

As Reported by the House Natural Resources Committee

136th General Assembly

Regular Session

2025-2026

Sub. S. B. No. 219

Senator Landis

**Cosponsors: Senators Schaffer, Brenner, Chavez, Cirino, Johnson, Lang, O'Brien,
Patton, Reineke, Roegner, Romanchuk, Timken, Wilkin**

**Representatives Robb Blasdel, Hiner, Holmes, Johnson, Mathews, T., Salvo,
Workman**

To amend sections 127.14, 155.33, 155.34, 1509.01, 1
1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 2
1509.13, 1509.22, 1509.221, 1509.224, 1509.23, 3
1509.31, 1509.36, 1509.37, 2305.041, 2305.06, 4
5577.02, and 5727.02 of the Revised Code and to 5
amend Section 343.30 of H.B. 96 of the 136th 6
General Assembly to make changes to the law 7
governing oil and gas wells. 8

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

Section 1. That sections 127.14, 155.33, 155.34, 1509.01, 9
1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 10
1509.221, 1509.224, 1509.23, 1509.31, 1509.36, 1509.37, 11
2305.041, 2305.06, 5577.02, and 5727.02 of the Revised Code be 12
amended to read as follows: 13

Sec. 127.14. The controlling board may, at the request of 14
any state agency or the director of budget and management, 15
authorize, with respect to the provisions of any appropriation 16
act: 17

(A) Transfers of all or part of an appropriation within 18
but not between state agencies, except such transfers as the 19
director of budget and management is authorized by law to make, 20
provided that no transfer shall be made by the director for the 21
purpose of effecting new or changed levels of program service 22
not authorized by the general assembly; 23

(B) Transfers of all or part of an appropriation from one 24
fiscal year to another; 25

(C) Transfers of all or part of an appropriation within or 26
between state agencies made necessary by administrative 27
reorganization or by the abolition of an agency or part of an 28
agency; 29

(D) Transfers of all or part of cash balances in excess of 30
needs from any fund of the state to the general revenue fund or 31
to such other fund of the state to which the money would have 32
been credited in the absence of the fund from which the 33
transfers are authorized to be made, except that the controlling 34
board may not authorize such transfers from the accrued leave 35
liability fund, auto registration distribution fund, local motor 36
vehicle license tax fund, budget stabilization fund, building 37
improvement fund, development bond retirement fund, facilities 38
establishment fund, gasoline excise tax fund, general revenue 39
fund, higher education improvement fund, highway improvement 40
bond retirement fund, highway capital improvement fund, highway 41
operating fund, horse racing tax fund, improvements bond 42
retirement fund, public library fund, liquor control fund, local 43
government fund, local transportation improvement program fund, 44
medicaid reserve fund, mental health facilities improvement 45
fund, Ohio fairs fund, oil and gas well fund, parks and 46
recreation improvement fund, school district income tax fund, 47

state agency facilities improvement fund, public safety - 48
highway purposes fund, state lottery fund, undivided liquor 49
permit fund, Vietnam conflict compensation bond retirement fund, 50
volunteer fire fighters' dependents fund, waterways safety fund, 51
wildlife fund, workers' compensation fund, or any fund not 52
specified in this division that the director of budget and 53
management determines to be a bond fund or bond retirement fund; 54

(E) Transfers of all or part of those appropriations 55
included in the emergency purposes account of the controlling 56
board; 57

(F) Temporary transfers of all or part of an appropriation 58
or other moneys into and between existing funds, or new funds, 59
as may be established by law when needed for capital outlays for 60
which notes or bonds will be issued; 61

(G) Transfer or release of all or part of an appropriation 62
to a state agency requiring controlling board approval of such 63
transfer or release as provided by law; 64

(H) Temporary transfer of funds included in the emergency 65
purposes appropriation of the controlling board. Such temporary 66
transfers may be made subject to conditions specified by the 67
controlling board at the time temporary transfers are 68
authorized. No transfers shall be made under this division for 69
the purpose of effecting new or changed levels of program 70
service not authorized by the general assembly. 71

As used in this section, "request" means an application by 72
a state agency or the director of budget and management seeking 73
some action by the controlling board. 74

When authorizing the transfer of all or part of an 75
appropriation under this section, the controlling board may 76

authorize the transfer to an existing appropriation item and the 77
creation of and transfer to a new appropriation item. 78

Whenever there is a transfer of all or part of funds 79
included in the emergency purposes appropriation by the 80
controlling board, pursuant to division (E) of this section, the 81
state agency or the director of budget and management receiving 82
such transfer shall keep a detailed record of the use of the 83
transferred funds. At the earliest scheduled meeting of the 84
controlling board following the accomplishment of the purposes 85
specified in the request originally seeking the transfer, or 86
following the total expenditure of the transferred funds for the 87
specified purposes, the state agency or the director of budget 88
and management shall submit a report on the expenditure of such 89
funds to the board. The portion of any appropriation so 90
transferred which is not required to accomplish the purposes 91
designated in the original request to the controlling board 92
shall be returned to the proper appropriation of the controlling 93
board at this time. 94

Notwithstanding any provisions of law providing for the 95
deposit of revenues received by a state agency to the credit of 96
a particular fund in the state treasury, whenever there is a 97
temporary transfer of funds included in the emergency purposes 98
appropriation of the controlling board pursuant to division (H) 99
of this section, revenues received by any state agency receiving 100
such a temporary transfer of funds shall, as directed by the 101
controlling board, be transferred back to the emergency purposes 102
appropriation. 103

The board may delegate to the director of budget and 104
management authority to approve transfers among items of 105
appropriation under division (A) of this section. 106

Sec. 155.33. (A) (1) Beginning on April 7, 2023, and ending 107
on the effective date of the rules adopted under section 155.34 108
of the Revised Code, a state agency shall lease, in good faith, 109
a formation within a parcel of land that is owned or controlled 110
by the state agency for the exploration for and development and 111
production of oil or natural gas. The lease shall be on terms 112
that are just and reasonable, as determined by custom and 113
practice in the oil and gas industry, and shall include at least 114
the terms required under ~~divisions (A) (1) (a) to (d)~~ division (A) 115
of section 155.34 of the Revised Code as that division existed 116
prior to the effective date of this amendment. The person 117
seeking to lease the formation shall submit to the state agency 118
the proof described in divisions (D) (5) (a) and (b) of this 119
section before entering into the lease. On and after the 120
effective date of the rules adopted under section 155.34 of the 121
Revised Code, a formation within a parcel of land that is owned 122
or controlled by a state agency may be leased for the 123
exploration for and development and production of oil or natural 124
gas only in accordance with divisions (A) (2) to (H) of this 125
section and those rules. 126

(2) On and after the effective date of rules adopted under 127
section 155.34 of the Revised Code, any person or state agency 128
that is interested in leasing a formation within a parcel of 129
land that is owned or controlled by a state agency for the 130
exploration for and the development and production of oil or 131
natural gas may submit to the oil and gas land management 132
commission a nomination that shall include all of the following: 133

(a) The name of the person making the nomination and the 134
person's address, telephone number, and email address; 135

(b) An identification of the formation and parcel of land 136

proposed to be leased that specifies all of the following:	137
(i) The percentage of the interest owned or controlled by	138
the state agency, and whether that interest is divided,	139
undivided, or partial;	140
(ii) The source deed by book and page numbers, including	141
the description and acreage of the parcel and an identification	142
of the county, section, township, and range in which the parcel	143
is located;	144
(iii) A plat map depicting the area in which the parcel is	145
located.	146
(c) If the person making the nomination is not a state	147
agency, a nomination fee of one hundred fifty dollars;	148
(d) The proposed lease bonus that applies to the	149
nomination and any additional proposed gross landowner royalty	150
that applies to the nomination that is in addition to the amount	151
required under division (A) (1) (b) of section 155.34 of the	152
Revised Code;	153
(e) If the person making the nomination is not a state	154
agency, proof of both of the following:	155
(i) That the person has obtained the insurance and	156
financial assurance required under section 1509.07 of the	157
Revised Code;	158
(ii) That the person has registered with and obtained an	159
identification number from the division of oil and gas resources	160
management under section 1509.31 of the Revised Code.	161
(3) In order to encourage the submission of nominations	162
and the responsible and reasonable development of the state's	163
natural resources, only the information submitted under division	164

(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;	194
(d) Any potential adverse geological impact that would	195
result if the lease of a formation that is the subject of the	196
nomination were approved;	197
(e) Any potential impact to visitors or users of a parcel	198
of land that is the subject of the nomination;	199
(f) Any potential impact to the operations or equipment of	200
a state agency that is a state university or college if the	201
lease of a formation within a parcel of land owned or controlled	202
by the university or college that is the subject of the	203
nomination were executed;	204
(g) Any comments or objections to the nomination submitted	205
to the commission by the state agency that owns or controls the	206
parcel of land on which the proposed oil or natural gas	207
operation would take place;	208
(h) Any comments or objections to the nomination submitted	209
to the commission by residents of this state or other users of	210
the parcel of land that is the subject of the nomination;	211
(i) Any special terms and conditions the state agency	212
included in its comments or objections that the state agency	213
believes are appropriate for the lease of the parcel of land	214
because of specific conditions related to that parcel of land.	215
(2) The commission shall approve or disapprove a	216
nomination not later than two calendar quarters <u>ninety days</u>	217
following the receipt of the nomination. The commission shall	218
post notice of the commission's decision on the commission's web	219
site and send notice of the decision by email and by certified	220
mail to the person that submitted the nomination and to the	221
state agency that owns or controls the formation within the	222

parcel of land that is the subject of the nomination. 223

(C) ~~Each calendar quarter, the~~ The commission shall 224
proceed to advertise for bids for a lease for a formation within 225
a parcel of land that was the subject of a nomination approved 226
~~during the previous calendar quarter~~ by the commission. The 227
commission shall publish the advertisement on its web site for a 228
period of time established by the commission. The advertisement 229
shall include all of the following: 230

(1) An identification of each formation and parcel of land 231
proposed to be leased that includes all of the information 232
specified in division (A) (2) (b) of this section; 233

(2) The deadline for the submission of bids; 234

(3) A statement that each bid must contain all of the 235
items required under division (D) of this section; 236

(4) A statement that a standard lease form that is 237
consistent with the practices of the oil and natural gas 238
industries and adopted by rule by the commission will be used 239
for the lease of a formation within the parcel of land; 240

(5) Any special terms and conditions that may apply to the 241
lease because of specific conditions related to the parcel of 242
land; 243

(6) The amount of the bid fee that is required to be 244
submitted with a bid; 245

(7) Any other information that the commission considers 246
pertinent to the advertisement for bids. 247

(D) A person interested in leasing a formation within a 248
parcel of land owned or controlled by a state agency for the 249
exploration for and development and production of oil or natural 250

gas may submit a bid to the commission on a parcel by parcel	251
basis that contains all of the following:	252
(1) A bid fee of twenty-five dollars;	253
(2) The name of the person making the bid and the person's address, telephone number, and email address;	254 255
(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;	256 257 258
(4) The proposed lease bonus 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;	259 260 261 262
(5) Proof of both of the following:	263
(a) That the person has obtained the insurance and financial assurance required under section 1509.07 of the Revised Code;	264 265 266
(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.	267 268 269
(6) Any other information that the person believes is relevant to the bid.	270 271
(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	272 273 274 275 276 277 278

this section. 279

~~The~~ Not later than sixty days following a nomination's 280
approval, the commission shall select the person who submits the 281
highest and best bid, taking into account the financial 282
responsibility of the prospective lessee and the ability of the 283
prospective lessee to perform its obligations under the lease. 284
After the commission selects a person, the commission shall 285
notify the applicable state agency and send the person's bid to 286
the agency. The state agency shall enter into a lease with the 287
person selected by the commission. The state agency shall fully 288
execute the lease and deliver it to the selected person not 289
later than thirty days after the commission selects such person. 290
The person shall execute the lease and deliver it back to the 291
state agency not later than forty-five days after receiving such 292
lease. If a person fails to so execute and deliver the lease, 293
the lease is void. 294

(G) (1) Except as otherwise provided in section 155.37 of 295
the Revised Code, all money received by a state agency from 296
signing fees, rentals, and royalty payments for leases entered 297
into under this section shall be paid by the state agency into 298
the state treasury to the credit of the state land royalty fund 299
created in section 131.50 of the Revised Code. 300

(2) All money received from nomination fees and bid fees 301
shall be paid into the state treasury to the credit of the oil 302
and gas land management commission administration fund created 303
in section 155.35 of the Revised Code. 304

(H) Notwithstanding any other provision of this section to 305
the contrary, a nature preserve as defined in section 1517.01 of 306
the Revised Code that is owned or controlled by a state agency 307
shall not be nominated or leased under this section for the 308

purpose of exploring for and developing and producing oil and 309
natural gas resources. 310

(I) Except as otherwise provided in this chapter, the 311
commission and any state agency shall not require as part of a 312
bid or lease either of the following: 313

(1) Any royalty payment in excess of the amount specified 314
in division (A) (1) (b) of section 155.34 of the Revised Code; 315

(2) Any additional payment that the commission or agency 316
is not specifically authorized or required to charge under this 317
section. 318

Sec. 155.34. (A) ~~Not later than one hundred twenty days~~ 319
~~after September 30, 2021, the~~ The oil and gas land management 320
commission shall adopt rules in accordance with Chapter 119. of 321
the Revised Code establishing ~~both~~ all of the following: 322

(1) A standard lease form that shall be used by a state 323
agency for leases entered into under this chapter, is consistent 324
with the practices of the oil and natural gas industries, and 325
contains all of the following: 326

(a) A prohibition against the use of the surface of the 327
parcel of land for oil and gas development unless the state 328
agency, in its sole discretion, chooses to negotiate and execute 329
a written surface use agreement established under this section; 330

(b) A one-eighth gross landowner royalty; 331

(c) A shut-in royalty provision that requires annual 332
payments equal to the sum of fifty dollars per net mineral acre; 333

(d) A primary term of five years; 334

~~(d)~~ (e) An option for the lessee to extend the primary term 335

of the lease for an additional ~~three~~five years by tendering to 336
the state agency the same bonus paid when first entering into 337
the lease.; 338

(f) A provision that states: "Notwithstanding any other 339
provision of this Lease to the contrary, Lessee is entitled to 340
pay any advanced delay rentals/bonus amounts owed under this 341
Lease within sixty (60) calendar days after Lessee receives a 342
copy of this Lease executed by Lessor." 343

(g) A provision that states: "Notwithstanding any other 344
provision of this Lease to the contrary, in the event that a 345
parcel subject to this Lease was acquired or improved through, 346
or is otherwise encumbered by, a federal grant program, the 347
Primary Term of the Lease shall be tolled until the requirements 348
of the program, and any related grant documents, have been fully 349
satisfied by Lessor and Lessor notifies Lessee in writing of 350
same." 351

(h) A provision that states: "Notwithstanding any other 352
provision of this Lease to the contrary, in the event that a 353
parcel subject to this Lease was acquired or improved through, 354
or is otherwise encumbered by, a federal grant program, Lessee 355
may defer payment of all sums otherwise due and owing under this 356
Lease until the requirements of the program, and any related 357
grant documents, have been fully satisfied by Lessor and Lessor 358
notifies Lessee in writing of same." 359

(i) A provision that states: "Notwithstanding any other 360
provision of this Lease to the contrary, in the event that 361
litigation of any kind or character is filed by a third party 362
that prevents the Lessee from conducting operations under the 363
Lease, including an appeal before a court or the oil and gas 364
commission, the Primary Term of the Lease shall be tolled until 365

such time as there is a final, nonappealable order entered in 366
such litigation." 367

(j) A provision that states: "Notwithstanding any other 368
provision of this Lease to the contrary, in the event that 369
litigation of any kind or character is filed by a third party 370
that prevents the Lessee from conducting operations under the 371
Lease, including an appeal before a court or the oil and gas 372
commission, Lessee may defer payment of all sums otherwise due 373
and owing under this Lease until a final, nonappealable order is 374
entered in such litigation." 375

(k) A provision that states: "Except as explicitly 376
provided in this Lease, the Primary Term of the Lease may be 377
tolled and payments may be deferred only as a result of an event 378
of force majeure." 379

(2) A requirement that, notwithstanding any provision of 380
law to the contrary, a lessee shall not be required to terminate 381
drilling operations under a lease when a civil action is filed 382
against the lessee, unless the applicable court issues an 383
injunction or otherwise orders such drilling operations to 384
cease. 385

(3) Any other procedures necessary to implement sections 386
155.30 to 155.36 of the Revised Code, subject to division (I) of 387
section 155.33 of the Revised Code. 388

(B) ~~Not later than one hundred twenty days after September~~ 389
~~30, 2021, the~~ The commission shall establish a standard surface 390
use agreement that a state agency shall use to authorize the use 391
of the surface of a leased parcel of land. 392

(C) Section 121.95 of the Revised Code does not apply to 393
rules adopted under this section and the commission is not 394

subject to any requirements of that section. 395

Sec. 1509.01. As used in this chapter: 396

(A) "Well" means any borehole, whether drilled or bored, 397
within the state for production, extraction, or injection of any 398
gas or liquid mineral, excluding potable water to be used as 399
such, but including natural or artificial brines and oil field 400
waters. "Well" includes a stratigraphic well. 401

(B) "Oil" means crude petroleum oil and all other 402
hydrocarbons, regardless of gravity, that are produced in liquid 403
form by ordinary production methods, but does not include 404
hydrocarbons that were originally in a gaseous phase in the 405
reservoir. 406

(C) "Gas" means all natural gas and all other fluid 407
hydrocarbons that are not oil, including condensate. 408

(D) "Condensate" means liquid hydrocarbons separated at or 409
near the well pad or along the gas production or gathering 410
system prior to gas processing. 411

(E) "Pool" means an underground reservoir containing a 412
common accumulation of oil or gas, or both, but does not include 413
a gas storage reservoir. Each zone of a geological structure 414
that is completely separated from any other zone in the same 415
structure may contain a separate pool. 416

(F) "Field" means the general area underlaid by one or 417
more pools. 418

(G) "Drilling unit" means the minimum acreage on which one 419
well may be drilled, but does not apply to a well for injecting 420
gas into or removing gas from a gas storage reservoir and does 421
not apply to a stratigraphic well. 422

(H) "Waste" includes all of the following:	423
(1) Physical waste, as that term generally is understood	424
in the oil and gas industry;	425
(2) Inefficient, excessive, or improper use, or the	426
unnecessary dissipation, of reservoir energy;	427
(3) Inefficient storing of oil or gas;	428
(4) Locating, drilling, equipping, operating, or producing	429
an oil or gas well in a manner that reduces or tends to reduce	430
the quantity of oil or gas ultimately recoverable under prudent	431
and proper operations from the pool into which it is drilled or	432
that causes or tends to cause unnecessary or excessive surface	433
loss or destruction of oil or gas;	434
(5) Other underground or surface waste in the production	435
or storage of oil, gas, or condensate, however caused.	436
(I) "Correlative rights" means the reasonable opportunity	437
to every person entitled thereto to recover and receive the oil	438
and gas in and under the person's tract or tracts, or the	439
equivalent thereof, without having to drill unnecessary wells or	440
incur other unnecessary expense.	441
(J) "Tract" means a single, individual parcel of land or a	442
portion of a single, individual parcel of land.	443
(K) (K) (1) "Owner," unless referring to a mine <u>or except as</u>	444
<u>provided in division (K) (2) of this section</u> , means the person	445
who has the right to drill on a tract or drilling unit, to drill	446
into and produce from a pool, and to appropriate the oil or gas	447
produced therefrom either for the person or for others, except	448
that a person ceases to be an owner with respect to a well when	449
the well has been plugged in accordance with applicable rules	450

adopted and orders issued under this chapter. "Owner"	451
<u>(2) "Owner," for purposes of obtaining a permit under</u>	452
<u>section 1509.06 of the Revised Code, means each person having</u>	453
<u>the right to drill on a tract or drilling unit, to drill into</u>	454
<u>and produce from a pool, and to appropriate the oil and gas</u>	455
<u>produced therefrom either for the person or for others, except</u>	456
<u>that a person ceases to be an owner with respect to a well when</u>	457
<u>the well has been plugged in accordance with applicable rules</u>	458
<u>adopted and orders issued under this chapter.</u>	459
<u>(3) "Owner" does not include a person who obtains a lease</u>	460
<u>of the mineral rights for oil and gas on a parcel of land if the</u>	461
<u>person does not attempt to produce or produce oil or gas from a</u>	462
<u>well or obtain a permit under this chapter for a well or if the</u>	463
<u>entire interest of a well is transferred to the person in</u>	464
<u>accordance with division (B) of section 1509.31 of the Revised</u>	465
<u>Code.</u>	466
(L) "Royalty interest" means the fee holder's share in the	467
production from a well, except a stratigraphic well.	468
(M) "Discovery well" means the first well, except a	469
stratigraphic well, capable of producing oil or gas in	470
commercial quantities from a pool.	471
(N) "Prepared clay" means a clay that is plastic and is	472
thoroughly saturated with fresh water to a weight and	473
consistency great enough to settle through saltwater in the well	474
in which it is to be used, except as otherwise approved by the	475
chief of the division of oil and gas resources management.	476
(O) "Rock sediment" means the combined cutting and residue	477
from drilling sedimentary rocks and formation.	478
(P) "Excavations and workings," "mine," and "pillar" have	479

the same meanings as in section 1561.01 of the Revised Code. 480

(Q) "Coal bearing township" means a township designated as 481
such by the chief of the division of mineral resources 482
management under section 1561.06 of the Revised Code. 483

(R) "Gas storage reservoir" means a continuous area of a 484
subterranean porous sand or rock stratum or strata into which 485
gas is or may be injected for the purpose of storing it therein 486
and removing it therefrom and includes a gas storage reservoir 487
as defined in section 1571.01 of the Revised Code. 488

(S) "Safe Drinking Water Act" means the "Safe Drinking 489
Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended 490
by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 491
42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 492
1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking 493
Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 494
300(f), and regulations adopted under those acts. 495

(T) "Person" includes any political subdivision, 496
department, agency, or instrumentality of this state; the United 497
States and any department, agency, or instrumentality thereof; 498
any legal entity defined as a person under section 1.59 of the 499
Revised Code; and any other form of business organization or 500
entity recognized by the laws of this state. 501

(U) "Brine" means all saline geological formation water 502
resulting from, obtained from, or produced in connection with 503
exploration, drilling, well stimulation, production of oil or 504
gas, or plugging of a well. 505

(V) "Waters of the state" means all streams, lakes, ponds, 506
marshes, watercourses, waterways, springs, irrigation systems, 507
drainage systems, and other bodies of water, surface or 508

underground, natural or artificial, that are situated wholly or 509
partially within this state or within its jurisdiction, except 510
those private waters that do not combine or effect a junction 511
with natural surface or underground waters. 512

(W) "Exempt Mississippian well" means a well that meets 513
all of the following criteria: 514

(1) Was drilled and completed before January 1, 1980; 515

(2) Is located in an unglaciated part of the state; 516

(3) Was completed in a reservoir no deeper than the 517
Mississippian Big Injun sandstone in areas underlain by 518
Pennsylvanian or Permian stratigraphy, or the Mississippian 519
Berea sandstone in areas directly underlain by Permian 520
stratigraphy; 521

(4) Is used primarily to provide oil or gas for domestic 522
use. 523

(X) "Exempt domestic well" means a well that meets all of 524
the following criteria: 525

(1) Is owned by the owner of the surface estate of the 526
tract on which the well is located; 527

(2) Is used primarily to provide gas for the owner's 528
domestic use; 529

(3) Is located more than two hundred feet horizontal 530
distance from any inhabited private dwelling house other than an 531
inhabited private dwelling house located on the tract on which 532
the well is located; 533

(4) Is located more than two hundred feet horizontal 534
distance from any public building that may be used as a place of 535

resort, assembly, education, entertainment, lodging, trade, 536
manufacture, repair, storage, traffic, or occupancy by the 537
public. 538

(Y) "Urbanized area" means an area where a well or 539
production facilities of a well are located within a municipal 540
corporation or within a township that has an unincorporated 541
population of more than five thousand in the most recent federal 542
decennial census prior to the issuance of the permit for the 543
well or production facilities. 544

(Z) "Well stimulation" or "stimulation of a well" means 545
the process of enhancing well productivity, including hydraulic 546
fracturing operations. 547

(AA) "Production operation" means all operations and 548
activities and all related equipment, facilities, and other 549
structures that may be used in or associated with the 550
exploration and production of oil, gas, or other mineral 551
resources that are regulated under this chapter, including 552
operations and activities associated with site preparation, site 553
construction, access road construction, well drilling, well 554
completion, well stimulation, well site activities, reclamation, 555
and plugging. "Production operation" also includes all of the 556
following: 557

(1) The piping, equipment, and facilities used for the 558
production and preparation of hydrocarbon gas or liquids for 559
transportation or delivery; 560

(2) The processes of extraction and recovery, lifting, 561
stabilization, treatment, separation, production processing, 562
storage, waste disposal, and measurement of hydrocarbon gas and 563
liquids, including related equipment and facilities; 564

(3) The processes and related equipment and facilities 565
associated with production compression, gas lift, gas injection, 566
fuel gas supply, well drilling, well stimulation, and well 567
completion activities, including dikes, pits, and earthen and 568
other impoundments used for the temporary storage of fluids and 569
waste substances associated with well drilling, well 570
stimulation, and well completion activities; 571

(4) Equipment and facilities at a wellpad or other 572
location that are used for the transportation, handling, 573
recycling, temporary storage, management, processing, or 574
treatment of any equipment, material, and by-products or other 575
substances from an operation at a wellpad that may be used or 576
reused at the same or another operation at a wellpad or that 577
will be disposed of in accordance with applicable laws and rules 578
adopted under them. 579

(BB) "Annular overpressurization" means the accumulation 580
of fluids within an annulus with sufficient pressure to allow 581
migration of annular fluids into underground sources of drinking 582
water. 583

(CC) "Orphaned well" means a well that has not been 584
properly plugged or its land surface restored in accordance with 585
this chapter and the rules adopted under it to which either of 586
the following apply: 587

(1) The owner of the well is unknown, deceased, or cannot 588
be located and the well is abandoned. 589

(2) The owner of the well has abandoned the well and there 590
is no money available to plug the well in accordance with this 591
chapter and the rules adopted under it. 592

(DD) "Temporarily inactive well" means a well that has 593

been granted temporary inactive status under section 1509.062 of	594
the Revised Code.	595
(EE) "Material and substantial violation" means any of the	596
following:	597
(1) Failure to obtain a permit to drill, reopen, convert,	598
plugback, or plug a well under this chapter;	599
(2) Failure to obtain, maintain, update, or submit proof	600
of insurance coverage that is required under this chapter;	601
(3) Failure to obtain, maintain, update, or submit proof	602
of a surety bond that is required under this chapter;	603
(4) Failure to restore a disturbed land surface as	604
required by section 1509.072 of the Revised Code;	605
(5) Failure to reimburse the oil and gas well fund	606
pursuant to a final order issued under section 1509.071 of the	607
Revised Code;	608
(6) Failure to comply with a final nonappealable order of	609
the chief issued under section 1509.04 of the Revised Code;	610
(7) Failure to submit a report, test result, fee, or	611
document that is required in this chapter or rules adopted under	612
it.	613
(FF) "Severer" has the same meaning as in section 5749.01	614
of the Revised Code.	615
(GG) "Horizontal well" means a well that is drilled for	616
the production of oil or gas in which the wellbore reaches a	617
horizontal or near horizontal position in the Point Pleasant,	618
Utica, or Marcellus formation and the well is stimulated.	619
"Horizontal well" does not include a stratigraphic well.	620

(HH) "Well pad" means the area that is cleared or prepared 621
for the drilling of one or more horizontal wells. 622

(II) "Stratigraphic well" means a borehole that is drilled 623
within the state on a tract solely to conduct research or 624
testing of the subsurface geology, including porosity and 625
permeability. "Stratigraphic well" does not include geotechnical 626
or soil borings or a borehole drilled for seismic shot or mining 627
of industrial minerals or coal. 628

Sec. 1509.02. There is hereby created in the department of 629
natural resources the division of oil and gas resources 630
management, which shall be administered by the chief of the 631
division of oil and gas resources management. The division has 632
sole and exclusive authority to regulate the permitting, 633
location, and spacing of oil and gas wells and production 634
operations within the state, excepting only those activities 635
regulated under federal laws for which oversight has been 636
delegated to the environmental protection agency and activities 637
regulated under sections 6111.02 to 6111.028 of the Revised 638
Code. The division's sole and exclusive authority includes the 639
authority to regulate any portion of an oil and gas well located 640
in this state, regardless of whether any other portion of that 641
oil and gas well is located outside of this state. The 642
regulation of oil and gas activities is a matter of general 643
statewide interest that requires uniform statewide regulation, 644
and this chapter and rules adopted under it constitute a 645
comprehensive plan with respect to all aspects of the locating, 646
drilling, well stimulation, completing, and operating of oil and 647
gas wells within this state, including site construction and 648
restoration, permitting related to those activities, and the 649
disposal of wastes from those wells. In order to assist the 650
division in the furtherance of its sole and exclusive authority 651

as established in this section, the chief may enter into 652
cooperative agreements with other state agencies for advice and 653
consultation, including visitations at the surface location of a 654
well on behalf of the division. In cases in which a well is 655
located both in this state and another state, the chief also may 656
enter into a memorandum of understanding with an agency of 657
another state for purposes of the interstate well. Such 658
cooperative agreements and memorandums of understanding do not 659
confer on other state agencies or entities any authority to 660
administer or enforce this chapter and rules adopted under it. 661
In addition, such cooperative agreements and memorandums of 662
understanding shall not be construed to dilute or diminish the 663
division's sole and exclusive authority as established in this 664
section. Nothing in this section affects the authority granted 665
to the director of transportation and local authorities in 666
section 723.01 or 4513.34 of the Revised Code, provided that the 667
authority granted under those sections shall not be exercised in 668
a manner that discriminates against, unfairly impedes, or 669
obstructs oil and gas activities and operations regulated under 670
this chapter. 671

The chief shall not hold any other public office, nor 672
shall the chief be engaged in any occupation or business that 673
might interfere with or be inconsistent with the duties as 674
chief. 675

Money collected by the chief pursuant to sections 1509.06, 676
1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.222, 677
1509.28, 1509.34, 1509.50, and 5749.02 of the Revised Code, all 678
money from the sale of carbon credits, all civil penalties paid 679
under section 1509.33 of the Revised Code, and, notwithstanding 680
any section of the Revised Code relating to the distribution or 681
crediting of fines for violations of the Revised Code, all fines 682

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 714
horizontal well. The subjects shall include all of the 715
following: 716

(1) Safety concerning the drilling or operation of a well; 717

(2) Protection of the public and private water supply, 718
including the amount of water used and the source or sources of 719
the water; 720

(3) Fencing and screening of surface facilities of a well; 721

(4) Containment and disposal of drilling and production 722
wastes; 723

(5) Construction of access roads for purposes of the 724
drilling and operation of a well; 725

(6) Noise mitigation for purposes of the drilling of a 726
well and the operation of a well, excluding safety and 727
maintenance operations. 728

No person shall violate any rule of the chief adopted 729
under this chapter. 730

~~(B) (1) Any order issuing, denying, or modifying a permit 731
or notices required to be made by the chief pursuant to this 732
chapter shall be made in compliance with Chapter 119. of the 733
Revised Code, except that personal service may be used in lieu 734
of service by mail. Every order issuing, denying, or modifying a 735
permit under this chapter and described as such shall be 736
considered an adjudication order for purposes of Chapter 119. of 737
the Revised Code. Division (B) (1) of this section does not apply 738
to a permit issued under section 1509.06 of the Revised Code_ 739
does not apply to orders made by or notices required to be made 740
by the chief pursuant to this chapter or rules adopted under it. 741~~

~~(2) Where notice to any person is required by this chapter, the notice shall be given in order to meet the requirements of law~~ 742
The chief shall adopt rules in accordance with Chapter 119. of the Revised Code establishing both of the following: 743 744 745 746

(a) Procedures for notice required to be provided to any person under this chapter and rules adopted under it; 747 748

(b) Procedures for serving the chief's orders and compliance notices. 749 750

(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. 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765

(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 766 767 768 769 770 771

condition of a permit or registration certificate issued under 772
this chapter. 773

(E) Orders of the chief denying, suspending, or revoking a 774
registration certificate; approving or denying approval of an 775
application for revision of a registered transporter's plan for 776
disposal; or to implement, administer, or enforce division (A) 777
of section 1509.224 and sections 1509.22, 1509.222, 1509.223, 778
1509.225, and 1509.226 of the Revised Code pertaining to the 779
transportation of brine by vehicle and the disposal of brine so 780
transported are not adjudication orders for purposes of Chapter 781
119. of the Revised Code. The chief shall issue such orders 782
under division (A) or (B) of section 1509.224 of the Revised 783
Code, as appropriate. 784

Sec. 1509.06. (A) An application for a permit to drill a 785
new well, drill an existing well deeper, reopen a well, convert 786
a well to any use other than its original purpose, or plug back 787
a well to a different source of supply, including any portion of 788
a well located in this state, regardless of whether any other 789
portion of that well is located outside of this state, and 790
including associated production operations, shall be filed with 791
the chief of the division of oil and gas resources management 792
upon such form as the chief prescribes and shall contain each of 793
the following that is applicable: 794

(1) The name and address of the owner and, if a 795
corporation, the name and address of the statutory agent; 796

(2) The signature of the owner or the owner's authorized 797
agent. When an authorized agent signs an application, it shall 798
be accompanied by a certified copy of the appointment as such 799
agent. 800

(3) The names and addresses of all persons holding the 801
royalty interest in the tract upon which the well is located or 802
is to be drilled or within a proposed drilling unit; 803

(4) The location of the tract or drilling unit on which 804
the well is located or is to be drilled identified by section or 805
lot number, city, village, township, and county; 806

(5) Designation of the well by name and number; 807

(6) (a) The geological formation to be tested or used and 808
the proposed total depth of the well; 809

(b) If the well is for the injection of a liquid, identity 810
of the geological formation to be used as the injection zone and 811
the composition of the liquid to be injected. 812

(7) The type of drilling equipment to be used; 813

(8) (a) An identification, to the best of the owner's 814
knowledge, of each proposed source of ground water and surface 815
water that will be used in the production operations of the 816
well. The identification of each proposed source of water shall 817
indicate if the water will be withdrawn from the Lake Erie 818
watershed or the Ohio river watershed. In addition, the owner 819
shall provide, to the best of the owner's knowledge, the 820
proposed estimated rate and volume of the water withdrawal for 821
the production operations. If recycled water will be used in the 822
production operations, the owner shall provide the estimated 823
volume of recycled water to be used. The owner shall submit to 824
the chief an update of any of the information that is required 825
by division (A) (8) (a) of this section if any of that information 826
changes before the chief issues a permit for the application. 827

(b) Except as provided in division (A) (8) (c) of this 828
section, for an application for a permit to drill a new well 829

within an urbanized area, the results of sampling of water wells 830
within three hundred feet of the proposed well prior to 831
commencement of drilling. In addition, the owner shall include a 832
list that identifies the location of each water well where the 833
owner of the property on which the water well is located denied 834
the owner access to sample the water well. The sampling shall be 835
conducted in accordance with the guidelines established in "Best 836
Management Practices For Pre-drilling Water Sampling" in effect 837
at the time that the application is submitted. The division 838
shall furnish those guidelines upon request and shall make them 839
available on the division's web site. If the chief determines 840
that conditions at the proposed well site warrant a revision, 841
the chief may revise the distance established in this division 842
for purposes of pre-drilling water sampling. 843

(c) For an application for a permit to drill a new 844
horizontal well, the results of sampling of water wells within 845
one thousand five hundred feet of the proposed horizontal 846
wellhead prior to commencement of drilling. In addition, the 847
owner shall include a list that identifies the location of each 848
water well where the owner of the property on which the water 849
well is located denied the owner access to sample the water 850
well. The sampling shall be conducted in accordance with the 851
guidelines established in "Best Management Practices For Pre- 852
drilling Water Sampling" in effect at the time that the 853
application is submitted. The division shall furnish those 854
guidelines upon request and shall make them available on the 855
division's web site. If the chief determines that conditions at 856
the proposed well site warrant a revision, the chief may revise 857
the distance established in this division for purposes of pre- 858
drilling water sampling. 859

(9) For an application for a permit to drill a new well 860

within an urbanized area, a sworn statement that the applicant 861
has provided notice by regular mail of the application to the 862
owner of each parcel of real property that is located within 863
five hundred feet of the surface location of the well and to the 864
executive authority of the municipal corporation or the board of 865
township trustees of the township, as applicable, in which the 866
well is to be located. In addition, the notice shall contain a 867
statement that informs an owner of real property who is required 868
to receive the notice under division (A) (9) of this section that 869
within five days of receipt of the notice, the owner is required 870
to provide notice under section 1509.60 of the Revised Code to 871
each residence in an occupied dwelling that is located on the 872
owner's parcel of real property. The notice shall contain a 873
statement that an application has been filed with the division 874
of oil and gas resources management, identify the name of the 875
applicant and the proposed well location, include the name and 876
address of the division, and contain a statement that comments 877
regarding the application may be sent to the division. The 878
notice may be provided by hand delivery or regular mail. The 879
identity of the owners of parcels of real property shall be 880
determined using the tax records of the municipal corporation or 881
county in which a parcel of real property is located as of the 882
date of the notice. 883

(10) A plan for restoration of the land surface disturbed 884
by drilling operations. The plan shall provide for compliance 885
with the restoration requirements of division (A) of section 886
1509.072 of the Revised Code and any rules adopted by the chief 887
pertaining to that restoration. 888

(11) (a) A description by name or number of the county, 889
township, and municipal corporation roads, streets, and highways 890
that the applicant anticipates will be used for access to and 891

egress from the well site; 892

(b) For an application for a permit for a horizontal well, 893
a copy of an agreement concerning maintenance and safe use of 894
the roads, streets, and highways described in division (A) (11) 895
(a) of this section entered into on reasonable terms with the 896
public official that has the legal authority to enter into such 897
maintenance and use agreements for each county, township, and 898
municipal corporation, as applicable, in which any such road, 899
street, or highway is located or an affidavit on a form 900
prescribed by the chief attesting that the owner attempted in 901
good faith to enter into an agreement under division (A) (11) (b) 902
of this section with the applicable public official of each such 903
county, township, or municipal corporation, but that no 904
agreement was executed. 905

(12) Such other relevant information as the chief 906
prescribes by rule. 907

Each application shall be accompanied by a map, on a scale 908
not smaller than four hundred feet to the inch, prepared by an 909
Ohio registered surveyor, showing the location of the well and 910
containing such other data as may be prescribed by the chief. If 911
the well is or is to be located within the excavations and 912
workings of a mine, the map also shall include the location of 913
the mine, the name of the mine, and the name of the person 914
operating the mine. 915

(B) The chief shall cause a copy of the weekly circular 916
prepared by the division to be provided to the county engineer 917
of each county that contains active or proposed drilling 918
activity. The weekly circular shall contain, in the manner 919
prescribed by the chief, the names of all applicants for 920
permits, the location of each well or proposed well, the 921

information required by division (A)(11) of this section, and 922
any additional information the chief prescribes. In addition, 923
the chief promptly shall transfer an electronic copy, or if that 924
method is not available to a municipal corporation or township, 925
a copy via regular mail, of a drilling permit application to the 926
clerk of the legislative authority of the municipal corporation 927
or to the clerk of the township in which the well or proposed 928
well is or is to be located if the legislative authority of the 929
municipal corporation or the board of township trustees has 930
asked to receive copies of such applications and the appropriate 931
clerk has provided the chief an accurate, current electronic 932
mailing address. 933

(C) (1) Except as provided in ~~division~~divisions (C) (2) and 934
(3) of this section, the chief shall not issue a permit for at 935
least ten days after the date of filing of the application for 936
the permit unless, upon reasonable cause shown, the chief waives 937
that period or a request for expedited review is filed under 938
this section. However, the chief shall issue a permit within 939
twenty-one days of the filing of the application unless the 940
chief denies the application by order. 941

(2) If the location of a well or proposed well will be or 942
is within an urbanized area, the chief shall not issue a permit 943
for at least eighteen days after the date of filing of the 944
application for the permit unless, upon reasonable cause shown, 945
the chief waives that period or the chief at the chief's 946
discretion grants a request for an expedited review. However, 947
the chief shall issue a permit for a well or proposed well 948
within an urbanized area within thirty days of the filing of the 949
application unless the chief denies the application by order. 950

(3) If the well that is the subject of the application 951

also requires the chief to issue a permit under section 1509.21 952
or 1509.221 or division (D) of section 1509.22 of the Revised 953
Code, the chief shall issue the permit for that well or proposed 954
well within one hundred twenty days after the period for receipt 955
of public comments has ended unless the chief denies the 956
application by order. 957

~~(D) An~~ (D) (1) Except as provided in division (D) (3) of 958
this section, an applicant may file a request with the chief for 959
expedited review of a permit application if the well is not or 960
is not to be located in a gas storage reservoir or reservoir 961
protective area, as "reservoir protective area" is defined in 962
section 1571.01 of the Revised Code. If the well is or is to be 963
located in a coal bearing township, the application shall be 964
accompanied by the affidavit of the landowner prescribed in 965
section 1509.08 of the Revised Code. 966

(2) In addition to a complete application for a permit 967
that meets the requirements of this section and the permit fee 968
prescribed by this section, a request for expedited review shall 969
be accompanied by a separate nonrefundable filing fee of two 970
hundred fifty dollars. Upon the filing of a request for 971
expedited review, the chief shall cause the county engineer of 972
the county in which the well is or is to be located to be 973
notified of the filing of the permit application and the request 974
for expedited review by telephone or other means that in the 975
judgment of the chief will provide timely notice of the 976
application and request. The chief shall issue a permit within 977
seven days of the filing of the request unless the chief denies 978
the application by order. ~~Notwithstanding the provisions of this~~ 979
~~section governing expedited review of permit applications, the~~ 980
~~chief may refuse to accept requests for expedited review if, in~~ 981
~~the chief's judgment, the acceptance of the requests would~~ 982

~~prevent the issuance, within twenty-one days of their filing, of~~ 983
~~permits for which applications are pending.~~ 984

(3) No owner shall apply for an expedited permit under 985
this section more than ten times within a calendar year. 986
Accordingly, the chief shall not issue more than ten expedited 987
permits to an owner within a calendar year. However, if an 988
emergency requires that an expedited permit be issued, as 989
determined by the chief, an owner that is otherwise prohibited 990
from obtaining an expedited permit under this division may apply 991
for an expedited permit and the chief may so issue it. 992

(E) A well shall be drilled and operated in accordance 993
with the plans, sworn statements, and other information 994
submitted in the approved application. 995

(F) The chief shall issue an order denying a permit if the 996
chief finds that there is a substantial risk that the operation 997
will result in violations of this chapter or rules adopted under 998
it that will present an imminent danger to public health or 999
safety or damage to the environment, provided that where the 1000
chief finds that terms or conditions to the permit can 1001
reasonably be expected to prevent such violations, the chief 1002
shall issue the permit subject to those terms or conditions, 1003
including, if applicable, terms and conditions regarding 1004
subjects identified in rules adopted under section 1509.03 of 1005
the Revised Code. The issuance of a permit shall not be 1006
considered an order of the chief. 1007

The chief shall post notice of each permit that has been 1008
approved under this section on the division's web site not later 1009
than two business days after the application for a permit has 1010
been approved. 1011

(G) Each application for a permit required by section 1012
1509.05 of the Revised Code, except an application for a well 1013
drilled or reopened for purposes of section 1509.22 of the 1014
Revised Code, also shall be accompanied by a nonrefundable fee 1015
as follows: 1016

(1) Five hundred dollars for a permit to conduct 1017
activities in a township with a population of fewer than ten 1018
thousand; 1019

(2) Seven hundred fifty dollars for a permit to conduct 1020
activities in a township with a population of ten thousand or 1021
more, but fewer than fifteen thousand; 1022

(3) One thousand dollars for a permit to conduct 1023
activities in either of the following: 1024

(a) A township with a population of fifteen thousand or 1025
more; 1026

(b) A municipal corporation regardless of population. 1027

(4) If the application is for a permit that requires 1028
mandatory pooling, an additional five thousand dollars. 1029

For purposes of calculating fee amounts, populations shall 1030
be determined using the most recent federal decennial census. 1031

Each application for the revision or reissuance of a 1032
permit shall be accompanied by a nonrefundable fee of two 1033
hundred fifty dollars. 1034

(H) (1) Prior to the commencement of well pad construction 1035
and prior to the issuance of a permit to drill a proposed 1036
horizontal well or a proposed well that is to be located in an 1037
urbanized area, the division shall conduct a site review to 1038
identify and evaluate any site-specific terms and conditions 1039

that may be attached to the permit. At the site review, a 1040
representative of the division shall consider fencing, 1041
screening, and landscaping requirements, if any, for similar 1042
structures in the community in which the well is proposed to be 1043
located. The terms and conditions that are attached to the 1044
permit shall include the establishment of fencing, screening, 1045
and landscaping requirements for the surface facilities of the 1046
proposed well, including a tank battery of the well. 1047

(2) Prior to the issuance of a permit to drill a proposed 1048
well, the division shall conduct a review to identify and 1049
evaluate any site-specific terms and conditions that may be 1050
attached to the permit if the proposed well will be located in a 1051
one-hundred-year floodplain or within the five-year time of 1052
travel associated with a public drinking water supply. 1053

(I) A permit shall be issued by the chief in accordance 1054
with this chapter. A permit issued under this section for a well 1055
that is or is to be located in an urbanized area shall be valid 1056
for twelve months, and all other permits issued under this 1057
section shall be valid for twenty-four months. 1058

(J) An applicant or a permittee, as applicable, shall 1059
submit to the chief an update of the information that is 1060
required under division (A) (8) (a) of this section if any of that 1061
information changes prior to commencement of production 1062
operations. 1063

(K) A permittee or a permittee's authorized representative 1064
shall notify an inspector from the division at least twenty-four 1065
hours, or another time period agreed to by the chief's 1066
authorized representative, prior to the commencement of well pad 1067
construction and of drilling, reopening, converting, well 1068
stimulation, or plugback operations. 1069

Sec. 1509.07. (A) (1) (a) Except as provided in division (A) 1070
(1) (b) or (A) (2) of this section, an owner of any well, except 1071
an exempt Mississippian well or an exempt domestic well, shall 1072
obtain liability insurance coverage from a company authorized or 1073
approved to do business in this state in an amount of not less 1074
than one million dollars bodily injury coverage and property 1075
damage coverage to pay damages for injury to persons or damage 1076
to property caused by the drilling, operation, or plugging of 1077
all the owner's wells in this state. However, if any well is 1078
located within an urbanized area, the owner shall obtain 1079
liability insurance coverage in an amount of not less than three 1080
million dollars for bodily injury coverage and property damage 1081
coverage to pay damages for injury to persons or damage to 1082
property caused by the drilling, operation, or plugging of all 1083
of the owner's wells in this state. 1084

(b) A board of county commissioners of a county that is an 1085
owner of a well or a board of township trustees of a township 1086
that is an owner of a well may elect to satisfy the liability 1087
coverage requirements specified in division (A) (1) (a) of this 1088
section by participating in a joint self-insurance pool in 1089
accordance with the requirements established under section 1090
2744.081 of the Revised Code. Nothing in division (A) (1) (b) of 1091
this section shall be construed to allow an entity, other than a 1092
county or township, to participate in a joint self-insurance 1093
pool to satisfy the liability coverage requirements specified in 1094
division (A) (1) (a) of this section. 1095

(2) An owner of a horizontal well shall obtain liability 1096
insurance coverage from an insurer authorized to write such 1097
insurance in this state or from an insurer approved to write 1098
such insurance in this state under section 3905.33 of the 1099
Revised Code in an amount of not less than five million dollars 1100

bodily injury coverage and property damage coverage to pay 1101
damages for injury to persons or damage to property caused by 1102
the production operations of all the owner's wells in this 1103
state. The insurance policy shall include a reasonable level of 1104
coverage available for an environmental endorsement. 1105

(3) An owner shall maintain the coverage required under 1106
division (A)(1) or (2) of this section until all the owner's 1107
wells are plugged and abandoned or are transferred to an owner 1108
who has obtained insurance as required under this section and 1109
who is not under a notice of material and substantial violation 1110
or under a suspension order. The owner shall provide proof of 1111
liability insurance coverage to the chief of the division of oil 1112
and gas resources management upon request. Upon failure of the 1113
owner to provide that proof when requested, the chief may order 1114
the suspension of any outstanding permits and operations of the 1115
owner until the owner provides proof of the required insurance 1116
coverage. 1117

(B)(1) Except as otherwise provided in this section, an 1118
owner of any well, before being issued a permit under section 1119
1509.06 of the Revised Code or before operating or producing 1120
from a well, shall execute and file with the division of oil and 1121
gas resources management a surety bond conditioned on compliance 1122
with the restoration requirements of section 1509.072, the 1123
plugging requirements of section 1509.12, the permit provisions 1124
of section 1509.13 of the Revised Code, and all rules and orders 1125
of the chief relating thereto, in an amount set by rule of the 1126
chief. 1127

(2) The owner may deposit with the chief, instead of a 1128
surety bond, cash in an amount equal to the surety bond as 1129
prescribed pursuant to this section or negotiable certificates 1130

of deposit or irrevocable letters of credit, issued by any bank 1131
organized or transacting business in this state, having a cash 1132
value equal to or greater than the amount of the surety bond as 1133
prescribed pursuant to this section. Cash or certificates of 1134
deposit shall be deposited upon the same terms as those upon 1135
which surety bonds may be deposited. If the owner deposits cash, 1136
the cash shall be credited to the performance cash bond refunds 1137
fund created in section 1501.16 of the Revised Code. If the 1138
owner deposits certificates of deposit, the chief shall require 1139
the bank that issued any such certificate to pledge securities 1140
of a cash value equal to the amount of the certificate that is 1141
in excess of the amount insured by the federal deposit insurance 1142
corporation. The securities shall be security for the repayment 1143
of the certificate of deposit. 1144

Upon a deposit of cash, certificates of deposit, or 1145
letters of credit with the chief, the chief shall hold them in 1146
trust for the purposes for which they have been deposited. 1147

~~(3) Instead of a surety bond, the chief may accept proof 1148
of financial responsibility consisting of a sworn financial 1149
statement showing a net financial worth within this state equal 1150
to twice the amount of the bond for which it substitutes and, as 1151
may be required by the chief, a list of producing properties of 1152
the owner within this state or other evidence showing ability 1153
and intent to comply with the law and rules concerning 1154
restoration and plugging that may be required by rule of the 1155
chief. The owner of an exempt Mississippian well is not required 1156
to file scheduled updates of the financial documents, but shall 1157
file updates of those documents if requested to do so by the 1158
chief. The owner of a nonexempt Mississippian well shall file 1159
updates of the financial documents in accordance with a schedule 1160
established by rule of the chief. The chief, upon determining 1161~~

~~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 1192
section 1509.071 of the Revised Code. 1193

(C) An owner, operator, producer, or other person shall 1194
not operate a well or produce from a well at any time if the 1195
owner, operator, producer, or other person has not satisfied the 1196
requirements established in this section. 1197

Sec. 1509.071. (A) When the chief of the division of oil 1198
and gas resources management finds that an owner has failed to 1199
comply with a final nonappealable order issued or compliance 1200
agreement entered into under section 1509.04, the restoration 1201
requirements of section 1509.072, plugging requirements of 1202
section 1509.12, or permit provisions of section 1509.13 of the 1203
Revised Code, or rules and orders relating thereto, the chief 1204
shall make a finding of that fact and declare any surety bond 1205
filed to ensure compliance with those sections and rules 1206
forfeited in the amount set by rule of the chief. The chief 1207
thereupon shall certify the total forfeiture to the attorney 1208
general, who shall proceed to collect the amount of the 1209
forfeiture. In addition, the chief may require an owner, 1210
operator, producer, or other person who forfeited a surety bond 1211
to post a new surety bond in the amount of fifteen thousand 1212
dollars for a single well, thirty thousand dollars for two 1213
wells, or fifty thousand dollars for three or more wells. 1214

In lieu of total forfeiture, the surety or owner, at the 1215
surety's or owner's option, may cause the well to be properly 1216
plugged and abandoned and the area properly restored or pay to 1217
the treasurer of state the cost of plugging and abandonment. 1218

(B) (1) All moneys collected because of forfeitures of 1219
bonds as provided in this section shall be deposited in the 1220
state treasury to the credit of the oil and gas well fund 1221

created in section 1509.02 of the Revised Code. 1222

For purposes of promoting the competent management and 1223
conservation of the state's oil and natural gas resources and 1224
the proper and lawful plugging of historic oil and gas wells for 1225
which there is no known responsible owner, the chief annually 1226
shall spend not less than thirty per cent of the revenue 1227
credited to the oil and gas well fund during the previous fiscal 1228
year for both of the following purposes: 1229

(a) In accordance with division (E) of this section, to 1230
plug orphaned wells or to restore the land surface properly as 1231
required in section 1509.072 of the Revised Code; 1232

(b) In accordance with division (F) of this section, to 1233
correct conditions that the chief reasonably has determined are 1234
causing imminent health or safety risks at an orphaned well or 1235
associated with a well for which the owner has not initiated a 1236
corrective action within a reasonable period of time as 1237
determined by the chief after the chief has attempted to notify 1238
the owner. 1239

(2) Expenditures from the fund shall be made only for 1240
lawful purposes. In addition, expenditures from the fund shall 1241
not be made to purchase real property or to remove a structure 1242
in order to access a well. 1243

The director of budget and management, in consultation 1244
with the chief, shall establish an accounting code for purposes 1245
of tracking expenditures made as required under this division. 1246

(3) The oil and gas well fund shall not be used for any 1247
purpose not specified in law. 1248

(C) (1) If a landowner discovers a well on the landowner's 1249
real property and the landowner is not the owner of the well, 1250

the landowner may report the existence of the well in writing to 1251
the chief. 1252

(2) If the chief receives a written report from a 1253
landowner of the discovery of a well previously unknown to the 1254
division, the chief shall inspect the well not later than thirty 1255
days after the date of receipt of the landowner's report. 1256

(3) The chief shall establish a scoring matrix for use in 1257
determining the priority of plugging wells or restoring land 1258
surfaces at orphaned well sites for purposes of this section. In 1259
establishing the criteria for the scoring matrix, the chief 1260
shall consider the proximity of the orphaned well site to an 1261
injection well. The matrix shall include a classification system 1262
that categorizes orphaned wells as high priority, medium 1263
priority, and low priority. 1264

(4) The chief shall use the matrix developed under 1265
division (C) (3) of this section to prioritize plugging and land 1266
restoration projects under this section. The chief may add 1267
additional orphaned wells to a project regardless of 1268
classification. 1269

(D) (1) ~~After~~ Except as provided in division (E) (2) (a) of 1270
this section, after determining that a well is an orphaned well, 1271
the chief shall do all of the following: 1272

(a) Make a reasonable attempt to determine from the 1273
records in the office of the county recorder of the county in 1274
which the well is located the identity of the current owner of 1275
the land on which the well is located, the identity of each 1276
person owning a right or interest in the oil or gas mineral 1277
interests, and the identities of the persons having a lien upon 1278
any of the equipment appurtenant to the well. For purposes of 1279

division (D) (1) (a) of this section, the chief is not required to 1280
review records in the office of the county recorder that are 1281
older than forty years from the date on which the chief made the 1282
determination that the well is an orphaned well. 1283

(b) Mail notice to each person identified in division (D) 1284
(1) (a) of this section; 1285

(c) Include in the notice to each person having a lien 1286
upon any equipment appurtenant to the well, a statement 1287
informing the person that the well is to be plugged and offering 1288
the person the opportunity to remove that equipment from the 1289
well site at the person's own expense in order to avoid 1290
forfeiture of the equipment to this state; 1291

(d) Publish notice in a newspaper of general circulation 1292
in the county where the well is located that the well is to be 1293
plugged or post the notice on the department of natural 1294
resources web site. 1295

(2) If the current address of a person identified in 1296
division (D) (1) (a) of this section cannot be determined, or if a 1297
notice provided by mail to a person under division (D) (1) (b) of 1298
this section is returned undeliverable, the notice published 1299
under division (D) (1) (d) of this section constitutes sufficient 1300
notice to the person. 1301

(3) If none of the persons described in division (D) (1) (a) 1302
of this section removes equipment from the well within thirty 1303
days after the mailing of the notice or publication or posting 1304
of notice described in division (D) (1) (d) of this section, 1305
whichever is later, all equipment appurtenant to the well is 1306
hereby declared to be forfeited to this state without 1307
compensation and without the necessity for any action by the 1308

state for use to defray the cost of plugging the well and 1309
restoring the land surface at the well site. 1310

(E) The chief may expend money from the oil and gas well 1311
fund for the purpose of division (B)(1)(a) of this section, and 1312
such expenditures shall be made in accordance with either of the 1313
following: 1314

(1) The chief may make expenditures pursuant to contracts 1315
entered into by either the chief or another agency of the state 1316
with persons who agree to furnish the materials, equipment, 1317
work, and labor as specified and provided in such a contract for 1318
activities associated with the restoration or plugging of an 1319
orphaned well as determined by the chief. If another agency of 1320
the state enters into the contract, the chief shall prepare the 1321
scope of work for the restoration or plugging of the well. The 1322
activities may include excavation to uncover a well, methods to 1323
locate a well, analyzing the well, stabilizing or other work 1324
conducted prior to plugging the well, drilling out or cleanout 1325
of wellbores to remove material from a well, plugging 1326
operations, installation of vault and vent systems, including 1327
associated engineering certifications and permits, removal of 1328
associated equipment, restoration of property, replugging of 1329
previously plugged orphaned wells or wells for which final 1330
restoration was completed under section 1509.072 of the Revised 1331
Code and rules adopted under it, and repair of damage to 1332
property that is caused by such activities. The chief may make 1333
expenditures for salaries, maintenance, equipment, or other 1334
administrative purposes, for costs directly attributed to 1335
locating, analyzing, stabilizing, designing, plugging, 1336
remediating, or restoring an orphaned well, and for determining 1337
if a well is an orphaned well. 1338

Agents or employees of persons contracting with the chief 1339
to locate, analyze, stabilize, design, plug, remediate, or 1340
restore a well may enter upon any land, public or private, on 1341
which the well is located, or on adjacent parcels needed for 1342
access, for the purpose of performing the work. Prior to such 1343
entry, the chief shall give to the following persons written 1344
notice of the existence of a contract to locate, analyze, 1345
stabilize, design, plug, remediate, or restore a well, the names 1346
of the persons with whom the contract is made, and the date that 1347
the project will commence: the owner of the well, the owner of 1348
the land upon which the well is located, the owner of the land 1349
of an adjacent parcel that will be entered upon, and, if the 1350
well is located in the same township as or in a township 1351
adjacent to the excavations and workings of a mine and the owner 1352
or lessee of that mine has provided written notice identifying 1353
those townships to the chief at any time during the immediately 1354
preceding three years, the owner or lessee of the mine. The 1355
chief may include in the notice to the owner or lessee of the 1356
mine additional information, such as authorization to plug an 1357
orphaned well under section 1509.151 of the Revised Code. 1358

(2) (a) The owner of the land on which at least one 1359
orphaned well is located who either discovers the orphaned well 1360
or who has received notice under division (D) (1) (b) of this 1361
section may plug any such orphaned well and be reimbursed by the 1362
division of oil and gas resources management for the reasonable 1363
cost of plugging such wells. In order to plug the orphaned 1364
wells, the landowner shall submit an application to the chief on 1365
a form prescribed by the chief and approved by the technical 1366
advisory council on oil and gas created in section 1509.38 of 1367
the Revised Code. The application, at a minimum, shall require 1368
the landowner to provide the same information as is required to 1369

be included in the application for a permit to plug and abandon 1370
under section 1509.13 of the Revised Code. 1371

The application shall be accompanied by a copy of a 1372
proposed contract to plug and abandon the orphaned wells 1373
prepared by a contractor regularly engaged in the business of 1374
plugging oil and gas wells. The proposed contract shall require 1375
the contractor to furnish all of the materials, equipment, work, 1376
and labor necessary to plug the orphaned wells properly and 1377
restore the site including the removal of all associated 1378
equipment and shall specify the price for doing the work. The 1379
contractor shall be insured in the same amounts required of the 1380
contractor when completing work pursuant to contracts entered 1381
into under division (E)(1) of this section. The application 1382
shall document how the contractor intends to comply with all 1383
applicable rules, codes, and laws governing human health, 1384
safety, and the environment. 1385

In the case of a landowner who discovers one or more 1386
orphaned wells on the land, the chief need not fulfill the 1387
notice requirements specified in division (D)(1) of this 1388
section, except the chief shall publish notice in a newspaper of 1389
general circulation in the county where the well is located that 1390
the well is to be plugged or post the notice on the department 1391
of natural resources web site. 1392

Expenditures made under division (E)(2)(a) of this section 1393
shall be consistent with the expenditures for activities 1394
described in division (E)(1) of this section. In addition, 1395
expenditures made under division (E)(2) of this section are not 1396
subject to section 127.16 of the Revised Code. The application 1397
constitutes an application for a permit to plug the well for the 1398
purposes of section 1509.13 of the Revised Code. 1399

(b) Within thirty days after receiving an application and 1400
accompanying proposed contract under division (E) (2) (a) of this 1401
section, the chief shall determine whether the plugging would 1402
comply with the applicable requirements of this chapter and 1403
applicable rules adopted and orders issued under it and whether 1404
the cost of the plugging under the proposed contract is 1405
reasonable. If the chief determines that the proposed plugging 1406
would comply with those requirements and that the proposed cost 1407
of the plugging is reasonable, the chief shall notify the 1408
landowner of that determination and issue to the landowner a 1409
permit to plug the well under section 1509.13 of the Revised 1410
Code. The chief may disapprove an application submitted under 1411
division (E) (2) (a) of this section if the chief determines that 1412
the proposed plugging would not comply with the applicable 1413
requirements of this chapter and applicable rules adopted and 1414
orders issued under it, that the cost of the plugging under the 1415
proposed contract is unreasonable, or that the proposed contract 1416
is not a bona fide, arm's length contract. 1417

(c) After receiving the chief's notice of the approval of 1418
the application and permit to plug and abandon a well under 1419
division (E) (2) (b) of this section, the landowner may enter into 1420
the proposed contract to plug the well. 1421

(d) Upon determining that the plugging has been completed 1422
in compliance with the applicable requirements of this chapter 1423
and applicable rules adopted and orders issued under it, the 1424
chief shall pay the contractor for the cost of the plugging and 1425
restoration as set forth in the proposed contract approved by 1426
the chief and changes or costs approved by the chief. The 1427
payment shall be paid from the oil and gas well fund. The chief 1428
shall only make payments for purposes of division (E) (2) of this 1429
section pursuant to a proper invoice as defined under section 1430

125.01 of the Revised Code.	1431
(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.	1432 1433 1434 1435
(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.	1436 1437 1438
(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.	1439 1440 1441 1442 1443 1444 1445 1446 1447 1448 1449 1450 1451 1452
(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.	1453 1454 1455 1456 1457 1458
(4) As used in division (E) (2) of this section, "plug" and	1459

"plugging" include the plugging of the well, replugging of a 1460
previously plugged orphaned well or a well for which final 1461
restoration was completed under section 1509.072 of the Revised 1462
Code and rules adopted under it, drilling out or cleanout of a 1463
well bore to remove material from a well, installation of 1464
casings, installation of a vault and vent, restoration, and the 1465
restoration of the land surface disturbed by the plugging. 1466

(F) (1) Expenditures from the oil and gas well fund for the 1467
purpose of division (B) (1) (b) of this section may be made 1468
pursuant to contracts entered into by either the chief or 1469
another agency of the state with persons who agree to furnish 1470
the materials, equipment, work, and labor as specified and 1471
provided in such a contract. The competitive bidding 1472
requirements of Chapter 153. of the Revised Code do not apply if 1473
the chief reasonably determines that a situation exists 1474
requiring immediate action for the correction of the applicable 1475
health or safety risk. A contract or purchase of materials for 1476
purposes of addressing the emergency situation is not subject to 1477
division (B) of section 127.16 of the Revised Code. The chief, 1478
designated representatives of the chief, and agents or employees 1479
of persons contracting with the chief to locate, analyze, 1480
stabilize, design, plug, remediate, or restore a well under this 1481
division may enter upon any land, public or private, on which 1482
the well is located, or on parcels needed for access, for the 1483
purpose of performing the work. 1484

(2) The chief shall issue an order that requires the owner 1485
of a well to pay the actual documented costs of a corrective 1486
action that is described in division (B) (1) (b) of this section 1487
concerning the well. The chief shall transmit the money so 1488
recovered to the treasurer of state who shall deposit the money 1489
in the state treasury to the credit of the oil and gas well 1490

fund.	1491
(G) Contracts entered into by either the chief or another	1492
agency of the state under this section are not subject to any of	1493
the following:	1494
(1) Chapter 4115. of the Revised Code;	1495
(2) Chapter 153. of the Revised Code;	1496
(3) Section 4733.17 of the Revised Code.	1497
(H) The owner of land on which a well is located who has	1498
received notice under division (D) (1) (b) of this section, in	1499
lieu of plugging the well in accordance with division (E) (2) of	1500
this section, may cause ownership of the well to be transferred	1501
in accordance with section 1509.31 of the Revised Code.	1502
If a well is transferred, the owner to whom it is	1503
transferred shall comply with this chapter and rules adopted	1504
under it and shall take title to and possession of the equipment	1505
appurtenant to the well that has been identified by the chief as	1506
having been abandoned by the former owner of the well.	1507
(I) The chief may engage in cooperative projects under	1508
this section with any agency of this state, another state, or	1509
the United States; any other governmental agencies; any state	1510
university or college as defined in section 3345.27 of the	1511
Revised Code; or a nonprofit corporation that is exempt from	1512
federal income taxation under section 501(c) (3) of the "Internal	1513
Revenue Code of 1986," 26 U.S.C. 1, as amended. A contract	1514
entered into for purposes of a cooperative project is not	1515
subject to division (B) of section 127.16 of the Revised Code.	1516
(J) (1) On or before the close of each calendar quarter,	1517
the chief shall submit a written report to the technical	1518

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; 1547

(d) The chair of the committee of the senate responsible 1548
for energy and natural resources issues. 1549

(K) (1) Notwithstanding any section of the Revised Code to 1550
the contrary, the division of oil and gas resources management, 1551
on behalf of the state, shall own the right to carbon credits 1552
for any orphaned well plugged using state or federal money. 1553

(2) The chief may enter into agreements to obtain or to 1554
sell carbon credits. The chief may use money from the sale of 1555
carbon credits for the purposes established in this section. 1556

Sec. 1509.13. (A) (1) Except as otherwise provided in 1557
division (A) (2) of this section and division (E) (1) of section 1558
1509.071 of the Revised Code, no person shall plug and abandon a 1559
well without having a permit to do so issued by the chief of the 1560
division of oil and gas resources management. The permit shall 1561
be issued by the chief in accordance with this chapter and shall 1562
be valid for a period of twenty-four months from the date of 1563
issue. 1564

(2) The holder of a valid permit issued under section 1565
1509.06 of the Revised Code may receive approval from an oil and 1566
gas resources inspector to plug and abandon the well associated 1567
with that permit, without obtaining the permit required under 1568
division (A) of this section, if either of the following apply: 1569

(a) The well was drilled to total depth and the well 1570
cannot or will not be completed. 1571

(b) The well is a lost hole or dry hole. 1572

(3) A permit holder plugging a well pursuant to division 1573
(A) (2) (a) of this section shall plug the well within thirty days 1574

of receipt of approval from the oil and gas resources inspector. 1575

(4) A permit holder plugging a well pursuant to division 1576
(A) (2) (b) of this section shall plug the well immediately after 1577
determining that the well is a lost hole or dry hole in 1578
accordance with rules adopted under this chapter. 1579

(B) The application for a permit to plug and abandon shall 1580
be filed as many days in advance as will be necessary for an oil 1581
and gas resources inspector or, if the well is located in a coal 1582
bearing township, both a deputy mine inspector and an oil and 1583
gas resources inspector to be present at the plugging. The 1584
application shall be filed with the chief upon a form that the 1585
chief prescribes and shall contain the following information: 1586

(1) The name and address of the applicant; 1587

(2) The signature of the applicant or the applicant's 1588
authorized agent. When an authorized agent signs an application, 1589
it shall be accompanied by a certified copy of the appointment 1590
as that agent. 1591

(3) The location of the well identified by section or lot 1592
number, city, village, township, and county; 1593

(4) Designation of well by name and number; 1594

(5) The total depth of the well to be plugged; 1595

(6) The date and amount of last production from the well; 1596

(7) Other information that the chief may require. 1597

(C) Unless waived by an oil and gas resources inspector, 1598
the owner of a well or the owner's authorized representative 1599
shall notify an oil and gas resources inspector at least twenty- 1600
four hours prior to the commencement of the plugging of a well. 1601

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) (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 1633
issue it. 1634

(E) (1) Except as otherwise provided in division (E) (2) of 1635
this section, any person undertaking the plugging of a well for 1636
which a permit has been issued under this section shall obtain 1637
insurance for bodily injury coverage and property damage 1638
coverage in the amount established under section 1509.07 of the 1639
Revised Code to pay for damages or injury to property or person, 1640
including damages caused by the plugging of the well. The person 1641
shall electronically submit proof of insurance to the chief upon 1642
the chief's request. 1643

(2) Division (E) (1) of this section does not apply to a 1644
person already required to maintain an insurance policy under 1645
section 1509.07 of the Revised Code. 1646

(F) This section does not apply to a well plugged or 1647
abandoned in compliance with section 1571.05 of the Revised 1648
Code. 1649

Sec. 1509.22. (A) Except when acting in accordance with 1650
section 1509.226 of the Revised Code, no person shall place or 1651
cause to be placed in ground water or in or on the land or 1652
discharge or cause to be discharged in surface water brine, 1653
crude oil, natural gas, or other fluids associated with the 1654
exploration, development, well stimulation, production 1655
operations, or plugging of oil and gas resources that causes or 1656
could reasonably be anticipated to cause damage or injury to 1657
public health or safety or the environment. 1658

(B) (1) No person shall store or dispose of brine in 1659
violation of a plan approved under division (A) of section 1660
1509.222 or section 1509.226 of the Revised Code, in violation 1661

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	1749
by this division;	1750
(b) Entry to conduct inspections and to examine and copy	1751
records to ascertain compliance with this division and rules,	1752
orders, and terms and conditions of permits adopted or issued	1753
under it;	1754
(c) The provision and maintenance of information through	1755
monitoring, recordkeeping, and reporting. In addition, the rules	1756
shall require the owner of an injection well who has been issued	1757
a permit under division (D) of this section to quarterly submit	1758
electronically to the chief information concerning each shipment	1759
of brine or other waste substances received by the owner for	1760
injection into the well.	1761
(d) The provision and electronic reporting quarterly of	1762
information concerning brine and other waste substances from a	1763
transporter that is registered under section 1509.222 of the	1764
Revised Code prior to the injection of the transported brine or	1765
other waste substances;	1766
(e) Any other provisions in furtherance of the goals of	1767
this section and the Safe Drinking Water Act.	1768
(2) The chief may adopt rules in accordance with Chapter	1769
119. of the Revised Code authorizing tests to evaluate whether	1770
fluids or carbon dioxide may be injected in a reservoir and to	1771
determine the maximum allowable injection pressure, which shall	1772
be conducted in accordance with methods prescribed in the rules	1773
or in accordance with conditions of the permit. In addition, the	1774
chief may adopt rules that do both of the following:	1775
(a) Establish the total depth of a well for which a permit	1776
has been applied for or issued under this division;	1777

(b) Establish requirements and procedures to protect 1778
public health and safety. 1779

(3) To implement the goals of the Safe Drinking Water Act, 1780
the chief shall not issue a permit for the injection of brine or 1781
other waste substances resulting from, obtained from, or 1782
produced in connection with oil or gas drilling, exploration, or 1783
production unless the chief concludes that the applicant has 1784
demonstrated that the injection will not result in the presence 1785
of any contaminant in ground water that supplies or can 1786
reasonably be expected to supply any public water system, such 1787
that the presence of the contaminant may result in the system's 1788
not complying with any national primary drinking water 1789
regulation or may otherwise adversely affect the health of 1790
persons. 1791

(4) The chief may issue an order to the owner of a well in 1792
existence on September 10, 2012, to make changes in the 1793
operation of the well in order to correct problems or to address 1794
safety concerns. 1795

(5) This division and rules, orders, and terms and 1796
conditions of permits adopted or issued under it shall be 1797
construed to be no more stringent than required for compliance 1798
with the Safe Drinking Water Act unless essential to ensure that 1799
underground sources of drinking water will not be endangered. 1800

(E) The owner holding a permit, or an assignee or 1801
transferee who has assumed the obligations and liabilities 1802
imposed by this chapter and any rules adopted or orders issued 1803
under it pursuant to section 1509.31 of the Revised Code, and 1804
the operator of a well shall be liable for a violation of this 1805
section or any rules adopted or orders or terms or conditions of 1806
a permit issued under it. 1807

(F) An owner shall replace the water supply of the holder 1808
of an interest in real property who obtains all or part of the 1809
holder's supply of water for domestic, agricultural, industrial, 1810
or other legitimate use from an underground or surface source 1811
where the supply has been substantially disrupted by 1812
contamination, diminution, or interruption proximately resulting 1813
from the owner's oil or gas operation, or the owner may elect to 1814
compensate the holder of the interest in real property for the 1815
difference between the fair market value of the interest before 1816
the damage occurred to the water supply and the fair market 1817
value after the damage occurred if the cost of replacing the 1818
water supply exceeds this difference in fair market values. 1819
However, during the pendency of any order issued under this 1820
division, the owner shall obtain for the holder or shall 1821
reimburse the holder for the reasonable cost of obtaining a 1822
water supply from the time of the contamination, diminution, or 1823
interruption by the operation until the owner has complied with 1824
an order of the chief for compliance with this division or such 1825
an order has been revoked or otherwise becomes not effective. If 1826
the owner elects to pay the difference in fair market values, 1827
but the owner and the holder have not agreed on the difference 1828
within thirty days after the chief issues an order for 1829
compliance with this division, within ten days after the 1830
expiration of that thirty-day period, the owner and the chief 1831
each shall appoint an appraiser to determine the difference in 1832
fair market values, except that the holder of the interest in 1833
real property may elect to appoint and compensate the holder's 1834
own appraiser, in which case the chief shall not appoint an 1835
appraiser. The two appraisers appointed shall appoint a third 1836
appraiser, and within thirty days after the appointment of the 1837
third appraiser, the three appraisers shall hold a hearing to 1838
determine the difference in fair market values. Within ten days 1839

after the hearing, the appraisers shall make their determination 1840
by majority vote and issue their final determination of the 1841
difference in fair market values. The chief shall accept a 1842
determination of the difference in fair market values made by 1843
agreement of the owner and holder or by appraisers under this 1844
division and shall make and dissolve orders accordingly. This 1845
division does not affect in any way the right of any person to 1846
enforce or protect, under applicable law, the person's interest 1847
in water resources affected by an oil or gas operation. 1848

(G) In any action brought by the state for a violation of 1849
division (A) of this section involving any well at which annular 1850
disposal is used, there shall be a rebuttable presumption 1851
available to the state that the annular disposal caused the 1852
violation if the well is located within a one-quarter-mile 1853
radius of the site of the violation. 1854

(H) (1) There is levied on the owner of an injection well 1855
who has been issued a permit under division (D) of this section 1856
the following fees: 1857

(a) Five cents per barrel of each substance that is 1858
delivered to a well to be injected in the well when the 1859
substance is produced within the division of oil and gas 1860
resources management regulatory district in which the well is 1861
located or within an adjoining oil and gas resources management 1862
regulatory district; 1863

(b) Twenty cents per barrel of each substance that is 1864
delivered to a well to be injected in the well when the 1865
substance is not produced within the division of oil and gas 1866
resources management regulatory district in which the well is 1867
located or within an adjoining oil and gas resources management 1868
regulatory district. 1869

(2) The maximum number of barrels of substance per 1870
injection well in a calendar year on which a fee may be levied 1871
under division (H) of this section is five hundred thousand. If 1872
in a calendar year the owner of an injection well receives more 1873
than five hundred thousand barrels of substance to be injected 1874
in the owner's well and if the owner receives at least one 1875
substance that is produced within the division's regulatory 1876
district in which the well is located or within an adjoining 1877
regulatory district and at least one substance that is not 1878
produced within the division's regulatory district in which the 1879
well is located or within an adjoining regulatory district, the 1880
fee shall be calculated first on all of the barrels of substance 1881
that are not produced within the division's regulatory district 1882
in which the well is located or within an adjoining district at 1883
the rate established in division (H) (2) of this section. The fee 1884
then shall be calculated on the barrels of substance that are 1885
produced within the division's regulatory district in which the 1886
well is located or within an adjoining district at the rate 1887
established in division (H) (1) of this section until the maximum 1888
number of barrels established in division (H) (2) of this section 1889
has been attained. 1890

(3) The owner of an injection well who is issued a permit 1891
under division (D) of this section shall collect the fee levied 1892
by division (H) of this section on behalf of the division of oil 1893
and gas resources management and forward the fee to the 1894
division. The chief shall ~~transmit~~ deposit all money received 1895
under division (H) of this section to the ~~treasurer of state who~~ 1896
~~shall deposit the money~~ brine and waste substances permitting 1897
fund, which is created in the state treasury ~~to the credit of~~ 1898
~~the oil and gas well fund created in section 1509.02 of the~~ 1899
Revised Code. Money in the fund shall be disbursed by the chief 1900

to the county treasurer of the county in which the injection 1901
well is located. If the injection well is located in more than 1902
one county, the amount shall be disbursed equally to the county 1903
treasurer of each such county. The county treasurer shall 1904
deposit such money in the county's general fund. The owner of an 1905
injection well who collects the fee levied by this division may 1906
retain up to three per cent of the amount that is collected. 1907

(4) The chief shall adopt rules in accordance with Chapter 1908
119. of the Revised Code establishing requirements and 1909
procedures for collection of the fee levied by division (H) of 1910
this section. 1911

Sec. 1509.221. (A) No person, without first having 1912
obtained a permit from the chief of the division of oil and gas 1913
resources management, shall drill a well or inject a substance 1914
into a well for the exploration for or extraction of minerals or 1915
energy, other than oil or natural gas, including, but not 1916
limited to, the mining of sulfur by the Frasch process, the 1917
solution mining of minerals, the in situ combustion of fossil 1918
fuel, or the recovery of geothermal energy to produce electric 1919
power, unless a rule of the chief expressly authorizes the 1920
activity without a permit. The permit shall be in addition to 1921
any permit required by section 1509.05 of the Revised Code. The 1922
chief shall adopt rules in accordance with Chapter 119. of the 1923
Revised Code governing the issuance of permits under this 1924
section. The rules shall include provisions regarding the 1925
matters the applicant for a permit shall demonstrate to 1926
establish eligibility for a permit; the form and content of 1927
applications for permits; the terms and conditions of permits; 1928
entry to conduct inspections and to examine and copy records to 1929
ascertain compliance with this section and rules, orders, and 1930
terms and conditions of permits adopted or issued thereunder; 1931

provision and maintenance of information through monitoring, 1932
recordkeeping, and reporting; and other provisions in 1933
furtherance of the goals of this section and the Safe Drinking 1934
Water Act. To implement the goals of the Safe Drinking Water 1935
Act, the chief shall not issue a permit under this section, 1936
unless the chief concludes that the applicant has demonstrated 1937
that the drilling, injection of a substance, and extraction of 1938
minerals or energy will not result in the presence of any 1939
contaminant in underground water that supplies or can reasonably 1940
be expected to supply any public water system, such that the 1941
presence of the contaminant may result in the system's not 1942
complying with any national primary drinking water regulation or 1943
may otherwise adversely affect the health of persons. The chief 1944
may issue, without a prior ~~adjudication~~ hearing, orders 1945
requiring compliance with this section and rules, orders, and 1946
terms and conditions of permits adopted or issued thereunder. 1947
This section and rules, orders, and terms and conditions of 1948
permits adopted or issued thereunder shall be construed to be no 1949
more stringent than required for compliance with the Safe 1950
Drinking Water Act, unless essential to ensure that underground 1951
sources of drinking water will not be endangered. 1952

(B) In an action under section 1509.04 or 1509.33 of the 1953
Revised Code to enforce this section, the court shall grant 1954
preliminary and permanent injunctive relief and impose a civil 1955
penalty upon the showing that the person against whom the action 1956
is brought has violated, is violating, or will violate this 1957
section or rules, orders, or terms or conditions of permits 1958
adopted or issued thereunder. The court shall not require, prior 1959
to granting such preliminary and permanent injunctive relief or 1960
imposing a civil penalty, proof that the violation was, is, or 1961
will be the result of intentional conduct or negligence. In any 1962

such action, any person may intervene as a plaintiff upon the 1963
demonstration that the person has an interest that is or may be 1964
adversely affected by the activity for which injunctive relief 1965
or a civil penalty is sought. 1966

Sec. 1509.224. (A) In addition to any other remedies 1967
provided in this chapter, if the chief of the division of oil 1968
and gas resources management has reason to believe that a 1969
pattern of the same or similar violations of any requirements of 1970
section 1509.22, 1509.222, or 1509.223 of the Revised Code, or 1971
any rule adopted thereunder or term or condition of the 1972
registration certificate issued thereunder exists or has 1973
existed, and the violations are caused by the transporter's 1974
indifference, lack of diligence, or lack of reasonable care, or 1975
are willfully caused by the transporter, the chief shall 1976
immediately issue an order to the transporter to show cause why 1977
the certificate should not be suspended or revoked. After the 1978
issuance of the order, the chief shall provide the transporter 1979
an opportunity to be heard and to present evidence at an 1980
informal hearing conducted by the chief. If, at the conclusion 1981
of the hearing, the chief finds that such a pattern of 1982
violations exists or has existed, the chief shall issue an order 1983
suspending or revoking the transporter's registration 1984
certificate. An order suspending or revoking a certificate under 1985
this section may be appealed under sections 1509.36 and 1509.37 1986
of the Revised Code, or notwithstanding any other provision of 1987
this chapter, may be appealed directly to the court of common 1988
pleas of ~~Franklin~~ the county in which the subject of the order 1989
originates. 1990

(B) Before issuing an order denying a registration 1991
certificate; approving or denying approval of an application for 1992
revision of a registered transporter's plan for disposal; or to 1993

implement, administer, or enforce section 1509.22, 1509.222, 1994
1509.223, 1509.225, or 1509.226 of the Revised Code and rules 1995
and terms and conditions of registration certificates adopted or 1996
issued thereunder pertaining to the transportation of brine by 1997
vehicle and the disposal of brine so transported, the chief 1998
shall issue a preliminary order indicating the chief's intent to 1999
issue a final order. The preliminary order shall clearly state 2000
the nature of the chief's proposed action and the findings on 2001
which it is based and shall state that the preliminary order 2002
becomes a final order thirty days after its issuance unless the 2003
person to whom the preliminary order is directed submits to the 2004
chief a written request for an informal hearing before the chief 2005
within that thirty-day period. At the hearing the person may 2006
present evidence as to why the preliminary order should be 2007
revoked or modified. Based upon the findings from the informal 2008
hearing, the chief shall revoke, issue, or modify and issue the 2009
preliminary order as a final order. A final order may be 2010
appealed under sections 1509.36 and 1509.37 of the Revised Code. 2011

Sec. 1509.23. (A) Rules of the chief of the division of 2012
oil and gas resources management may specify practices to be 2013
followed in the drilling and treatment of wells, production of 2014
oil and gas, and plugging of wells for protection of public 2015
health or safety or to prevent damage to natural resources, 2016
including specification of the following: 2017

~~(A)~~ (1) Appropriate devices; 2018

~~(B)~~ (2) Minimum distances that wells and other excavations, 2019
structures, and equipment shall be located from water wells, 2020
streets, roads, highways, rivers, lakes, streams, ponds, other 2021
bodies of water, railroad tracks, public or private recreational 2022
areas, zoning districts, and buildings or other structures. 2023

Rules adopted under this division shall not conflict with 2024
section 1509.021 of the Revised Code. 2025

~~(C)~~ (3) Other methods of operation; 2026

~~(D)~~ (4) Procedures, methods, and equipment and other 2027
requirements for equipment to prevent and contain discharges of 2028
oil and brine from oil production facilities and oil drilling 2029
and workover facilities consistent with and equivalent in scope, 2030
content, and coverage to section 311(j)(1)(c) of the "Federal 2031
Water Pollution Control Act Amendments of 1972," 86 Stat. 886, 2032
33 U.S.C.A. 1251, as amended, and regulations adopted under it. 2033
In addition, the rules may specify procedures, methods, and 2034
equipment and other requirements for equipment to prevent and 2035
contain surface and subsurface discharges of fluids, 2036
condensates, and gases. 2037

~~(E)~~ (5) Notifications; 2038

~~(F)~~ (6) Requirements governing the location and 2039
construction of fresh water impoundments that are part of a 2040
production operation. 2041

(B) The chief shall not require an owner of a well to 2042
cease producing from, or limit production from, the well in 2043
order to engage in simultaneous operations on a well pad unless 2044
the chief demonstrates good cause to require the owner to cease 2045
production or limit production. 2046

Sec. 1509.31. (A) (1) No person shall operate a well in 2047
this state unless the person first registers with and obtains an 2048
identification number from the chief of the division of oil and 2049
gas resources management. 2050

(2) Whenever the entire interest of an oil and gas lease 2051
is assigned or otherwise transferred, the assignor or transferor 2052

shall notify the holders of the royalty interests, and, if a 2053
well or wells exist on the lease, the division of oil and gas 2054
resources management, of the name and address of the assignee or 2055
transferee by certified mail, return receipt requested, not 2056
later than thirty days after the date of the assignment or 2057
transfer. When notice of any such assignment or transfer is 2058
required to be provided to the division, it shall be provided on 2059
a form prescribed and provided by the division and verified by 2060
both the assignor or transferor and by the assignee or 2061
transferee. The notice form applicable to assignments or 2062
transfers of a well to the owner of the surface estate of the 2063
tract on which the well is located shall contain a statement 2064
informing the landowner that the well may require periodic 2065
servicing to maintain its productivity; that, upon assignment or 2066
transfer of the well to the landowner, the landowner becomes 2067
responsible for compliance with the requirements of this chapter 2068
and rules adopted under it, including, without limitation, the 2069
proper disposal of brine obtained from the well, the plugging of 2070
the well when it becomes incapable of producing oil or gas, and 2071
the restoration of the well site; and that, upon assignment or 2072
transfer of the well to the landowner, the landowner becomes 2073
responsible for the costs of compliance with the requirements of 2074
this chapter and rules adopted under it and the costs for 2075
operating and servicing the well. 2076

(3) Notwithstanding division (A)(2) of this section, the 2077
assignee or transferee shall notify the division of oil and gas 2078
resources management of the assignment or transfer if both of 2079
the following apply: 2080

(a) The assignor or transferor failed to notify the 2081
division of the assignment or transfer as required by division 2082
(A)(2) of this section; 2083

(b) The assignor or transferor is deceased, dissolved, 2084
cannot be located, or is otherwise incapable of complying with 2085
the notification requirement. 2086

The assignee or transferee shall notify the division of 2087
the assignment or transfer on a form prescribed and provided by 2088
the division. At a minimum, the form shall require the assignee 2089
or transferee to attest that the assignee or transferee is the 2090
owner. The division shall not charge a fee for such assignment 2091
or transfer when notice is provided in accordance with division 2092
(A) (3) of this section. 2093

(B) When the entire interest of a well is proposed to be 2094
assigned or otherwise transferred to the landowner for use as an 2095
exempt domestic well, the owner who has been issued a permit 2096
under this chapter for the well shall submit to the chief of the 2097
division of oil and gas resources management an application for 2098
the assignment or transfer that contains all documents that the 2099
chief requires. The application for such an assignment or 2100
transfer shall be prescribed and provided by the chief. The 2101
chief may approve the application if the application is 2102
accompanied by a release of all of the oil and gas leases that 2103
are included in the applicable formation of the drilling unit, 2104
the release is in a form such that the well ownership merges 2105
with the fee simple interest of the surface tract, and the 2106
release is in a form that may be recorded. However, if the owner 2107
of the well does not release the oil and gas leases associated 2108
with the well that is proposed to be assigned or otherwise 2109
transferred or if the fee simple tract that results from the 2110
merger of the well ownership with the fee simple interest of the 2111
surface tract is less than five acres, the proposed exempt 2112
domestic well owner shall post a five thousand dollar bond with 2113
the division prior to the assignment or transfer of the well to 2114

ensure that the well will be properly plugged. The chief, for 2115
good cause, may modify the requirements of this section 2116
governing the assignment or transfer of the interests of a well 2117
to the landowner. Upon the assignment or transfer of the well, 2118
the owner of an exempt domestic well is not subject to the 2119
severance tax levied under section 5749.02 of the Revised Code, 2120
but is subject to all applicable fees established in this 2121
chapter. 2122

~~(C) The~~ (C) (1) Except as otherwise provided in division 2123
(C) (2) of this section, the owner holding a permit under section 2124
1509.05 of the Revised Code is responsible for all obligations 2125
and liabilities imposed by this chapter and any rules, orders, 2126
and terms and conditions of a permit adopted or issued under it, 2127
and no assignment or transfer by the owner relieves the owner of 2128
the obligations and liabilities until and unless the assignee or 2129
transferee files with the division the information described in 2130
divisions (A) (1), (2), (3), (4), (5), (10), (11), and (12) of 2131
section 1509.06 of the Revised Code; transferee obtains 2132
liability insurance coverage required by section 1509.07 of the 2133
Revised Code, except when none is required by that section; and 2134
executes and files a surety bond, negotiable certificates of 2135
deposit or irrevocable letters of credit, or cash, as described 2136
in ~~that section~~ 1509.07 of the Revised Code. ~~Instead of a bond,~~ 2137
~~but only upon acceptance by the chief, the assignee or~~ 2138
~~transferee may file proof of financial responsibility, described~~ 2139
~~in section 1509.07 of the Revised Code.~~ Section 1509.071 of the 2140
Revised Code applies to the surety bond, cash, and negotiable 2141
certificates of deposit and irrevocable letters of credit 2142
described in this section. Unless the chief approves a 2143
modification, each assignee or transferee shall operate in 2144
accordance with the plans and information filed by the permit 2145

holder pursuant to section 1509.06 of the Revised Code. 2146

(2) For purposes of division (C)(1) of this section, the 2147
division may prescribe and provide a form that authorizes the 2148
assignor or transferor to provide on behalf of the assignee or 2149
transferee all of the following: 2150

(a) The information that is described in divisions (A)(1), 2151
(2), (3), (4), (5), (10), (11), and (12) of section 1509.06 of 2152
the Revised Code; 2153

(b) Proof of liability insurance as required under 2154
division (C)(1) of this section; 2155

(c) Proof of the filing of a surety bond, negotiable 2156
certificates of deposit or irrevocable letters of credit, or 2157
cash as required under division (C)(1) of this section. 2158

The form shall be verified and signed by both the assignor 2159
or transferor and by the assignee or transferee. A form 2160
submitted under this division does not relieve the assignor or 2161
transferor of the obligations and liabilities until and unless 2162
all of the information required under division (C)(2) of this 2163
section is filed with division. 2164

(D) If a mortgaged property that is being foreclosed is 2165
subject to an oil or gas lease, pipeline agreement, or other 2166
instrument related to the production or sale of oil or natural 2167
gas and the lease, agreement, or other instrument was recorded 2168
subsequent to the mortgage, and if the lease, agreement, or 2169
other instrument is not in default, the oil or gas lease, 2170
pipeline agreement, or other instrument, as applicable, has 2171
priority over all other liens, claims, or encumbrances on the 2172
property so that the oil or gas lease, pipeline agreement, or 2173
other instrument is not terminated or extinguished upon the 2174

foreclosure sale of the mortgaged property. If the owner of the 2175
mortgaged property was entitled to oil and gas royalties before 2176
the foreclosure sale, the oil or gas royalties shall be paid to 2177
the purchaser of the foreclosed property. 2178

Sec. 1509.36. Any person adversely affected by an order by 2179
the chief of the division of oil and gas resources management 2180
may appeal to the oil and gas commission for an order vacating 2181
or modifying the order. Notwithstanding any provision of the 2182
Revised Code to the contrary, a person to whom a permit is 2183
issued by the chief may appeal any of the terms and conditions 2184
included in the permit to the commission. In such an appeal, no 2185
other person may intervene in the appeal before the commission, 2186
except that the commission may allow an amicus curiae to 2187
participate for good cause shown. 2188

The person so appealing to the commission shall be known 2189
as appellant and the chief shall be known as appellee. Appellant 2190
and appellee shall be deemed to be parties to the appeal. 2191

The appeal shall be in writing and shall set forth the 2192
order complained of and the grounds upon which the appeal is 2193
based. The appeal shall be filed with the commission within 2194
thirty days after the date upon which the person to whom the 2195
order was issued received the order and, for all other persons 2196
adversely affected by the order, within thirty days after the 2197
date of the order complained of. Notice of the filing of the 2198
appeal shall be filed with the chief within three days after the 2199
appeal is filed with the commission. 2200

~~Upon the filing of the appeal, the~~ The commission may 2201
decide the appeal, in whole or in part, without a hearing when, 2202
in its judgment, it is appropriate to do so. If the commission 2203
decides to hold a hearing, the commission ~~promptly~~ shall fix the 2204

time and place at which the hearing on the appeal will be held, 2205
and shall give the appellant and the chief at least ten days' 2206
written notice thereof by mail. The commission may postpone or 2207
continue any hearing upon its own motion or upon application of 2208
the appellant or of the chief. 2209

The filing of an appeal provided for in this section does 2210
not automatically suspend or stay execution of the order 2211
appealed from, but upon application by the appellant the 2212
commission may suspend or stay the execution pending 2213
determination of the appeal upon such terms as the commission 2214
considers proper. 2215

Either party to the appeal or any interested person who, 2216
pursuant to commission rules has been granted permission to 2217
appear, may submit such evidence as the commission considers 2218
admissible. 2219

For the purpose of conducting a hearing on an appeal, the 2220
commission may require the attendance of witnesses and the 2221
production of books, records, and papers, and it may, and at the 2222
request of any party it shall, issue subpoenas for witnesses or 2223
subpoenas duces tecum to compel the production of any books, 2224
records, or papers, directed to the sheriffs of the counties 2225
where the witnesses are found. The subpoenas shall be served and 2226
returned in the same manner as subpoenas in criminal cases are 2227
served and returned. The fees of sheriffs shall be the same as 2228
those allowed by the court of common pleas in criminal cases. 2229
Witnesses shall be paid the fees and mileage provided for under 2230
section 119.094 of the Revised Code. Such fees and mileage 2231
expenses incurred at the request of appellant shall be paid in 2232
advance by the appellant, and the remainder of those expenses 2233
shall be paid out of funds appropriated for the expenses of the 2234

division of oil and gas resources management. 2235

In case of disobedience or neglect of any subpoena served 2236
on any person, or the refusal of any witness to testify to any 2237
matter regarding which the witness may be lawfully interrogated, 2238
the court of common pleas of the county in which the 2239
disobedience, neglect, or refusal occurs, or any judge thereof, 2240
on application of the commission or any member thereof, shall 2241
compel obedience by attachment proceedings for contempt as in 2242
the case of disobedience of the requirements of a subpoena 2243
issued from that court or a refusal to testify therein. 2244
Witnesses at such hearings shall testify under oath, and any 2245
member of the commission may administer oaths or affirmations to 2246
persons who so testify. 2247

If a hearing occurs and at the request of any party to the 2248
appeal, a record of the testimony and other evidence submitted 2249
shall be taken by an official court reporter at the expense of 2250
the party making the request for the record. The record shall 2251
include all of the testimony and other evidence and the rulings 2252
on the admissibility thereof presented at the hearing. The 2253
commission shall pass upon the admissibility of evidence, but 2254
any party may at the time object to the admission of any 2255
evidence and except to the rulings of the commission thereon, 2256
and if the commission refuses to admit evidence the party 2257
offering same may make a proffer thereof, and such proffer shall 2258
be made a part of the record of the hearing. 2259

If the commission finds that the order appealed from was 2260
lawful and reasonable, it shall make a written order affirming 2261
the order appealed from; if the commission finds that the order 2262
was unreasonable or unlawful, it shall make a written order 2263
vacating the order appealed from and making the order that it 2264

finds the chief should have made. Every order made by the 2265
commission shall contain a written finding by the commission of 2266
the facts upon which the order is based. 2267

Notice of the making of the order shall be given forthwith 2268
to each party to the appeal by mailing a certified copy thereof 2269
to each such party by certified mail. 2270

The order of the commission is final unless vacated by the 2271
court of common pleas of ~~Franklin~~ the county in an ~~appeal~~ which 2272
the subject of the order originates as provided for in section 2273
1509.37 of the Revised Code. ~~Sections 1509.01 to 1509.37 of the~~ 2274
~~Revised Code, providing for appeals relating to orders by the~~ 2275
~~chief or by the commission, or relating to rules adopted by the~~ 2276
~~chief, do not constitute the exclusive procedure that any person~~ 2277
~~who believes the person's rights to be unlawfully affected by~~ 2278
~~those sections or any official action taken thereunder must~~ 2279
~~pursue in order to protect and preserve those rights, nor do~~ 2280
~~those sections constitute a procedure that that person must~~ 2281
~~pursue before that person may lawfully appeal to the courts to~~ 2282
~~protect and preserve those rights.~~ 2283

Sec. 1509.37. Any party adversely affected by an order of 2284
the oil and gas commission may appeal to the court of common 2285
pleas of ~~Franklin~~ the county in which the subject of the order 2286
originates. Any party desiring to so appeal shall file with the 2287
commission a notice of appeal designating the order appealed 2288
from and stating whether the appeal is taken on questions of law 2289
or questions of law and fact. A copy of the notice also shall be 2290
filed by appellant with the court and shall be mailed or 2291
otherwise delivered to appellee. Such notices shall be filed and 2292
mailed or otherwise delivered within thirty days after the date 2293
upon which appellant received notice from the commission by 2294

certified mail of the making of the order appealed from. No 2295
appeal bond shall be required to make either an appeal on 2296
questions of law or an appeal on questions of law and fact 2297
effective. 2298

The filing of a notice of appeal shall not automatically 2299
operate as a suspension of the order of the commission. If it 2300
appears to the court that an unjust hardship to the appellant 2301
will result from the execution of the commission's order pending 2302
determination of the appeal, the court may grant a suspension of 2303
the order and fix its terms. 2304

Within fifteen days after receipt of the notice of appeal 2305
the commission shall prepare and file in the court the complete 2306
record of proceedings out of which the appeal arises, including 2307
a transcript of the testimony and other evidence that has been 2308
submitted before the commission. The expense of preparing and 2309
transcribing the record shall be taxed as a part of the costs of 2310
the appeal. Appellant shall provide security for costs 2311
satisfactory to the court. Upon demand by a party the commission 2312
shall furnish at the cost of the party requesting the same a 2313
copy of the record. If the complete record is not filed in the 2314
court within the time provided for in this section either party 2315
may apply to the court to have the case docketed, and the court 2316
shall order such record filed. 2317

In the hearing of the appeal the court is confined to the 2318
record as certified to it by the commission. The court may grant 2319
a request for the admission of additional evidence when 2320
satisfied that the additional evidence is newly discovered and 2321
could not with reasonable diligence have been ascertained prior 2322
to the hearing before the commission. The court shall conduct a 2323
hearing on the appeal and shall give preference to the hearing 2324

over all other civil cases irrespective of the position of the 2325
proceedings on the calendar of the court. The hearing in the 2326
court shall proceed as in the trial of a civil action and the 2327
court shall determine the rights of the parties in accordance 2328
with the laws applicable to such an action. At the hearing 2329
counsel may be heard on oral argument, briefs may be submitted, 2330
and evidence introduced if the court has granted a request for 2331
the presentation of additional evidence. 2332

If the court finds that the order of the commission 2333
appealed from was lawful and reasonable, it shall affirm the 2334
order. If the court finds that the order was unreasonable or 2335
unlawful, it shall vacate the order and make the order that it 2336
finds the commission should have made. The judgment of the court 2337
is final unless reversed, vacated, or modified on appeal. 2338

Sec. 2305.041. (A) With respect to a lease or license by 2339
which a right is granted to operate or to sink or drill wells on 2340
land in this state for natural gas or petroleum and that is 2341
recorded in accordance with section 5301.09 of the Revised Code, 2342
an action alleging breach of any express or implied provision of 2343
the lease or license concerning the calculation or payment of 2344
royalties shall be brought within the time period that is 2345
specified in section 1302.98 of the Revised Code. 2346

(B) An action alleging that a lease has terminated, is no 2347
longer in effect, or has expired shall be brought within ten 2348
years after the cause of action accrued. 2349

(C) An action alleging a breach with respect to any other 2350
issue that the lease or license involves shall be brought within 2351
the time period specified in section 2305.06 of the Revised 2352
Code. 2353

Sec. 2305.06. Except as provided in sections 126.301, 2354
1302.98, 1303.16, 1345.10, and 2305.04 and division (B) of 2355
section 2305.041 of the Revised Code, an action upon a specialty 2356
or an agreement, contract, or promise in writing shall be 2357
brought within six years after the cause of action accrued. 2358

Sec. 5577.02. (A) No person shall operate or move a 2359
trackless trolley, traction engine, steam roller, or other 2360
vehicle, load, object, or structure, whether propelled by 2361
muscular or motor power, over or upon the improved public 2362
streets, highways, bridges, or culverts in this state, that 2363
weighs in excess of the weights prescribed in sections 5577.01 2364
to 5577.14 of the Revised Code, unless ~~the~~ one of the following 2365
applies: 2366

(1) The person has been issued a permit under section 2367
4513.34 of the Revised Code; 2368

(2) The person has been issued a permit under section 2369
1509.06 of the Revised Code, and the person has entered into an 2370
agreement concerning maintenance and safe use of the roads, 2371
streets, and highways in accordance with division (A) (11) (b) of 2372
that section. The agreement shall be considered a permit for 2373
purposes of section 4513.34 of the Revised Code for any vehicle 2374
that is operated under the agreement that does not exceed the 2375
maximum vehicle dimensions, weight, and spacing between axles 2376
that is specified in the agreement. For any vehicle that exceeds 2377
the maximum vehicle dimensions, weight, and spacing between 2378
axles that is specified in the agreement, the person shall 2379
obtain a permit under section 4513.34 of the Revised Code with 2380
respect to that vehicle's operation to the extent otherwise 2381
required by law. 2382

(B) The prohibition in this section applies regardless of 2383

whether the weight is moved upon wheels, rollers, or otherwise. 2384
Any weight determination shall include the weight of the 2385
vehicle, object, structure, contrivance, and load. 2386

Sec. 5727.02. As used in this chapter, "public utility," 2387
"electric company," "natural gas company," "pipe-line company," 2388
"water-works company," "water transportation company," or 2389
"heating company" does not include any of the following: 2390

(A) (1) Except as provided in division (A) (2) of this 2391
section, any person that is engaged in some other primary 2392
business to which the supplying of electricity, heat, natural 2393
gas, water, water transportation, steam, or air to others is 2394
incidental. 2395

(2) For tax year 2009 and each tax year thereafter, a 2396
person that is engaged in some other primary business to which 2397
the supplying of electricity to others is incidental shall be 2398
treated as an "electric company" and a "public utility" for 2399
purposes of this chapter solely to the extent required by 2400
section 5727.031 of the Revised Code. 2401

(3) For purposes of division (A) of this section and 2402
section 5727.031 of the Revised Code: 2403

(a) "Supplying of electricity" means generating, 2404
transmitting, or distributing electricity. 2405

(b) A person that leases to others energy facilities with 2406
an aggregate nameplate capacity in this state of two hundred 2407
fifty kilowatts or less per lease is not supplying electricity 2408
to others. 2409

(c) A person that owns, or leases from another person, 2410
energy facilities with an aggregate nameplate capacity in this 2411
state of two hundred fifty kilowatts or less is not supplying 2412

electricity to others, regardless of whether the owner or lessee 2413
engages in net metering as defined in section 4928.01 of the 2414
Revised Code. 2415

(d) A political subdivision of this state that owns an 2416
energy facility is not supplying electricity to others 2417
regardless of the nameplate capacity of the facility if the 2418
primary purpose of the facility is to supply electricity for the 2419
political subdivision's own use. As used in this division, 2420
"political subdivision" means a county, township, municipal 2421
corporation, or any other body corporate and politic that is 2422
responsible for government activities in a geographic area 2423
smaller than that of the state. 2424

(B) Any person that supplies electricity, natural gas, 2425
water, water transportation, steam, or air to its tenants, 2426
whether for a separate charge or otherwise; 2427

(C) Any person whose primary business in this state 2428
consists of producing, refining, or marketing petroleum or its 2429
products. 2430

(D) Any person whose primary business in this state 2431
consists of producing or gathering natural gas rather than 2432
supplying or distributing natural gas to consumers. A person's 2433
primary business is gathering natural gas if the total 2434
dekatherms of natural gas the person gathers exceeds the total 2435
dekatherms of natural gas the person purchases from nongathered 2436
sources in a calendar year. 2437

Section 2. That existing sections 127.14, 155.33, 155.34, 2438
1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 2439
1509.22, 1509.221, 1509.224, 1509.23, 1509.31, 1509.36, 1509.37, 2440
2305.041, 2305.06, 5577.02, and 5727.02 of the Revised Code are 2441

hereby repealed. 2442

Section 3. The amendment by this act of section 5727.02 of 2443
the Revised Code applies to tax year 2027 and every tax year 2444
thereafter. 2445

Section 4. That Section 343.30 of H.B. 96 of the 136th 2446
General Assembly be amended to read as follows: 2447

Sec. 343.30. WELL LOG FILING FEES 2448

The Chief of the Division of Water Resources shall deposit 2449
fees forwarded to the Division pursuant to section 1521.05 of 2450
the Revised Code into the Water Management Fund (Fund 5160) for 2451
the purposes described in that section. 2452

OIL AND GAS WELL FUND 2453

The Oil and Gas Well Fund (Fund 5180) shall be used solely 2454
and exclusively for the purposes enumerated in division (B) of 2455
section 1509.071 of the Revised Code, for the expenses of the 2456
Division of Oil and Gas Resources Management associated with the 2457
administration of Chapters 1509. and 1571. of the Revised Code 2458
and rules adopted under them, and for expenses that are critical 2459
and necessary for the protection of human health and safety and 2460
the environment related to oil and gas production in this state. 2461
Notwithstanding Section 503.20 of H.B. 96 of the 136th General 2462
Assembly, or any other provision of law to the contrary, money 2463
credited to the Oil and Gas Well Fund (Fund 5180) shall not be 2464
used to transfer cash to any other fund or appropriation item or 2465
for judgments and settlements unrelated to the Division of Oil 2466
and Gas Resources Management. 2467

PARKS CAPITAL EXPENSES FUND 2468

The Director of Natural Resources shall submit to the 2469

Director of Budget and Management the estimated design, 2470
engineering, and planning costs of capital-related work to be 2471
done by Department of Natural Resources staff for parks projects 2472
within the Ohio Parks and Recreation Improvement Fund (Fund 2473
7035). If the Director of Budget and Management approves the 2474
estimated costs, the Director may release appropriations from 2475
Fund 7035 appropriation item C725E6, Project Planning, for those 2476
purposes. Upon release of the appropriations, the Department of 2477
Natural Resources shall pay for these expenses from the Parks 2478
Capital Expenses Fund (Fund 2270). Expenses paid from Fund 2270 2479
shall be reimbursed by Fund 7035 using an intrastate transfer 2480
voucher. 2481

NATUREWORKS CAPITAL EXPENSES FUND 2482

The Department of Natural Resources shall submit to the 2483
Director of Budget and Management the estimated design, 2484
planning, and engineering costs of capital-related work to be 2485
done by Department of Natural Resources staff for each capital 2486
improvement project within the Ohio Parks and Natural Resources 2487
Fund (Fund 7031). If the Director of Budget and Management 2488
approves the estimated costs, the Director may release 2489
appropriations from Fund 7031 appropriation item C725E5, Project 2490
Planning, for those purposes. Upon release of the 2491
appropriations, the Department of Natural Resources shall pay 2492
for these expenses from the Capital Expenses Fund (Fund 4S90). 2493
Expenses paid from Fund 4S90 shall be reimbursed by Fund 7031 2494
using an intrastate transfer voucher. 2495

PARKS AND RECREATION 2496

The foregoing appropriation item 7256A6, Parks and 2497
Recreation, shall be used in conjunction with appropriation item 2498
730321, Parks and Recreation, to support the Division of Parks 2499

and Watercraft. 2500

PARK MAINTENANCE 2501

The foregoing appropriation item 725514, Park Maintenance, 2502
shall be used by the Department of Natural Resources to pay the 2503
costs of projects supported by the State Park Maintenance Fund 2504
(Fund 5TD0) under section 1501.08 of the Revised Code. 2505

On July 1 of each fiscal year or as soon as possible 2506
thereafter, the Director of Natural Resources shall certify the 2507
amount of five percent of the average of the previous five years 2508
of deposits in the State Park Fund (Fund 5120) to the Director 2509
of Budget and Management. The Director of Budget and Management 2510
may transfer up to \$2,200,000 from Fund 5120 to the State Park 2511
Maintenance Fund (Fund 5TD0). 2512

Section 5. That existing Section 343.30 of H.B. 96 of the 2513
136th General Assembly is hereby repealed. 2514