised Code.

(EE) "Material and substantial violation" means any of the following:

(1) Failure to obtain a permit to drill, reopen, convert, plugback, or plug a well under this chapter;

(2) Failure to obtain, maintain, update, or submit proof of insurance coverage that is required under this chapter;

(3) Failure to obtain, maintain, update, or submit proof of a surety bond that is required under this chapter;

(4) Failure to restore a disturbed land surface as required by section 1509.072 of the Revised Code;

(5) Failure to reimburse the oil and gas well fund pursuant to a final order issued under section 1509.071 of the Revised Code;

(6) Failure to comply with a final nonappealable order of the chief issued under section 1509.04 of the Revised Code;

(7) Failure to submit a report, test result, fee, or

document that is required in this chapter or rules adopted under it.

(FF) "Severer" has the same meaning as in section 5749.01 of the Revised Code.

(GG) "Horizontal well" means a well that is drilled for the production of oil or gas in which the wellbore reaches a horizontal or near horizontal position in the Point Pleasant, Utica, or Marcellus formation and the well is stimulated. "Horizontal well" does not include a stratigraphic well.

(HH) "Well pad" means the area that is cleared or prepared for the drilling of one or more horizontal wells.

(II) "Stratigraphic well" means a borehole that is drilled within the state on a tract solely to conduct research or testing of the subsurface geology, including porosity and permeability. "Stratigraphic well" does not include geotechnical or soil borings or a borehole drilled for seismic shot or mining of industrial minerals or coal.

Sec. 1509.02. There is hereby created in the department of natural resources the division of oil and gas resources management, which shall be administered by the chief of the division of oil and gas resources management. The division has sole and exclusive authority to regulate the permitting, location, and spacing of oil and gas wells and production operations within the state, excepting only those activities regulated under federal laws for which oversight has been delegated to the environmental protection agency and activities regulated under sections 6111.02 to 6111.028 of the Revised Code. The division's sole and exclusive authority includes the authority to regulate any portion of an oil and gas well located

in this state, regardless of whether any other portion of that oil and gas well is located outside of this state. The regulation of oil and gas activities is a matter of general statewide interest that requires uniform statewide regulation, and this chapter and rules adopted under it constitute a comprehensive plan with respect to all aspects of the locating, drilling, well stimulation, completing, and operating of oil and gas wells within this state, including site construction and restoration, permitting related to those activities, and the disposal of wastes from those wells. In order to assist the division in the furtherance of its sole and exclusive authority as established in this section, the chief may enter into cooperative agreements with other state agencies for advice and consultation, including visitations at the surface location of a well on behalf of the division. In cases in which a well is located both in this state and another state, the chief also may enter into a memorandum of understanding with an agency of another state for purposes of the interstate well. Such cooperative agreements and memorandums of understanding do not confer on other state agencies or entities any authority to administer or enforce this chapter and rules adopted under it. In addition, such cooperative agreements and memorandums of understanding shall not be construed to dilute or diminish the division's sole and exclusive authority as established in this section. Nothing in this section affects the authority granted to the director of transportation and local authorities in section 723.01 or 4513.34 of the Revised Code, provided that the authority granted under those sections shall not be exercised in a manner that discriminates against, unfairly impedes, or obstructs oil and gas activities and operations regulated under this chapter.

The chief shall not hold any other public office, nor shall the chief be engaged in any occupation or business that might interfere with or be inconsistent with the duties as chief.

Money collected by the chief pursuant to sections 1509.06, 1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.222, 1509.28, 1509.34, 1509.50, and 5749.02 of the Revised Code, all money from the sale of carbon credits, all civil penalties paid under section 1509.33 of the Revised Code, and, notwithstanding any section of the Revised Code relating to the distribution or crediting of fines for violations of the Revised Code, all fines imposed under divisions (A) and (B) of section 1509.99 of the Revised Code and fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for all violations prosecuted by the attorney general and for violations prosecuted by prosecuting attorneys that do not involve the transportation of brine by vehicle shall be deposited into the state treasury to the credit of the oil and gas well fund, which is hereby created. Fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for violations prosecuted by prosecuting attorneys that involve the transportation of brine by vehicle and penalties associated with a compliance agreement entered into pursuant to this chapter shall be paid to the county treasury of the county where the violation occurred.

The fund shall be used solely and exclusively for the purposes enumerated in division (B) of section 1509.071 of the Revised Code, for the expenses of the division associated with the administration of this chapter and Chapter 1571. of the Revised Code and rules adopted under them, and for expenses that are critical and necessary for the protection of human health and safety and the environment related to oil and gas production

in this state. The expenses of the division in excess of the moneys available in the fund shall be paid from general revenue fund appropriations to the department.

Sec. 1509.03. (A) The chief of the division of oil and gas resources management shall adopt, rescind, and amend, in accordance with Chapter 119. of the Revised Code, rules for the administration, implementation, and enforcement of this chapter. The rules shall include an identification of the subjects that the chief shall address when attaching terms and conditions to a permit with respect to a well and production facilities of a well that are located within an urbanized area or with respect to a horizontal well and production facilities associated with a horizontal well. The subjects shall include all of the following:

(1) Safety concerning the drilling or operation of a well;

(2) Protection of the public and private water supply, including the amount of water used and the source or sources of the water;

(3) Fencing and screening of surface facilities of a well;

(4) Containment and disposal of drilling and production wastes;

(5) Construction of access roads for purposes of the drilling and operation of a well;

(6) Noise mitigation for purposes of the drilling of a well and the operation of a well, excluding safety and maintenance operations.

No person shall violate any rule of the chief adopted under this chapter.

(B)(1) ~~Any order issuing, denying, or modifying a permit or notices required to be made by the chief pursuant to this chapter shall be made in compliance with~~ Chapter 119. of the Revised Code~~, except that personal service may be used in lieu of service by mail. Every order issuing, denying, or modifying a permit under this chapter and described as such shall be considered an adjudication order for purposes of Chapter 119. of the Revised Code. Division (B)(1) of this section does not apply to a permit issued under section 1509.06 of the Revised Code~~ does not apply to orders made by or notices required to be made by the chief pursuant to this chapter or rules adopted under it.

(2) ~~Where notice to any person is required by this chapter, the notice shall be given in order to meet the requirements of law~~The chief shall adopt rules in accordance with Chapter 119. of the Revised Code establishing both of the following:

(a) Procedures for notice required to be provided to any person under this chapter and rules adopted under it;

(b) Procedures for serving the chief's orders and compliance notices.

(C) The chief or the chief's authorized representative may at any time enter upon lands, public or private, for the purpose of administration or enforcement of this chapter, the rules adopted or orders made thereunder, or terms or conditions of permits or registration certificates issued thereunder and may examine and copy records pertaining to the drilling, conversion, or operation of a well for injection of fluids and logs required by division (C) of section 1509.223 of the Revised Code. No person shall prevent or hinder the chief or the chief's authorized representative in the performance of official duties.

If entry is prevented or hindered, the chief or the chief's authorized representative may apply for, and the court of common pleas may issue, an appropriate inspection warrant necessary to achieve the purposes of this chapter within the court's territorial jurisdiction.

(D) The chief may issue orders to enforce this chapter, rules adopted thereunder, and terms or conditions of permits issued thereunder. ~~Any such order shall be considered an adjudication order for the purposes of Chapter 119. of the Revised Code.~~ No person shall violate any order of the chief issued under this chapter. No person shall violate a term or condition of a permit or registration certificate issued under this chapter.

(E) Orders of the chief denying, suspending, or revoking a registration certificate; approving or denying approval of an application for revision of a registered transporter's plan for disposal; or to implement, administer, or enforce division (A) of section 1509.224 and sections 1509.22, 1509.222, 1509.223, 1509.225, and 1509.226 of the Revised Code pertaining to the transportation of brine by vehicle and the disposal of brine so transported are not adjudication orders for purposes of Chapter 119. of the Revised Code. The chief shall issue such orders under division (A) or (B) of section 1509.224 of the Revised Code, as appropriate.

Sec. 1509.06. (A) An application for a permit to drill a new well, drill an existing well deeper, reopen a well, convert a well to any use other than its original purpose, or plug back a well to a different source of supply, including any portion of a well located in this state, regardless of whether any other portion of that well is located outside of this state, and

including associated production operations, shall be filed with the chief of the division of oil and gas resources management upon such form as the chief prescribes and shall contain each of the following that is applicable:

(1) The name and address of the owner and, if a corporation, the name and address of the statutory agent;

(2) The signature of the owner or the owner's authorized agent. When an authorized agent signs an application, it shall be accompanied by a certified copy of the appointment as such agent.

(3) The names and addresses of all persons holding the royalty interest in the tract upon which the well is located or is to be drilled or within a proposed drilling unit;

(4) The location of the tract or drilling unit on which the well is located or is to be drilled identified by section or lot number, city, village, township, and county;

(5) Designation of the well by name and number;

(6)(a) The geological formation to be tested or used and the proposed total depth of the well;

(b) If the well is for the injection of a liquid, identity of the geological formation to be used as the injection zone and the composition of the liquid to be injected.

(7) The type of drilling equipment to be used;

(8)(a) An identification, to the best of the owner's knowledge, of each proposed source of ground water and surface water that will be used in the production operations of the well. The identification of each proposed source of water shall indicate if the water will be withdrawn from the Lake Erie

watershed or the Ohio river watershed. In addition, the owner shall provide, to the best of the owner's knowledge, the proposed estimated rate and volume of the water withdrawal for the production operations. If recycled water will be used in the production operations, the owner shall provide the estimated volume of recycled water to be used. The owner shall submit to the chief an update of any of the information that is required by division (A)(8)(a) of this section if any of that information changes before the chief issues a permit for the application.

(b) Except as provided in division (A)(8)(c) of this section, for an application for a permit to drill a new well within an urbanized area, the results of sampling of water wells within three hundred feet of the proposed well prior to commencement of drilling. In addition, the owner shall include a list that identifies the location of each water well where the owner of the property on which the water well is located denied the owner access to sample the water well. The sampling shall be conducted in accordance with the guidelines established in "Best Management Practices For Pre-drilling Water Sampling" in effect at the time that the application is submitted. The division shall furnish those guidelines upon request and shall make them available on the division's web site. If the chief determines that conditions at the proposed well site warrant a revision, the chief may revise the distance established in this division for purposes of pre-drilling water sampling.

(c) For an application for a permit to drill a new horizontal well, the results of sampling of water wells within one thousand five hundred feet of the proposed horizontal wellhead prior to commencement of drilling. In addition, the owner shall include a list that identifies the location of each water well where the owner of the property on which the water

well is located denied the owner access to sample the water well. The sampling shall be conducted in accordance with the guidelines established in "Best Management Practices For Pre-drilling Water Sampling" in effect at the time that the application is submitted. The division shall furnish those guidelines upon request and shall make them available on the division's web site. If the chief determines that conditions at the proposed well site warrant a revision, the chief may revise the distance established in this division for purposes of pre-drilling water sampling.

(9) For an application for a permit to drill a new well within an urbanized area, a sworn statement that the applicant has provided notice by regular mail of the application to the owner of each parcel of real property that is located within five hundred feet of the surface location of the well and to the executive authority of the municipal corporation or the board of township trustees of the township, as applicable, in which the well is to be located. In addition, the notice shall contain a statement that informs an owner of real property who is required to receive the notice under division (A)(9) of this section that within five days of receipt of the notice, the owner is required to provide notice under section 1509.60 of the Revised Code to each residence in an occupied dwelling that is located on the owner's parcel of real property. The notice shall contain a statement that an application has been filed with the division of oil and gas resources management, identify the name of the applicant and the proposed well location, include the name and address of the division, and contain a statement that comments regarding the application may be sent to the division. The notice may be provided by hand delivery or regular mail. The identity of the owners of parcels of real property shall be

determined using the tax records of the municipal corporation or county in which a parcel of real property is located as of the date of the notice.

(10) A plan for restoration of the land surface disturbed by drilling operations. The plan shall provide for compliance with the restoration requirements of division (A) of section 1509.072 of the Revised Code and any rules adopted by the chief pertaining to that restoration.

(11)(a) A description by name or number of the county, township, and municipal corporation roads, streets, and highways that the applicant anticipates will be used for access to and egress from the well site;

(b) For an application for a permit for a horizontal well, a copy of an agreement concerning maintenance and safe use of the roads, streets, and highways described in division (A)(11)(a) of this section entered into on reasonable terms with the public official that has the legal authority to enter into such maintenance and use agreements for each county, township, and municipal corporation, as applicable, in which any such road, street, or highway is located or an affidavit on a form prescribed by the chief attesting that the owner attempted in good faith to enter into an agreement under division (A)(11)(b) of this section with the applicable public official of each such county, township, or municipal corporation, but that no agreement was executed.

(c) An agreement described in division (A)(11)(b) of this section that is entered into on or after the effective date of this amendment shall be on terms expressly agreed upon by the parties and shall expire not later than three years after the agreement is executed. Such an agreement may be renewed by the

parties for up to three years and may be subsequently renewed indefinitely, but each such renewal shall be for a term not to exceed three years.

(12) Such other relevant information as the chief prescribes by rule.

Each application shall be accompanied by a map, on a scale not smaller than four hundred feet to the inch, prepared by an Ohio registered surveyor, showing the location of the well and containing such other data as may be prescribed by the chief. If the well is or is to be located within the excavations and workings of a mine, the map also shall include the location of the mine, the name of the mine, and the name of the person operating the mine.

(B) The chief shall cause a copy of the weekly circular prepared by the division to be provided to the county engineer of each county that contains active or proposed drilling activity. The weekly circular shall contain, in the manner prescribed by the chief, the names of all applicants for permits, the location of each well or proposed well, the information required by division (A)(11) of this section, and any additional information the chief prescribes. In addition, the chief promptly shall transfer an electronic copy, or if that method is not available to a municipal corporation or township, a copy via regular mail, of a drilling permit application to the clerk of the legislative authority of the municipal corporation or to the clerk of the township in which the well or proposed well is or is to be located if the legislative authority of the municipal corporation or the board of township trustees has asked to receive copies of such applications and the appropriate clerk has provided the chief an accurate, current electronic

mailing address.

(C)(1) Except as provided in division (C)(2) of this section, the chief shall not issue a permit for at least ten days after the date of filing of the application for the permit unless, upon reasonable cause shown, the chief waives that period or a request for expedited review is filed under this section. However, the chief shall issue a permit within twenty-one days of the filing of the application unless the chief denies the application by order.

(2) If the location of a well or proposed well will be or is within an urbanized area, the chief shall not issue a permit for at least eighteen days after the date of filing of the application for the permit unless, upon reasonable cause shown, the chief waives that period or the chief at the chief's discretion grants a request for an expedited review. However, the chief shall issue a permit for a well or proposed well within an urbanized area within thirty days of the filing of the application unless the chief denies the application by order.

~~(D) An~~ (D)(1) Except as provided in division (D)(3) of this section, an applicant may file a request with the chief for expedited review of a permit application if the well is not or is not to be located in a gas storage reservoir or reservoir protective area, as "reservoir protective area" is defined in section 1571.01 of the Revised Code. If the well is or is to be located in a coal bearing township, the application shall be accompanied by the affidavit of the landowner prescribed in section 1509.08 of the Revised Code.

(2) In addition to a complete application for a permit that meets the requirements of this section and the permit fee prescribed by this section, a request for expedited review shall

be accompanied by a separate nonrefundable filing fee of two hundred fifty dollars. Upon the filing of a request for expedited review, the chief shall cause the county engineer of the county in which the well is or is to be located to be notified of the filing of the permit application and the request for expedited review by telephone or other means that in the judgment of the chief will provide timely notice of the application and request. The chief shall issue a permit within seven days of the filing of the request unless the chief denies the application by order~~. Notwithstanding the provisions of this section governing expedited review of permit applications, the chief may refuse to accept requests for expedited review if, in the chief's judgment, the acceptance of the requests would prevent the issuance, within twenty-one days of their filing, of permits for which applications are pending~~.

(3) No owner shall apply for an expedited permit under this section more than ten times within a calendar year. Accordingly, the chief shall not issue more than ten expedited permits to an owner within a calendar year. However, if an emergency requires that an expedited permit be issued, as determined by the chief, an owner that is otherwise prohibited from obtaining an expedited permit under this division may apply for an expedited permit and the chief may so issue it.

(E) A well shall be drilled and operated in accordance with the plans, sworn statements, and other information submitted in the approved application.

(F) The chief shall issue an order denying a permit if the chief finds that there is a substantial risk that the operation will result in violations of this chapter or rules adopted under it that will present an imminent danger to public health or

safety or damage to the environment, provided that where the chief finds that terms or conditions to the permit can reasonably be expected to prevent such violations, the chief shall issue the permit subject to those terms or conditions, including, if applicable, terms and conditions regarding subjects identified in rules adopted under section 1509.03 of the Revised Code. The issuance of a permit shall not be considered an order of the chief.

The chief shall post notice of each permit that has been approved under this section on the division's web site not later than two business days after the application for a permit has been approved.

(G) Each application for a permit required by section 1509.05 of the Revised Code, except an application for a well drilled or reopened for purposes of section 1509.22 of the Revised Code, also shall be accompanied by a nonrefundable fee as follows:

(1) Five hundred dollars for a permit to conduct activities in a township with a population of fewer than ten thousand;

(2) Seven hundred fifty dollars for a permit to conduct activities in a township with a population of ten thousand or more, but fewer than fifteen thousand;

(3) One thousand dollars for a permit to conduct activities in either of the following:

(a) A township with a population of fifteen thousand or more;

(b) A municipal corporation regardless of population.

(4) If the application is for a permit that requires mandatory pooling, an additional five thousand dollars.

For purposes of calculating fee amounts, populations shall be determined using the most recent federal decennial census.

Each application for the revision or reissuance of a permit shall be accompanied by a nonrefundable fee of two hundred fifty dollars.

(H)(1) Prior to the commencement of well pad construction and prior to the issuance of a permit to drill a proposed horizontal well or a proposed well that is to be located in an urbanized area, the division shall conduct a site review to identify and evaluate any site-specific terms and conditions that may be attached to the permit. At the site review, a representative of the division shall consider fencing, screening, and landscaping requirements, if any, for similar structures in the community in which the well is proposed to be located. The terms and conditions that are attached to the permit shall include the establishment of fencing, screening, and landscaping requirements for the surface facilities of the proposed well, including a tank battery of the well.

(2) Prior to the issuance of a permit to drill a proposed well, the division shall conduct a review to identify and evaluate any site-specific terms and conditions that may be attached to the permit if the proposed well will be located in a one-hundred-year floodplain or within the five-year time of travel associated with a public drinking water supply.

(I) A permit shall be issued by the chief in accordance with this chapter. A permit issued under this section for a well that is or is to be located in an urbanized area shall be valid

for twelve months, and all other permits issued under this section shall be valid for twenty-four months.

(J) An applicant or a permittee, as applicable, shall submit to the chief an update of the information that is required under division (A)(8)(a) of this section if any of that information changes prior to commencement of production operations.

(K) A permittee or a permittee's authorized representative shall notify an inspector from the division at least twenty-four hours, or another time period agreed to by the chief's authorized representative, prior to the commencement of well pad construction and of drilling, reopening, converting, well stimulation, or plugback operations.

Sec. 1509.07. (A)(1)(a) Except as provided in division (A)(1)(b) or (A)(2) of this section, an owner of any well, except an exempt Mississippian well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized or approved to do business in this state in an amount of not less than one million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the owner's wells in this state. However, if any well is located within an urbanized area, the owner shall obtain liability insurance coverage in an amount of not less than three million dollars for bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all of the owner's wells in this state.

(b) A board of county commissioners of a county that is an owner of a well or a board of township trustees of a township

that is an owner of a well may elect to satisfy the liability coverage requirements specified in division (A)(1)(a) of this section by participating in a joint self-insurance pool in accordance with the requirements established under section 2744.081 of the Revised Code. Nothing in division (A)(1)(b) of this section shall be construed to allow an entity, other than a county or township, to participate in a joint self-insurance pool to satisfy the liability coverage requirements specified in division (A)(1)(a) of this section.

(2) An owner of a horizontal well shall obtain liability insurance coverage from an insurer authorized to write such insurance in this state or from an insurer approved to write such insurance in this state under section 3905.33 of the Revised Code in an amount of not less than five million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the production operations of all the owner's wells in this state. The insurance policy shall include a reasonable level of coverage available for an environmental endorsement.

(3) An owner shall maintain the coverage required under division (A)(1) or (2) of this section until all the owner's wells are plugged and abandoned or are transferred to an owner who has obtained insurance as required under this section and who is not under a notice of material and substantial violation or under a suspension order. The owner shall provide proof of liability insurance coverage to the chief of the division of oil and gas resources management upon request. Upon failure of the owner to provide that proof when requested, the chief may order the suspension of any outstanding permits and operations of the owner until the owner provides proof of the required insurance coverage.

(B)(1) Except as otherwise provided in this section, an owner of any well, before being issued a permit under section 1509.06 of the Revised Code or before operating or producing from a well, shall execute and file with the division of oil and gas resources management a surety bond conditioned on compliance with the restoration requirements of section 1509.072, the plugging requirements of section 1509.12, the permit provisions of section 1509.13 of the Revised Code, and all rules and orders of the chief relating thereto, in an amount set by rule of the chief.

(2) The owner may deposit with the chief, instead of a surety bond, cash in an amount equal to the surety bond as prescribed pursuant to this section or negotiable certificates of deposit or irrevocable letters of credit, issued by any bank organized or transacting business in this state, having a cash value equal to or greater than the amount of the surety bond as prescribed pursuant to this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If the owner deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. If the owner deposits certificates of deposit, the chief shall require the bank that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by the federal deposit insurance corporation. The securities shall be security for the repayment of the certificate of deposit.

Upon a deposit of cash, certificates of deposit, or letters of credit with the chief, the chief shall hold them in trust for the purposes for which they have been deposited.

~~(3) Instead of a surety bond, the chief may accept proof of financial responsibility consisting of a sworn financial statement showing a net financial worth within this state equal to twice the amount of the bond for which it substitutes and, as may be required by the chief, a list of producing properties of the owner within this state or other evidence showing ability and intent to comply with the law and rules concerning restoration and plugging that may be required by rule of the chief. The owner of an exempt Mississippian well is not required to file scheduled updates of the financial documents, but shall file updates of those documents if requested to do so by the chief. The owner of a nonexempt Mississippian well shall file updates of the financial documents in accordance with a schedule established by rule of the chief. The chief, upon determining that an owner for whom the chief has accepted proof of financial responsibility instead of bond cannot demonstrate financial responsibility, shall order that the owner execute and file a bond or deposit cash, certificates of deposit, or irrevocable letters of credit as required by this section for the wells specified in the order within ten days of receipt of the order. If the order is not complied with, all wells of the owner that are specified in the order and for which no bond is filed or cash, certificates of deposit, or letters of credit are deposited shall be plugged. No owner shall fail or refuse to plug such a well. Each day on which such a well remains unplugged thereafter constitutes a separate offense.~~

~~(4)~~ The surety bond provided for in this section shall be executed by a surety company authorized to do business in this state.

The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety,

or as to either by the principal's or surety's attorney in fact, with a certified copy of the power of attorney attached thereto. The chief shall not approve a bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state.

All bonds shall be given in a form to be prescribed by the chief and shall run to the state as obligee.

~~(5)~~ (4) An owner of an exempt Mississippian well or an exempt domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety bond, certificates of deposit, or irrevocable letters of credit~~, or a sworn financial statement~~, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.

(C) An owner, operator, producer, or other person shall not operate a well or produce from a well at any time if the owner, operator, producer, or other person has not satisfied the requirements established in this section.

Sec. 1509.071. (A) When the chief of the division of oil and gas resources management finds that an owner has failed to comply with a final nonappealable order issued or compliance agreement entered into under section 1509.04, the restoration requirements of section 1509.072, plugging requirements of section 1509.12, or permit provisions of section 1509.13 of the Revised Code, or rules and orders relating thereto, the chief shall make a finding of that fact and declare any surety bond filed to ensure compliance with those sections and rules forfeited in the amount set by rule of the chief. The chief thereupon shall certify the total forfeiture to the attorney

general, who shall proceed to collect the amount of the forfeiture. In addition, the chief may require an owner, operator, producer, or other person who forfeited a surety bond to post a new surety bond in the amount of fifteen thousand dollars for a single well, thirty thousand dollars for two wells, or fifty thousand dollars for three or more wells.

In lieu of total forfeiture, the surety or owner, at the surety's or owner's option, may cause the well to be properly plugged and abandoned and the area properly restored or pay to the treasurer of state the cost of plugging and abandonment.

(B)(1) All moneys collected because of forfeitures of bonds as provided in this section shall be deposited in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code.

For purposes of promoting the competent management and conservation of the state's oil and natural gas resources and the proper and lawful plugging of historic oil and gas wells for which there is no known responsible owner, the chief annually shall spend not less than thirty per cent of the revenue credited to the oil and gas well fund during the previous fiscal year for both of the following purposes:

(a) In accordance with division (E) of this section, to plug orphaned wells or to restore the land surface properly as required in section 1509.072 of the Revised Code;

(b) In accordance with division (F) of this section, to correct conditions that the chief reasonably has determined are causing imminent health or safety risks at an orphaned well or associated with a well for which the owner has not initiated a corrective action within a reasonable period of time as

determined by the chief after the chief has attempted to notify the owner.

(2) Expenditures from the fund shall be made only for lawful purposes. In addition, expenditures from the fund shall not be made to purchase real property or to remove a structure in order to access a well.

The director of budget and management, in consultation with the chief, shall establish an accounting code for purposes of tracking expenditures made as required under this division.

(C)(1) If a landowner discovers a well on the landowner's real property and the landowner is not the owner of the well, the landowner may report the existence of the well in writing to the chief.

(2) If the chief receives a written report from a landowner of the discovery of a well previously unknown to the division, the chief shall inspect the well not later than thirty days after the date of receipt of the landowner's report.

(3) The chief shall establish a scoring matrix for use in determining the priority of plugging wells or restoring land surfaces at orphaned well sites for purposes of this section. The matrix shall include a classification system that categorizes orphaned wells as high priority, medium priority, and low priority. However, when determining the priority of plugging wells or restoring land surfaces at orphaned well sites, the chief shall ensure that first priority is given to orphaned wells located in close proximity, as determined by the chief, to one or more active injection wells.

(4) The chief shall use the matrix developed under division (C)(3) of this section to prioritize plugging and land

restoration projects under this section. The chief may add additional orphaned wells to a project regardless of classification.

(D)(1) ~~After~~ Except as provided in division (E)(2)(a) of this section, after determining that a well is an orphaned well, the chief shall do all of the following:

(a) Make a reasonable attempt to determine from the records in the office of the county recorder of the county in which the well is located the identity of the current owner of the land on which the well is located, the identity of each person owning a right or interest in the oil or gas mineral interests, and the identities of the persons having a lien upon any of the equipment appurtenant to the well. For purposes of division (D)(1)(a) of this section, the chief is not required to review records in the office of the county recorder that are older than forty years from the date on which the chief made the determination that the well is an orphaned well.

(b) Mail notice to each person identified in division (D)(1)(a) of this section;

(c) Include in the notice to each person having a lien upon any equipment appurtenant to the well, a statement informing the person that the well is to be plugged and offering the person the opportunity to remove that equipment from the well site at the person's own expense in order to avoid forfeiture of the equipment to this state;

(d) Publish notice in a newspaper of general circulation in the county where the well is located that the well is to be plugged or post the notice on the department of natural resources web site.

(2) If the current address of a person identified in division (D)(1)(a) of this section cannot be determined, or if a notice provided by mail to a person under division (D)(1)(b) of this section is returned undeliverable, the notice published under division (D)(1)(d) of this section constitutes sufficient notice to the person.

(3) If none of the persons described in division (D)(1)(a) of this section removes equipment from the well within thirty days after the mailing of the notice or publication or posting of notice described in division (D)(1)(d) of this section, whichever is later, all equipment appurtenant to the well is hereby declared to be forfeited to this state without compensation and without the necessity for any action by the state for use to defray the cost of plugging the well and restoring the land surface at the well site.

(E) The chief may expend money from the oil and gas well fund for the purpose of division (B)(1)(a) of this section, and such expenditures shall be made in accordance with either of the following:

(1) The chief may make expenditures pursuant to contracts entered into by either the chief or another agency of the state with persons who agree to furnish the materials, equipment, work, and labor as specified and provided in such a contract for activities associated with the restoration or plugging of an orphaned well as determined by the chief. If another agency of the state enters into the contract, the chief shall prepare the scope of work for the restoration or plugging of the well. The activities may include excavation to uncover a well, methods to locate a well, analyzing the well, stabilizing or other work conducted prior to plugging the well, drilling out or cleanout

of wellbores to remove material from a well, plugging operations, installation of vault and vent systems, including associated engineering certifications and permits, removal of associated equipment, restoration of property, replugging of previously plugged orphaned wells or wells for which final restoration was completed under section 1509.072 of the Revised Code and rules adopted under it, and repair of damage to property that is caused by such activities. The chief may make expenditures for salaries, maintenance, equipment, or other administrative purposes, for costs directly attributed to locating, analyzing, stabilizing, designing, plugging, remediating, or restoring an orphaned well, and for determining if a well is an orphaned well.

Agents or employees of persons contracting with the chief to locate, analyze, stabilize, design, plug, remediate, or restore a well may enter upon any land, public or private, on which the well is located, or on adjacent parcels needed for access, for the purpose of performing the work. Prior to such entry, the chief shall give to the following persons written notice of the existence of a contract to locate, analyze, stabilize, design, plug, remediate, or restore a well, the names of the persons with whom the contract is made, and the date that the project will commence: the owner of the well, the owner of the land upon which the well is located, the owner of the land of an adjacent parcel that will be entered upon, and, if the well is located in the same township as or in a township adjacent to the excavations and workings of a mine and the owner or lessee of that mine has provided written notice identifying those townships to the chief at any time during the immediately preceding three years, the owner or lessee of the mine. The chief may include in the notice to the owner or lessee of the

mine additional information, such as authorization to plug an orphaned well under section 1509.151 of the Revised Code.

(2)(a) The owner of the land on which at least one orphaned well is located who either discovers the orphaned well or who has received notice under division (D)(1)(b) of this section may plug any such orphaned well and be reimbursed by the division of oil and gas resources management for the reasonable cost of plugging such wells. In order to plug the orphaned wells, the landowner shall submit an application to the chief on a form prescribed by the chief and approved by the technical advisory council on oil and gas created in section 1509.38 of the Revised Code. The application, at a minimum, shall require the landowner to provide the same information as is required to be included in the application for a permit to plug and abandon under section 1509.13 of the Revised Code.

The application shall be accompanied by a copy of a proposed contract to plug and abandon the orphaned wells prepared by a contractor regularly engaged in the business of plugging oil and gas wells. The proposed contract shall require the contractor to furnish all of the materials, equipment, work, and labor necessary to plug the orphaned wells properly and restore the site including the removal of all associated equipment and shall specify the price for doing the work. The contractor shall be insured in the same amounts required of the contractor when completing work pursuant to contracts entered into under division (E)(1) of this section. The application shall document how the contractor intends to comply with all applicable rules, codes, and laws governing human health, safety, and the environment.

In the case of a landowner who discovers one or more

orphaned wells on the land, the chief need not fulfill the notice requirements specified in division (D)(1) of this section, except the chief shall publish notice in a newspaper of general circulation in the county where the well is located that the well is to be plugged or post the notice on the department of natural resources web site.

Expenditures made under division (E)(2)(a) of this section shall be consistent with the expenditures for activities described in division (E)(1) of this section. In addition, expenditures made under division (E)(2) of this section are not subject to section 127.16 of the Revised Code. The application constitutes an application for a permit to plug the well for the purposes of section 1509.13 of the Revised Code.

(b) Within thirty days after receiving an application and accompanying proposed contract under division (E)(2)(a) of this section, the chief shall determine whether the plugging would comply with the applicable requirements of this chapter and applicable rules adopted and orders issued under it and whether the cost of the plugging under the proposed contract is reasonable. If the chief determines that the proposed plugging would comply with those requirements and that the proposed cost of the plugging is reasonable, the chief shall notify the landowner of that determination and issue to the landowner a permit to plug the well under section 1509.13 of the Revised Code. The chief may disapprove an application submitted under division (E)(2)(a) of this section if the chief determines that the proposed plugging would not comply with the applicable requirements of this chapter and applicable rules adopted and orders issued under it, that the cost of the plugging under the proposed contract is unreasonable, or that the proposed contract is not a bona fide, arm's length contract.

(c) After receiving the chief's notice of the approval of the application and permit to plug and abandon a well under division (E)(2)(b) of this section, the landowner may enter into the proposed contract to plug the well.

(d) Upon determining that the plugging has been completed in compliance with the applicable requirements of this chapter and applicable rules adopted and orders issued under it, the chief shall pay the contractor for the cost of the plugging and restoration as set forth in the proposed contract approved by the chief and changes or costs approved by the chief. The payment shall be paid from the oil and gas well fund. The chief shall only make payments for purposes of division (E)(2) of this section pursuant to a proper invoice as defined under section 125.01 of the Revised Code.

(e) If the chief determines that the plugging was not completed in accordance with the applicable requirements, the chief shall not pay the contractor or landowner for the cost of the plugging.

(f) If any equipment was removed from the well during the plugging and sold, the chief shall deduct the sale amount of the equipment from the payment to the contractor.

(g) Changes made to a contract executed under division (E)(2) of this section due to unanticipated conditions may be presented to the chief in the form of a written request for approval of the additional costs prior to completion of the work. The chief shall determine if the changes are necessary to comply with this chapter and rules adopted and orders issued under it and if the cost of the changes are reasonable. The chief shall provide to the contractor a written decision regarding the proposed changes. If the chief determines that the

changes are not necessary or that the costs are not reasonable, the chief may either deny the request or establish the amount of the cost that the chief approves. Work completed prior to receipt of written approval from the chief is not eligible for payment, unless waived by the chief.

(3) The chief may establish an annual limit on the number of wells that may be plugged under division (E)(2) of this section or an annual limit on the expenditures to be made under that division. The chief may reject an application submitted under division (E)(2) of this section if the chief determines that the plugging of other wells take priority.

(4) As used in division (E)(2) of this section, "plug" and "plugging" include the plugging of the well, replugging of a previously plugged orphaned well or a well for which final restoration was completed under section 1509.072 of the Revised Code and rules adopted under it, drilling out or cleanout of a well bore to remove material from a well, installation of casings, installation of a vault and vent, restoration, and the restoration of the land surface disturbed by the plugging.

(F)(1) Expenditures from the oil and gas well fund for the purpose of division (B)(1)(b) of this section may be made pursuant to contracts entered into by either the chief or another agency of the state with persons who agree to furnish the materials, equipment, work, and labor as specified and provided in such a contract. The competitive bidding requirements of Chapter 153. of the Revised Code do not apply if the chief reasonably determines that a situation exists requiring immediate action for the correction of the applicable health or safety risk. A contract or purchase of materials for purposes of addressing the emergency situation is not subject to

division (B) of section 127.16 of the Revised Code. The chief, designated representatives of the chief, and agents or employees of persons contracting with the chief to locate, analyze, stabilize, design, plug, remediate, or restore a well under this division may enter upon any land, public or private, on which the well is located, or on parcels needed for access, for the purpose of performing the work.

(2) The chief shall issue an order that requires the owner of a well to pay the actual documented costs of a corrective action that is described in division (B)(1)(b) of this section concerning the well. The chief shall transmit the money so recovered to the treasurer of state who shall deposit the money in the state treasury to the credit of the oil and gas well fund.

(G) Contracts entered into by either the chief or another agency of the state under this section are not subject to any of the following:

(1) Chapter 4115. of the Revised Code;

(2) Chapter 153. of the Revised Code;

(3) Section 4733.17 of the Revised Code.

(H) The owner of land on which a well is located who has received notice under division (D)(1)(b) of this section, in lieu of plugging the well in accordance with division (E)(2) of this section, may cause ownership of the well to be transferred in accordance with section 1509.31 of the Revised Code.

If a well is transferred, the owner to whom it is transferred shall comply with this chapter and rules adopted under it and shall take title to and possession of the equipment appurtenant to the well that has been identified by the chief as

having been abandoned by the former owner of the well.

(I) The chief may engage in cooperative projects under this section with any agency of this state, another state, or the United States; any other governmental agencies; any state university or college as defined in section 3345.27 of the Revised Code; or a nonprofit corporation that is exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, as amended. A contract entered into for purposes of a cooperative project is not subject to division (B) of section 127.16 of the Revised Code.

(J)(1) On or before the close of each calendar quarter, the chief shall submit a written report to the technical advisory council established under section 1509.38 of the Revised Code describing the efforts of the division of oil and gas resources management to plug orphaned wells during the immediately preceding calendar quarter. The chief also shall include in the report all of the following information:

(a) The total number of known orphaned wells in the state and the total number in each county of the state;

(b) The total number of newly discovered orphaned wells during the immediately preceding calendar quarter;

(c) The total number of wells plugged in accordance with this section during the immediately preceding calendar quarter;

(d) The total number of wells plugged in accordance with this section and the estimated average and indirect costs of plugging activities conducted under this section prior to the date of the report;

(e) The number of wells approved for plugging in accordance with this section and the estimated average and

indirect costs of plugging activities conducted under this section during the immediately preceding calendar quarter.

(2) Not later than the thirty-first day of March of each year, the chief and the technical advisory council shall jointly provide a report containing, at a minimum, the information required to be included in the quarterly reports during the previous one-year period to all of the following:

(a) The speaker of the house of representatives;

(b) The president of the senate;

(c) The chair of the committee of the house of representatives responsible for energy and natural resources issues;

(d) The chair of the committee of the senate responsible for energy and natural resources issues.

(K)(1) Notwithstanding any section of the Revised Code to the contrary, the division of oil and gas resources management, on behalf of the state, shall own the right to carbon credits for any orphaned well plugged using state or federal money.

(2) The chief may enter into agreements to obtain or to sell carbon credits. The chief may use money from the sale of carbon credits for the purposes established in this section.

Sec. 1509.13. (A)(1) Except as otherwise provided in division (A)(2) of this section and division (E)(1) of section 1509.071 of the Revised Code, no person shall plug and abandon a well without having a permit to do so issued by the chief of the division of oil and gas resources management. The permit shall be issued by the chief in accordance with this chapter and shall be valid for a period of twenty-four months from the date of

issue.

(2) The holder of a valid permit issued under section 1509.06 of the Revised Code may receive approval from an oil and gas resources inspector to plug and abandon the well associated with that permit, without obtaining the permit required under division (A) of this section, if either of the following apply:

(a) The well was drilled to total depth and the well cannot or will not be completed.

(b) The well is a lost hole or dry hole.

(3) A permit holder plugging a well pursuant to division (A)(2)(a) of this section shall plug the well within thirty days of receipt of approval from the oil and gas resources inspector.

(4) A permit holder plugging a well pursuant to division (A)(2)(b) of this section shall plug the well immediately after determining that the well is a lost hole or dry hole in accordance with rules adopted under this chapter.

(B) The application for a permit to plug and abandon shall be filed as many days in advance as will be necessary for an oil and gas resources inspector or, if the well is located in a coal bearing township, both a deputy mine inspector and an oil and gas resources inspector to be present at the plugging. The application shall be filed with the chief upon a form that the chief prescribes and shall contain the following information:

(1) The name and address of the applicant;

(2) The signature of the applicant or the applicant's authorized agent. When an authorized agent signs an application, it shall be accompanied by a certified copy of the appointment as that agent.

(3) The location of the well identified by section or lot number, city, village, township, and county;

(4) Designation of well by name and number;

(5) The total depth of the well to be plugged;

(6) The date and amount of last production from the well;

(7) Other information that the chief may require.

(C) Unless waived by an oil and gas resources inspector, the owner of a well or the owner's authorized representative shall notify an oil and gas resources inspector at least twenty-four hours prior to the commencement of the plugging of a well. No well shall be plugged and abandoned without an oil and gas resources inspector present unless permission has been granted by the chief. The owner of a well that has produced oil or gas shall give written notice at the same time to the owner of the land upon which the well is located and to all lessors that receive gas from the well pursuant to an agreement. If the well penetrates or passes within one hundred feet of the excavations and workings of a mine, the owner of the well shall give written notice to the owner or lessee of that mine of the intention to abandon the well and of the time when the owner of the well will be prepared to commence plugging it.

~~(D)~~ (D)(1) An applicant may file a request with the chief for expedited review of an application for a permit to plug and abandon a well. ~~The chief may refuse to accept a request for expedited review if, in the chief's judgment, acceptance of the request will prevent the issuance, within twenty-one days of filing, of permits for which applications filed under section 1509.06 of the Revised Code are pending.~~ In addition to a complete application for a permit that meets the requirements of

this section, a request for expedited review shall be accompanied by a nonrefundable filing fee of five hundred dollars unless the chief has ordered the applicant to plug and abandon the well. When a request for expedited review is filed, the chief shall immediately begin to process the application and shall issue a permit within seven days of the filing of the request unless the chief, by order, denies the application.

(2) No owner shall apply for an expedited permit under this section more than ten times within a calendar year. However, if an emergency requires that an expedited permit be issued, as determined by the chief, an owner that is otherwise prohibited from obtaining an expedited permit under this division may apply for an expedited permit and the chief may so issue it.

(E)(1) Except as otherwise provided in division (E)(2) of this section, any person undertaking the plugging of a well for which a permit has been issued under this section shall obtain insurance for bodily injury coverage and property damage coverage in the amount established under section 1509.07 of the Revised Code to pay for damages or injury to property or person, including damages caused by the plugging of the well. The person shall electronically submit proof of insurance to the chief upon the chief's request.

(2) Division (E)(1) of this section does not apply to a person already required to maintain an insurance policy under section 1509.07 of the Revised Code.

(F) This section does not apply to a well plugged or abandoned in compliance with section 1571.05 of the Revised Code.

Sec. 1509.22. (A) Except when acting in accordance with section 1509.226 of the Revised Code, no person shall place or cause to be placed in ground water or in or on the land or discharge or cause to be discharged in surface water brine, crude oil, natural gas, or other fluids associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources that causes or could reasonably be anticipated to cause damage or injury to public health or safety or the environment.

(B)(1) No person shall store or dispose of brine in violation of a plan approved under division (A) of section 1509.222 or section 1509.226 of the Revised Code, in violation of a resolution submitted under section 1509.226 of the Revised Code, or in violation of rules or orders applicable to those plans or resolutions.

(2)(a) On and after January 1, 2014, no person shall store, recycle, treat, process, or dispose of in this state brine or other waste substances associated with the exploration, development, well stimulation, production operations, or plugging of oil and gas resources without an order or a permit issued under this section or section 1509.06 or 1509.21 of the Revised Code or rules adopted under any of those sections. For purposes of division (B)(2)(a) of this section, a permit or other form of authorization issued by another agency of the state or a political subdivision of the state shall not be considered a permit or order issued by the chief of the division of oil and gas resources management under this chapter.

(b) Division (B)(2)(a) of this section does not apply to a person that disposes of such waste substances other than brine in accordance with Chapter 3734. of the Revised Code and rules

adopted under it.

(C) The chief shall adopt rules regarding storage, recycling, treatment, processing, and disposal of brine and other waste substances. The rules shall establish procedures and requirements in accordance with which a person shall apply for a permit or order for the storage, recycling, treatment, processing, or disposal of brine and other waste substances that are not subject to a permit issued under section 1509.06 or 1509.21 of the Revised Code and in accordance with which the chief may issue such a permit or order. An application for such a permit shall be accompanied by a nonrefundable fee of two thousand five hundred dollars.

The storage, recycling, treatment, processing, and disposal of brine and other waste substances and the chief's rules relating to storage, recycling, treatment, processing, and disposal are subject to all of the following standards:

(1) Brine from any well except an exempt Mississippian well shall be disposed of only as follows:

(a) By injection into an underground formation, including annular disposal if approved by rule of the chief, which injection shall be subject to division (D) of this section;

(b) By surface application in accordance with section 1509.226 of the Revised Code;

(c) In association with a method of enhanced recovery as provided in section 1509.21 of the Revised Code;

(d) In any other manner not specified in divisions (C)(1)(a) to (c) of this section that is approved by a permit or order issued by the chief.

(2) Brine from exempt Mississippian wells shall not be discharged directly into the waters of the state.

(3) Muds, cuttings, and other waste substances shall not be disposed of in violation of this chapter or any rule adopted under it.

(4) Pits or steel tanks shall be used as authorized by the chief for containing brine and other waste substances resulting from, obtained from, or produced in connection with drilling, well stimulation, reworking, reconditioning, plugging back, or plugging operations. The pits and steel tanks shall be constructed and maintained to prevent the escape of brine and other waste substances.

(5) A dike or pit may be used for spill prevention and control. A dike or pit so used shall be constructed and maintained to prevent the escape of brine and crude oil, and the reservoir within such a dike or pit shall be kept reasonably free of brine, crude oil, and other waste substances.

(6) Impoundments constructed utilizing a synthetic liner pursuant to the division's specifications may be used for the temporary storage of waste substances used in the construction, stimulation, or plugging of a well.

(7) No pit or dike shall be used for the temporary storage of brine or other waste substances except in accordance with divisions (C)(4) and (5) of this section.

(8) No pit or dike shall be used for the ultimate disposal of brine or other liquid waste substances.

(D)(1) No person, without first having obtained a permit from the chief, shall inject brine or other waste substances resulting from, obtained from, or produced in connection with

oil or gas drilling, exploration, or production into an underground formation unless a rule of the chief expressly authorizes the injection without a permit. The permit shall be in addition to any permit required by section 1509.05 of the Revised Code, and the permit application shall be accompanied by a permit fee of one thousand dollars. The chief shall adopt rules in accordance with Chapter 119. of the Revised Code regarding the injection into wells of brine and other waste substances resulting from, obtained from, or produced in connection with oil or gas drilling, exploration, or production. The rules shall include provisions regarding all of the following:

(a) Applications for and issuance of the permits required by this division;

(b) Entry to conduct inspections and to examine and copy records to ascertain compliance with this division and rules, orders, and terms and conditions of permits adopted or issued under it;

(c) The provision and maintenance of information through monitoring, recordkeeping, and reporting. In addition, the rules shall require the owner of an injection well who has been issued a permit under division (D) of this section to quarterly submit electronically to the chief information concerning each shipment of brine or other waste substances received by the owner for injection into the well.

(d) The provision and electronic reporting quarterly of information concerning brine and other waste substances from a transporter that is registered under section 1509.222 of the Revised Code prior to the injection of the transported brine or other waste substances;

(e) Any other provisions in furtherance of the goals of this section and the Safe Drinking Water Act.

(2) The chief may adopt rules in accordance with Chapter 119. of the Revised Code authorizing tests to evaluate whether fluids or carbon dioxide may be injected in a reservoir and to determine the maximum allowable injection pressure, which shall be conducted in accordance with methods prescribed in the rules or in accordance with conditions of the permit. In addition, the chief may adopt rules that do both of the following:

(a) Establish the total depth of a well for which a permit has been applied for or issued under this division;

(b) Establish requirements and procedures to protect public health and safety.

(3) To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit for the injection of brine or other waste substances resulting from, obtained from, or produced in connection with oil or gas drilling, exploration, or production unless the chief concludes that the applicant has demonstrated that the injection will not result in the presence of any contaminant in ground water that supplies or can reasonably be expected to supply any public water system, such that the presence of the contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons.

(4) The chief may issue an order to the owner of a well in existence on September 10, 2012, to make changes in the operation of the well in order to correct problems or to address safety concerns.

(5) This division and rules, orders, and terms and conditions of permits adopted or issued under it shall be construed to be no more stringent than required for compliance with the Safe Drinking Water Act unless essential to ensure that underground sources of drinking water will not be endangered.

(E) The owner holding a permit, or an assignee or transferee who has assumed the obligations and liabilities imposed by this chapter and any rules adopted or orders issued under it pursuant to section 1509.31 of the Revised Code, and the operator of a well shall be liable for a violation of this section or any rules adopted or orders or terms or conditions of a permit issued under it.

(F) An owner shall replace the water supply of the holder of an interest in real property who obtains all or part of the holder's supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where the supply has been substantially disrupted by contamination, diminution, or interruption proximately resulting from the owner's oil or gas operation, or the owner may elect to compensate the holder of the interest in real property for the difference between the fair market value of the interest before the damage occurred to the water supply and the fair market value after the damage occurred if the cost of replacing the water supply exceeds this difference in fair market values. However, during the pendency of any order issued under this division, the owner shall obtain for the holder or shall reimburse the holder for the reasonable cost of obtaining a water supply from the time of the contamination, diminution, or interruption by the operation until the owner has complied with an order of the chief for compliance with this division or such an order has been revoked or otherwise becomes not effective. If

the owner elects to pay the difference in fair market values, but the owner and the holder have not agreed on the difference within thirty days after the chief issues an order for compliance with this division, within ten days after the expiration of that thirty-day period, the owner and the chief each shall appoint an appraiser to determine the difference in fair market values, except that the holder of the interest in real property may elect to appoint and compensate the holder's own appraiser, in which case the chief shall not appoint an appraiser. The two appraisers appointed shall appoint a third appraiser, and within thirty days after the appointment of the third appraiser, the three appraisers shall hold a hearing to determine the difference in fair market values. Within ten days after the hearing, the appraisers shall make their determination by majority vote and issue their final determination of the difference in fair market values. The chief shall accept a determination of the difference in fair market values made by agreement of the owner and holder or by appraisers under this division and shall make and dissolve orders accordingly. This division does not affect in any way the right of any person to enforce or protect, under applicable law, the person's interest in water resources affected by an oil or gas operation.

(G) In any action brought by the state for a violation of division (A) of this section involving any well at which annular disposal is used, there shall be a rebuttable presumption available to the state that the annular disposal caused the violation if the well is located within a one-quarter-mile radius of the site of the violation.

(H)(1) There is levied on the owner of an injection well who has been issued a permit under division (D) of this section the following fees:

(a) Five cents per barrel of each substance that is delivered to a well to be injected in the well when the substance is produced within the division of oil and gas resources management regulatory district in which the well is located or within an adjoining oil and gas resources management regulatory district;

(b) Twenty cents per barrel of each substance that is delivered to a well to be injected in the well when the substance is not produced within the division of oil and gas resources management regulatory district in which the well is located or within an adjoining oil and gas resources management regulatory district.

(2) The maximum number of barrels of substance per injection well in a calendar year on which a fee may be levied under division (H) of this section is five hundred thousand. If in a calendar year the owner of an injection well receives more than five hundred thousand barrels of substance to be injected in the owner's well and if the owner receives at least one substance that is produced within the division's regulatory district in which the well is located or within an adjoining regulatory district and at least one substance that is not produced within the division's regulatory district in which the well is located or within an adjoining regulatory district, the fee shall be calculated first on all of the barrels of substance that are not produced within the division's regulatory district in which the well is located or within an adjoining district at the rate established in division (H)(2) of this section. The fee then shall be calculated on the barrels of substance that are produced within the division's regulatory district in which the well is located or within an adjoining district at the rate established in division (H)(1) of this section until the maximum

number of barrels established in division (H)(2) of this section has been attained.

(3) The owner of an injection well who is issued a permit under division (D) of this section shall collect the fee levied by division (H) of this section on behalf of the division of oil and gas resources management and forward the fee to the division. The chief shall transmit all money received under division (H) of this section to the treasurer of state who shall ~~deposit the money in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code~~disburse the money to the county treasurer of the county in which the injection well is located. If the injection well is located in more than one county, the treasurer of state shall disburse the money equally to the county treasurer of each such county. The county treasurer shall deposit such money in the county's general fund. The owner of an injection well who collects the fee levied by this division may retain up to three per cent of the amount that is collected.

(4) The chief shall adopt rules in accordance with Chapter 119. of the Revised Code establishing requirements and procedures for collection of the fee levied by division (H) of this section.

Sec. 1509.221. (A) No person, without first having obtained a permit from the chief of the division of oil and gas resources management, shall drill a well or inject a substance into a well for the exploration for or extraction of minerals or energy, other than oil or natural gas, including, but not limited to, the mining of sulfur by the Frasch process, the solution mining of minerals, the in situ combustion of fossil fuel, or the recovery of geothermal energy to produce electric

power, unless a rule of the chief expressly authorizes the activity without a permit. The permit shall be in addition to any permit required by section 1509.05 of the Revised Code. The chief shall adopt rules in accordance with Chapter 119. of the Revised Code governing the issuance of permits under this section. The rules shall include provisions regarding the matters the applicant for a permit shall demonstrate to establish eligibility for a permit; the form and content of applications for permits; the terms and conditions of permits; entry to conduct inspections and to examine and copy records to ascertain compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder; provision and maintenance of information through monitoring, recordkeeping, and reporting; and other provisions in furtherance of the goals of this section and the Safe Drinking Water Act. To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit under this section, unless the chief concludes that the applicant has demonstrated that the drilling, injection of a substance, and extraction of minerals or energy will not result in the presence of any contaminant in underground water that supplies or can reasonably be expected to supply any public water system, such that the presence of the contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons. The chief may issue, without a prior ~~adjudication~~ hearing, orders requiring compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder. This section and rules, orders, and terms and conditions of permits adopted or issued thereunder shall be construed to be no more stringent than required for compliance with the Safe Drinking Water Act, unless essential to ensure that underground

sources of drinking water will not be endangered.

(B) In an action under section 1509.04 or 1509.33 of the Revised Code to enforce this section, the court shall grant preliminary and permanent injunctive relief and impose a civil penalty upon the showing that the person against whom the action is brought has violated, is violating, or will violate this section or rules, orders, or terms or conditions of permits adopted or issued thereunder. The court shall not require, prior to granting such preliminary and permanent injunctive relief or imposing a civil penalty, proof that the violation was, is, or will be the result of intentional conduct or negligence. In any such action, any person may intervene as a plaintiff upon the demonstration that the person has an interest that is or may be adversely affected by the activity for which injunctive relief or a civil penalty is sought.

Sec. 1509.23. (A) Rules of the chief of the division of oil and gas resources management may specify practices to be followed in the drilling and treatment of wells, production of oil and gas, and plugging of wells for protection of public health or safety or to prevent damage to natural resources, including specification of the following:

~~(A)~~ (1) Appropriate devices;

~~(B)~~ (2) Minimum distances that wells and other excavations, structures, and equipment shall be located from water wells, streets, roads, highways, rivers, lakes, streams, ponds, other bodies of water, railroad tracks, public or private recreational areas, zoning districts, and buildings or other structures. Rules adopted under this division shall not conflict with section 1509.021 of the Revised Code.

~~(C)~~ (3) Other methods of operation;

~~(D)~~ (4) Procedures, methods, and equipment and other requirements for equipment to prevent and contain discharges of oil and brine from oil production facilities and oil drilling and workover facilities consistent with and equivalent in scope, content, and coverage to section 311(j)(1)(c) of the "Federal Water Pollution Control Act Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, as amended, and regulations adopted under it. In addition, the rules may specify procedures, methods, and equipment and other requirements for equipment to prevent and contain surface and subsurface discharges of fluids, condensates, and gases.

~~(E)~~ (5) Notifications;

~~(F)~~ (6) Requirements governing the location and construction of fresh water impoundments that are part of a production operation.

(B) The chief shall not require an owner of a well to cease producing from, or limit production from, the well in order to engage in simultaneous operations on a well pad unless the chief demonstrates good cause to require the owner to cease production or limit production.

Sec. 1509.28. (A)(1) A person who has obtained the consent of the owners of at least sixty-five per cent of the land area overlying a pool or a part of a pool may submit an application for the operation as a unit of the entire pool or part of the pool to the chief of the division of oil and gas resources management. In calculating the sixty-five per cent, an owner's entire interest in each tract in the proposed unit area, including any divided, undivided, partial, fee, or other

interest in the tract, shall be included to the fullest extent of that interest.

(2) The chief may make a motion, without application, for the operation as a unit of an entire pool or part of the pool.

(B) An applicant shall include with the application for unit operation both of the following:

(1) A nonrefundable fee of ten thousand dollars;

(2) Any additional information requested by the chief.

(C)(1) The chief shall hold a hearing regarding an application submitted under division (A)(1) of this section or regarding the chief's motion made under division (A)(2) of this section. Except as otherwise provided in division (C)(2) of this section, the chief shall hold the hearing not more than sixty days after the date the chief receives the application or makes the motion, as applicable.

(2) If the chief determines that an application is materially incomplete before the required hearing date, the chief shall notify the applicant. The applicant shall respond to the chief not later than three business days from receipt of the notice to correct the application. If the applicant does not timely correct the application, the chief may reschedule the hearing date.

(3) At the hearing, the chief shall consider the need for the operation as a unit of an entire pool or part thereof.

(D) The chief shall make an order providing for the unit operation of a pool or part thereof if the chief finds that such operation is reasonably necessary to increase substantially the ultimate recovery of oil and gas, and the value of the estimated

additional recovery of oil or gas exceeds the estimated additional cost incident to conducting the operation. The chief shall issue the order not later than sixty days after the date of the hearing, unless the chief denies the application or motion by order within that sixty-day period.

(E) The order shall be upon terms and conditions that are just and reasonable and shall prescribe a plan for unit operations that shall include:

(1) A description of the unitized area, termed the unit area;

(2) A statement of the nature of the operations contemplated;

(3) An allocation to the separately owned tracts in the unit area of all the oil and gas that is produced from the unit area and is saved, being the production that is not used in the conduct of operations on the unit area or not unavoidably lost. The allocation shall be in accord with the agreement, if any, of the interested parties. If there is no such agreement, the chief shall determine the value, from the evidence introduced at the hearing, of each separately owned tract in the unit area, exclusive of physical equipment, for development of oil and gas by unit operations, and the production allocated to each tract shall be the proportion that the value of each tract so determined bears to the value of all tracts in the unit area.

(4) A provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials, and equipment contributed to the unit operations;

(5) A provision providing how the expenses of unit

operations, including capital investment, shall be determined and charged to the separately owned tracts and how the expenses shall be paid;

(6) A provision, if necessary, for carrying or otherwise financing any person who is unable to meet the person's financial obligations in connection with the unit, allowing a reasonable interest charge for such service;

(7) A provision for the supervision and conduct of the unit operations, in respect to which each person shall have a vote with a value corresponding to the percentage of the expenses of unit operations chargeable against the interest of that person;

(8) The time when the unit operations shall commence, and the manner in which, and the circumstances under which, the unit operations shall terminate;

(9) Such additional provisions as are found to be appropriate for carrying on the unit operations, and for the protection or adjustment of correlative rights.

(F) No order of the chief providing for unit operations shall become effective unless and until the plan for unit operations prescribed by the chief has been approved in writing by those owners who, under the chief's order, will be required to pay at least sixty-five per cent of the costs of the unit operation, and also by the royalty or, with respect to unleased acreage, fee owners of sixty-five per cent of the acreage to be included in the unit. If the plan for unit operations has not been so approved by owners and royalty owners at the time the order providing for unit operations is made, the chief shall upon application and notice hold such supplemental hearings as

may be required to determine if and when the plan for unit operations has been so approved. If the owners and royalty owners, or either, owning the required percentage of interest in the unit area do not approve the plan for unit operations within a period of six months from the date on which the order providing for unit operations is made, the order shall cease to be of force and shall be revoked by the chief.

(G) An order providing for unit operations may be amended by an order made by the chief, in the same manner and subject to the same conditions as an original order providing for unit operations, provided that:

(1) If such an amendment affects only the rights and interests of the owners, the approval of the amendment by the royalty owners shall not be required.

(2) No such order of amendment shall change the percentage for allocation of oil and gas as established for any separately owned tract by the original order, except with the consent of all persons owning interest in the tract.

(H) The chief, by an order, may provide for the unit operation of a pool or a part thereof that embraces a unit area established by a previous order of the chief. Such an order, in providing for the allocation of unit production, shall first treat the unit area previously established as a single tract, and the portion of the unit production so allocated thereto shall then be allocated among the separately owned tracts included in the previously established unit area in the same proportions as those specified in the previous order.

(I) Oil and gas allocated to a separately owned tract shall be deemed, for all purposes, to have been actually

produced from the tract, and all operations, including, but not limited to, the commencement, drilling, operation of, or production from a well upon any portion of the unit area shall be deemed for all purposes the conduct of such operations and production from any lease or contract for lands any portion of which is included in the unit area. ~~The operations~~ Operations conducted pursuant to the order of the chief shall constitute a fulfillment of all the express or implied ~~obligations~~ terms of each lease or contract covering lands in the unit area and shall not be construed to be a breach of any such terms ~~to the extent that compliance with such obligations cannot be had because of the order of the chief~~.

(J) Oil and gas allocated to any tract, and the proceeds from the sale thereof, shall be the property and income of the several persons to whom, or to whose credit, the same are allocated or payable under the order providing for unit operations.

(K) No order of the chief or other contract relating to the sale or purchase of production from a separately owned tract shall be terminated by the order providing for unit operations, but shall remain in force and apply to oil and gas allocated to the tract until terminated in accordance with the provisions thereof.

(L) Notwithstanding divisions (A) to (G) of section 155.33 of the Revised Code and rules adopted under it, the chief shall issue an order for the unit operation of a pool or a part of a pool that encompasses a unit area for which all or a portion of the mineral rights are owned by the department of transportation.

(M) Except to the extent that the parties affected so

agree, no order providing for unit operations shall be construed to result in a transfer of all or any part of the title of any person to the oil and gas rights in any tract in the unit area. All property, whether real or personal, that may be acquired for the account of the owners within the unit area shall be the property of such owners in the proportion that the expenses of unit operations are charged.

Sec. 1509.31. (A)(1) No person shall operate a well in this state unless the person first registers with and obtains an identification number from the chief of the division of oil and gas resources management.

(2) Whenever the entire interest of an oil and gas lease is assigned or otherwise transferred, the assignor or transferor shall notify the holders of the royalty interests, and, if a well or wells exist on the lease, the division of oil and gas resources management, of the name and address of the assignee or transferee by certified mail, return receipt requested, not later than thirty days after the date of the assignment or transfer. When notice of any such assignment or transfer is required to be provided to the division, it shall be provided on a form prescribed and provided by the division and verified by both the assignor or transferor and by the assignee or transferee. The notice form applicable to assignments or transfers of a well to the owner of the surface estate of the tract on which the well is located shall contain a statement informing the landowner that the well may require periodic servicing to maintain its productivity; that, upon assignment or transfer of the well to the landowner, the landowner becomes responsible for compliance with the requirements of this chapter and rules adopted under it, including, without limitation, the proper disposal of brine obtained from the well, the plugging of

the well when it becomes incapable of producing oil or gas, and the restoration of the well site; and that, upon assignment or transfer of the well to the landowner, the landowner becomes responsible for the costs of compliance with the requirements of this chapter and rules adopted under it and the costs for operating and servicing the well.

(3) Notwithstanding division (A)(2) of this section, the assignee or transferee shall notify the division of oil and gas resources management of the assignment or transfer if both of the following apply:

(a) The assignor or transferor failed to notify the division of the assignment or transfer as required by division (A)(2) of this section;

(b) The assignor or transferor is deceased, dissolved, cannot be located, or is otherwise incapable of complying with the notification requirement.

The assignee or transferee shall notify the division of the assignment or transfer on a form prescribed and provided by the division. At a minimum, the form shall require the assignee or transferee to attest that the assignee or transferee is the owner. The division shall not charge a fee for such assignment or transfer when notice is provided in accordance with division (A)(3) of this section.

(B) When the entire interest of a well is proposed to be assigned or otherwise transferred to the landowner for use as an exempt domestic well, the owner who has been issued a permit under this chapter for the well shall submit to the chief of the division of oil and gas resources management an application for the assignment or transfer that contains all documents that the

chief requires. The application for such an assignment or transfer shall be prescribed and provided by the chief. The chief may approve the application if the application is accompanied by a release of all of the oil and gas leases that are included in the applicable formation of the drilling unit, the release is in a form such that the well ownership merges with the fee simple interest of the surface tract, and the release is in a form that may be recorded. However, if the owner of the well does not release the oil and gas leases associated with the well that is proposed to be assigned or otherwise transferred or if the fee simple tract that results from the merger of the well ownership with the fee simple interest of the surface tract is less than five acres, the proposed exempt domestic well owner shall post a five thousand dollar bond with the division prior to the assignment or transfer of the well to ensure that the well will be properly plugged. The chief, for good cause, may modify the requirements of this section governing the assignment or transfer of the interests of a well to the landowner. Upon the assignment or transfer of the well, the owner of an exempt domestic well is not subject to the severance tax levied under section 5749.02 of the Revised Code, but is subject to all applicable fees established in this chapter.

~~(C) The~~ (C)(1) Except as otherwise provided in division (C)(2) of this section, the owner holding a permit under section 1509.05 of the Revised Code is responsible for all obligations and liabilities imposed by this chapter and any rules, orders, and terms and conditions of a permit adopted or issued under it, and no assignment or transfer by the owner relieves the owner of the obligations and liabilities until and unless the assignee or transferee files with the division the information described in

divisions (A)(1), (2), (3), (4), (5), (10), (11), and (12) of section 1509.06 of the Revised Code; transferee obtains liability insurance coverage required by section 1509.07 of the Revised Code, except when none is required by that section; and executes and files a surety bond, negotiable certificates of deposit or irrevocable letters of credit, or cash, as described in ~~that~~ section 1509.07 of the Revised Code. ~~Instead of a bond, but only upon acceptance by the chief, the assignee or transferee may file proof of financial responsibility, described in section 1509.07 of the Revised Code.~~ Section 1509.071 of the Revised Code applies to the surety bond, cash, and negotiable certificates of deposit and irrevocable letters of credit described in this section. Unless the chief approves a modification, each assignee or transferee shall operate in accordance with the plans and information filed by the permit holder pursuant to section 1509.06 of the Revised Code.

(2) For purposes of division (C)(1) of this section, the division may prescribe and provide a form that authorizes the assignor or transferor to provide on behalf of the assignee or transferee all of the following:

(a) The information that is described in divisions (A)(1), (2), (3), (4), (5), (10), (11), and (12) of section 1509.06 of the Revised Code;

(b) Proof of liability insurance as required under division (C)(1) of this section;

(c) Proof of the filing of a surety bond, negotiable certificates of deposit or irrevocable letters of credit, or cash as required under division (C)(1) of this section.

The form shall be verified and signed by both the assignor

or transferor and by the assignee or transferee. A form submitted under this division does not relieve the assignor or transferor of the obligations and liabilities until and unless all of the information required under division (C)(2) of this section is filed with division.

(D) If a mortgaged property that is being foreclosed is subject to an oil or gas lease, pipeline agreement, or other instrument related to the production or sale of oil or natural gas and the lease, agreement, or other instrument was recorded subsequent to the mortgage, and if the lease, agreement, or other instrument is not in default, the oil or gas lease, pipeline agreement, or other instrument, as applicable, has priority over all other liens, claims, or encumbrances on the property so that the oil or gas lease, pipeline agreement, or other instrument is not terminated or extinguished upon the foreclosure sale of the mortgaged property. If the owner of the mortgaged property was entitled to oil and gas royalties before the foreclosure sale, the oil or gas royalties shall be paid to the purchaser of the foreclosed property.

Sec. 1509.36. Any person adversely affected by an order by the chief of the division of oil and gas resources management may appeal to the oil and gas commission for an order vacating or modifying the order. Notwithstanding any provision of the Revised Code to the contrary, a person to whom a permit is issued by the chief may appeal any of the terms and conditions included in the permit to the commission.

The person so appealing to the commission shall be known as appellant and the chief shall be known as appellee. Appellant and appellee shall be deemed to be parties to the appeal.

The appeal shall be in writing and shall set forth the

order complained of and the grounds upon which the appeal is based. The appeal shall be filed with the commission within thirty days after the date upon which the person to whom the order was issued received the order and, for all other persons adversely affected by the order, within thirty days after the date of the order complained of. Notice of the filing of the appeal shall be filed with the chief within three days after the appeal is filed with the commission.

Upon the filing of the appeal, the commission may decide the appeal, in whole or in part, without a hearing when, in its judgment, it is appropriate to do so. If the commission decides to hold a hearing, the commission promptly shall fix the time and place at which the hearing on the appeal will be held, and shall give the appellant and the chief at least ten days' written notice thereof by mail. The commission may postpone or continue any hearing upon its own motion or upon application of the appellant or of the chief.

The filing of an appeal provided for in this section does not automatically suspend or stay execution of the order appealed from, but upon application by the appellant the commission may suspend or stay the execution pending determination of the appeal upon such terms as the commission considers proper.

Either party to the appeal or any interested person who, pursuant to commission rules has been granted permission to appear, may submit such evidence as the commission considers admissible.

For the purpose of conducting a hearing on an appeal, the commission may require the attendance of witnesses and the production of books, records, and papers, and it may, and at the

request of any party it shall, issue subpoenas for witnesses or subpoenas duces tecum to compel the production of any books, records, or papers, directed to the sheriffs of the counties where the witnesses are found. The subpoenas shall be served and returned in the same manner as subpoenas in criminal cases are served and returned. The fees of sheriffs shall be the same as those allowed by the court of common pleas in criminal cases. Witnesses shall be paid the fees and mileage provided for under section 119.094 of the Revised Code. Such fees and mileage expenses incurred at the request of appellant shall be paid in advance by the appellant, and the remainder of those expenses shall be paid out of funds appropriated for the expenses of the division of oil and gas resources management.

In case of disobedience or neglect of any subpoena served on any person, or the refusal of any witness to testify to any matter regarding which the witness may be lawfully interrogated, the court of common pleas of the county in which the disobedience, neglect, or refusal occurs, or any judge thereof, on application of the commission or any member thereof, shall compel obedience by attachment proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from that court or a refusal to testify therein. Witnesses at such hearings shall testify under oath, and any member of the commission may administer oaths or affirmations to persons who so testify.

If a hearing occurs and at the request of any party to the appeal, a record of the testimony and other evidence submitted shall be taken by an official court reporter at the expense of the party making the request for the record. The record shall include all of the testimony and other evidence and the rulings on the admissibility thereof presented at the hearing. The

commission shall pass upon the admissibility of evidence, but any party may at the time object to the admission of any evidence and except to the rulings of the commission thereon, and if the commission refuses to admit evidence the party offering same may make a proffer thereof, and such proffer shall be made a part of the record of the hearing.

If the commission finds that the order appealed from was lawful and reasonable, it shall make a written order affirming the order appealed from; if the commission finds that the order was unreasonable or unlawful, it shall make a written order vacating the order appealed from and making the order that it finds the chief should have made. Every order made by the commission shall contain a written finding by the commission of the facts upon which the order is based.

Notice of the making of the order shall be given forthwith to each party to the appeal by mailing a certified copy thereof to each such party by certified mail.

The order of the commission is final unless vacated by the court of common pleas of Franklin county in an appeal as provided for in section 1509.37 of the Revised Code. ~~Sections 1509.01 to 1509.37 of the Revised Code, providing for appeals relating to orders by the chief or by the commission, or relating to rules adopted by the chief, do not constitute the exclusive procedure that any person who believes the person's rights to be unlawfully affected by those sections or any official action taken thereunder must pursue in order to protect and preserve those rights, nor do those sections constitute a procedure that that person must pursue before that person may lawfully appeal to the courts to protect and preserve those rights.~~

Sec. 2305.041. (A) With respect to a lease or license by which a right is granted to operate or to sink or drill wells on land in this state for natural gas or petroleum and that is recorded in accordance with section 5301.09 of the Revised Code, an action alleging breach of any express or implied provision of the lease or license concerning the calculation or payment of royalties shall be brought within the time period that is specified in section 1302.98 of the Revised Code.

(B) An action alleging ~~a breach with respect to any other issue that the lease or license involves~~ either of the following shall be brought within the time period specified in section 2305.06 of the Revised Code:

(1) That a lease has terminated, is no longer in effect, or has expired;

(2) A breach with respect to any other issue that the lease or license involves.

Sec. 5577.02. (A) No person shall operate or move a trackless trolley, traction engine, steam roller, or other vehicle, load, object, or structure, whether propelled by muscular or motor power, over or upon the improved public streets, highways, bridges, or culverts in this state, that weighs in excess of the weights prescribed in sections 5577.01 to 5577.14 of the Revised Code, unless ~~the~~ one of the following applies:

(1) The person has been issued a permit under section 4513.34 of the Revised Code;

(2) The person has been issued a permit under section 1509.06 of the Revised Code, and the person has entered into an agreement concerning maintenance and safe use of the roads,

streets, and highways in accordance with division (A)(11)(b) of that section;

(3) The person has been issued a permit under section 1509.06 of the Revised Code, and the person has filed an affidavit attesting that the person has attempted in good faith to enter into an agreement in accordance with division (A)(11)(b) of that section, and, if the applicable county engineer determines it to be necessary, the person provides a bond to the county engineer in a reasonable amount determined by the county engineer. The amount of any such bond shall not be more than thirty thousand dollars per mile. Such person also shall notify the county engineer every two months during any period when a seasonal weight restriction applies, as authorized under section 5577.07 of the Revised Code, of the following information for divisible and non-divisible overweight loads:

(a) The time period that overweight vehicle movements are anticipated to occur;

(b) The dates that overweight vehicle movements actually did occur;

(c) The number of overweight vehicles anticipated to be involved.

(B) The prohibition in this section applies regardless of whether the weight is moved upon wheels, rollers, or otherwise. Any weight determination shall include the weight of the vehicle, object, structure, contrivance, and load.

Sec. 5727.02. As used in this chapter, "public utility," "electric company," "natural gas company," "pipe-line company," "water-works company," "water transportation company," or "heating company" does not include any of the following:

(A)(1) Except as provided in division (A)(2) of this section, any person that is engaged in some other primary business to which the supplying of electricity, heat, natural gas, water, water transportation, steam, or air to others is incidental.

(2) For tax year 2009 and each tax year thereafter, a person that is engaged in some other primary business to which the supplying of electricity to others is incidental shall be treated as an "electric company" and a "public utility" for purposes of this chapter solely to the extent required by section 5727.031 of the Revised Code.

(3) For purposes of division (A) of this section and section 5727.031 of the Revised Code:

(a) "Supplying of electricity" means generating, transmitting, or distributing electricity.

(b) A person that leases to others energy facilities with an aggregate nameplate capacity in this state of two hundred fifty kilowatts or less per lease is not supplying electricity to others.

(c) A person that owns, or leases from another person, energy facilities with an aggregate nameplate capacity in this state of two hundred fifty kilowatts or less is not supplying electricity to others, regardless of whether the owner or lessee engages in net metering as defined in section 4928.01 of the Revised Code.

(d) A political subdivision of this state that owns an energy facility is not supplying electricity to others regardless of the nameplate capacity of the facility if the primary purpose of the facility is to supply electricity for the

political subdivision's own use. As used in this division, "political subdivision" means a county, township, municipal corporation, or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state.

(B) Any person that supplies electricity, natural gas, water, water transportation, steam, or air to its tenants, whether for a separate charge or otherwise;

(C) Any person whose primary business in this state consists of producing, refining, or marketing petroleum or its products.

(D) Any person whose primary business in this state consists of producing or gathering natural gas rather than supplying or distributing natural gas to consumers. A person's primary business is gathering natural gas if the total dekatherms of natural gas the person gathers exceeds the total dekatherms of natural gas the person purchases from nongathered sources in a calendar year.

Section 2. That existing sections 155.33, 155.34, 1503.35, 1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 2305.041, 5577.02, and 5727.02 of the Revised Code are hereby repealed.

Section 3. The amendment by this act of section 5727.02 of the Revised Code applies to tax year 2027 and every tax year thereafter.

Section 4. That Section 343.30 of H.B. 96 of the 136th General Assembly be amended to read as follows:

Sec. 343.30. WELL LOG FILING FEES

The Chief of the Division of Water Resources shall deposit fees forwarded to the Division pursuant to section 1521.05 of the Revised Code into the Water Management Fund (Fund 5160) for the purposes described in that section.

OIL AND GAS WELL FUND

The Oil and Gas Well Fund (Fund 5180) shall be used solely and exclusively for the purposes enumerated in division (B) of section 1509.071 of the Revised Code, for the expenses of the Division of Oil and Gas Resources Management associated with the administration of Chapters 1509. and 1571. of the Revised Code and rules adopted under them, and for expenses that are critical and necessary for the protection of human health and safety and the environment related to oil and gas production in this state. Notwithstanding Section 503.20 of H.B. 96 of the 136th General Assembly, or any other provision of law to the contrary, money credited to the Oil and Gas Well Fund (Fund 5180) shall not be used to transfer cash to any other fund or appropriation item or for judgments and settlements unrelated to the Division of Oil and Gas Resources Management.

PARKS CAPITAL EXPENSES FUND

The Director of Natural Resources shall submit to the Director of Budget and Management the estimated design, engineering, and planning costs of capital-related work to be done by Department of Natural Resources staff for parks projects within the Ohio Parks and Recreation Improvement Fund (Fund 7035). If the Director of Budget and Management approves the estimated costs, the Director may release appropriations from Fund 7035 appropriation item C725E6, Project Planning, for those purposes. Upon release of the appropriations, the Department of Natural Resources shall pay for these expenses from the Parks

Capital Expenses Fund (Fund 2270). Expenses paid from Fund 2270 shall be reimbursed by Fund 7035 using an intrastate transfer voucher.

NATUREWORKS CAPITAL EXPENSES FUND

The Department of Natural Resources shall submit to the Director of Budget and Management the estimated design, planning, and engineering costs of capital-related work to be done by Department of Natural Resources staff for each capital improvement project within the Ohio Parks and Natural Resources Fund (Fund 7031). If the Director of Budget and Management approves the estimated costs, the Director may release appropriations from Fund 7031 appropriation item C725E5, Project Planning, for those purposes. Upon release of the appropriations, the Department of Natural Resources shall pay for these expenses from the Capital Expenses Fund (Fund 4S90). Expenses paid from Fund 4S90 shall be reimbursed by Fund 7031 using an intrastate transfer voucher.

PARKS AND RECREATION

The foregoing appropriation item 7256A6, Parks and Recreation, shall be used in conjunction with appropriation item 730321, Parks and Recreation, to support the Division of Parks and Watercraft.

PARK MAINTENANCE

The foregoing appropriation item 725514, Park Maintenance, shall be used by the Department of Natural Resources to pay the costs of projects supported by the State Park Maintenance Fund (Fund 5TD0) under section 1501.08 of the Revised Code.

On July 1 of each fiscal year or as soon as possible thereafter, the Director of Natural Resources shall certify the

amount of five percent of the average of the previous five years of deposits in the State Park Fund (Fund 5120) to the Director of Budget and Management. The Director of Budget and Management may transfer up to $2,200,000 from Fund 5120 to the State Park Maintenance Fund (Fund 5TD0).

Section 5. That existing Section 343.30 of H.B. 96 of the 136th General Assembly is hereby repealed.