

Senate Finance Committee

RE: H.B. No 96

Dear Senate Finance Committee,

I am writing today to oppose your proposed change to the House version of the State Biennial budget which affects the ODNR Division of Geological Survey's Fund 5110 – The divisions share of the state's oil and gas severance fund. The governor's and house versions of the budget contains an increase of this fund's share to the Geological Survey from 10% to 14%. The senate version, as it now stands, removes this small increase, leaving it at 10%. I am requesting that the senate leave this funds share to the Geological Survey at 14%. The bulk of the severance tax fund goes to the ODNR Division of Oil and Gas, which is the regulatory agency overseeing Ohio's Oil and Gas industry. Severance funds have been on a slight decline in Ohio since 2020. This decrease has a larger effect on the Division of Geological Survey than the larger regulatory agency. This increased percentage will NOT affect any of the regulatory programs at all and is not an increase of the tax on the oil and gas industry.

The Division of Geological Survey performs a large amount of work in support of the Oil and gas industry AND directly supports the oil and gas regulatory programs of ODNR. Below are just a few examples of the programs at the Geological Survey that support this important Ohio industry and its regulation.

- **Geophysical Well Log Archive:** The Survey serves as the official archive for all geophysical well logs collected by the oil and gas industry. These logs are essential for both industry use and for the state's Idle and Orphan Well Program, aiding in the responsible plugging of legacy wells.
- **Well Permitting:** The Division of Oil and Gas Resources Management relies on Geological Survey maps to confirm construction details during the well permitting process.
- **Casing Depth Determination:** The Geological Survey maps and regularly updates the deepest Underground Source of Drinking Water (USDW), which is a key dataset used to establish casing depths in oil and gas wells.
- **Water Well Database:** The Survey maintains the statewide database of water well locations and depths, critical components used to evaluate spacing requirements for all oil and gas permits.
- **Seismic Risk Mapping:** The Division of Geological Survey creates and updates seismic area maps, including fault lines and historical earthquake events, which inform special conditions for well permits in sensitive areas.

In addition to directly supporting the oil and gas regulatory programs the Geological Survey's geologists perform research on the oil and gas bearing rocks of Ohio providing many high quality publications and maps directly used by the oil and gas companies.

As a consultant to the oil and gas industry I am very familiar with the ODNR Divisions and the industry. I ask you to please consider returning this increase to the biennial budget.

Thank you for your consideration,

Lawrence Wickstrom

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