

**As Passed by the House**

**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, Craig, John, Mathews, A., Peterson, Schmidt, Thomas, D., Williams,  
Willis**

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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, <u>oil and gas well fund</u> , 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 proposed to be leased that specifies all of the following:	136 137
(i) The percentage of the interest owned or controlled by the state agency, and whether that interest is divided, undivided, or partial;	138 139 140
(ii) The source deed by book and page numbers, including the description and acreage of the parcel and an identification of the county, section, township, and range in which the parcel is located;	141 142 143 144
(iii) A plat map depicting the area in which the parcel is located.	145 146
(c) If the person making the nomination is not a state agency, a nomination fee of one hundred fifty dollars;	147 148
(d) The proposed lease bonus that applies to the nomination and any additional proposed gross landowner royalty that applies to the nomination that is in addition to the amount required under division (A)(1)(b) of section 155.34 of the Revised Code;	149 150 151 152 153
(e) If the person making the nomination is not a state agency, proof of both of the following:	154 155
(i) That the person has obtained the insurance and financial assurance required under section 1509.07 of the Revised Code;	156 157 158
(ii) That the person has registered with and obtained an identification number from the division of oil and gas resources management under section 1509.31 of the Revised Code.	159 160 161
(3) In order to encourage the submission of nominations and the responsible and reasonable development of the state's	162 163

natural resources, only the information submitted under division 164  
(A) (2) (b) of this section may be disclosed to the public until a 165  
person is selected under division (F) of this section. Until a 166  
person is selected under division (F) of this section, all other 167  
information submitted under division (A) (2) of this section is 168  
confidential, shall not be disclosed by the commission, and is 169  
not a public record subject to inspection or copying under 170  
section 149.43 of the Revised Code. 171

(4) When a nomination is not submitted by a state agency, 172  
the nomination is the opening bid for purposes of division (D) 173  
of this section. However, the person submitting the nomination 174  
may supplement or amend that bid by providing additional 175  
information in accordance with that division. 176

(B) (1) ~~Not less than thirty days, but not more than one-~~ 177  
~~hundred twenty days following the receipt of a nomination, the~~ 178  
The commission shall conduct a meeting one or more meetings for 179  
the purpose of determining whether to approve or disapprove the 180  
nomination for the purpose of leasing a formation within the 181  
parcel of land that is identified in the nomination. 182

In making its decision to approve or disapprove the 183  
nomination, the commission shall consider all of the following: 184

(a) The economic benefits, including the potential income 185  
from an oil or natural gas operation, that would result if the 186  
lease of a formation that is the subject of the nomination were 187  
approved; 188

(b) Whether the proposed oil or gas operation is 189  
compatible with the current uses of the parcel of land that is 190  
the subject of the nomination; 191

(c) The environmental impact that would result if the 192

lease of a formation that is the subject of the nomination were approved;	193 194
(d) Any potential adverse geological impact that would result if the lease of a formation that is the subject of the nomination were approved;	195 196 197
(e) Any potential impact to visitors or users of a parcel of land that is the subject of the nomination;	198 199
(f) Any potential impact to the operations or equipment of a state agency that is a state university or college if the lease of a formation within a parcel of land owned or controlled by the university or college that is the subject of the nomination were executed;	200 201 202 203 204
(g) Any comments or objections to the nomination submitted to the commission by the state agency that owns or controls the parcel of land on which the proposed oil or natural gas operation would take place;	205 206 207 208
(h) Any comments or objections to the nomination submitted to the commission by residents of this state or other users of the parcel of land that is the subject of the nomination;	209 210 211
(i) Any special terms and conditions the state agency included in its comments or objections that the state agency believes are appropriate for the lease of the parcel of land because of specific conditions related to that parcel of land.	212 213 214 215
(2) The commission shall approve or disapprove a nomination not later than <del>two calendar quarters</del> <u>ninety days</u> following the receipt of the nomination. The commission shall post notice of the commission's decision on the commission's web site and send notice of the decision by email and by certified mail to the person that submitted the nomination and to the	216 217 218 219 220 221

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	254
address, telephone number, and email address;	255
(3) An identification of the formation and parcel of land	256
for which the bid is being submitted, including all of the	257
information specified in division (A) (2) (b) of this section;	258
(4) The proposed lease bonus that applies to the bid and	259
any additional proposed gross landowner royalty that applies to	260
the bid that is in addition to the amount required under	261
division (A) (1) (b) of section 155.34 of the Revised Code;	262
(5) Proof of both of the following:	263
(a) That the person has obtained the insurance and	264
financial assurance required under section 1509.07 of the	265
Revised Code;	266
(b) That the person has registered with and obtained an	267
identification number from the division of oil and gas resources	268
management under section 1509.31 of the Revised Code.	269
(6) Any other information that the person believes is	270
relevant to the bid.	271
(E) In order to encourage the submission of bids and the	272
responsible and reasonable development of the state's natural	273
resources, the information that is contained in a bid submitted	274
to the commission under this section is confidential, shall not	275
be disclosed by the commission, and is not a public record	276
subject to inspection and copying under section 149.43 of the	277

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

the well has been plugged in accordance with applicable rules 450  
adopted and orders issued under this chapter. "~~Owner~~" 451

(2) "Owner," for purposes of obtaining a permit under 452  
section 1509.06 of the Revised Code, means each person having 453  
the right to drill on a tract or drilling unit, to drill into 454  
and produce from a pool, and to appropriate the oil and gas 455  
produced therefrom either for the person or for others, except 456  
that a person ceases to be an owner with respect to a well when 457  
the well has been plugged in accordance with applicable rules 458  
adopted and orders issued under this chapter. 459

(3) "Owner" does not include a person who obtains a lease 460  
of the mineral rights for oil and gas on a parcel of land if the 461  
person does not attempt to produce or produce oil or gas from a 462  
well or obtain a permit under this chapter for a well or if the 463  
entire interest of a well is transferred to the person in 464  
accordance with division (B) of section 1509.31 of the Revised 465  
Code. 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 the same meanings as in section 1561.01 of the Revised Code.	479 480
(Q) "Coal bearing township" means a township designated as such by the chief of the division of mineral resources management under section 1561.06 of the Revised Code.	481 482 483
(R) "Gas storage reservoir" means a continuous area of a subterranean porous sand or rock stratum or strata into which gas is or may be injected for the purpose of storing it therein and removing it therefrom and includes a gas storage reservoir as defined in section 1571.01 of the Revised Code.	484 485 486 487 488
(S) "Safe Drinking Water Act" means the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(f), and regulations adopted under those acts.	489 490 491 492 493 494 495
(T) "Person" includes any political subdivision, department, agency, or instrumentality of this state; the United States and any department, agency, or instrumentality thereof; any legal entity defined as a person under section 1.59 of the Revised Code; and any other form of business organization or entity recognized by the laws of this state.	496 497 498 499 500 501
(U) "Brine" means all saline geological formation water resulting from, obtained from, or produced in connection with exploration, drilling, well stimulation, production of oil or gas, or plugging of a well.	502 503 504 505
(V) "Waters of the state" means all streams, lakes, ponds, marshes, watercourses, waterways, springs, irrigation systems,	506 507

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 683  
Revised Code and fines imposed under divisions (C) and (D) of 684  
section 1509.99 of the Revised Code for all violations 685  
prosecuted by the attorney general and for violations prosecuted 686  
by prosecuting attorneys that do not involve the transportation 687  
of brine by vehicle shall be deposited into the state treasury 688  
to the credit of the oil and gas well fund, which is hereby 689  
created. Fines imposed under divisions (C) and (D) of section 690  
1509.99 of the Revised Code for violations prosecuted by 691  
prosecuting attorneys that involve the transportation of brine 692  
by vehicle and penalties associated with a compliance agreement 693  
entered into pursuant to this chapter shall be paid to the 694  
county treasury of the county where the violation occurred. 695

The fund shall be used solely and exclusively for the 696  
purposes enumerated in division (B) of section 1509.071 of the 697  
Revised Code, for the expenses of the division associated with 698  
the administration of this chapter and Chapter 1571. of the 699  
Revised Code and rules adopted under them, and for expenses that 700  
are critical and necessary for the protection of human health 701  
and safety and the environment related to oil and gas production 702  
in this state. The expenses of the division in excess of the 703  
moneys available in the fund shall be paid from general revenue 704  
fund appropriations to the department. 705

**Sec. 1509.03.** (A) The chief of the division of oil and gas 706  
resources management shall adopt, rescind, and amend, in 707  
accordance with Chapter 119. of the Revised Code, rules for the 708  
administration, implementation, and enforcement of this chapter. 709  
The rules shall include an identification of the subjects that 710  
the chief shall address when attaching terms and conditions to a 711

permit with respect to a well and production facilities of a 712  
well that are located within an urbanized area or with respect 713  
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~~ 742  
~~chapter, the notice shall be given in order to meet the~~ 743  
~~requirements of law~~The chief shall adopt rules in accordance 744  
with Chapter 119. of the Revised Code establishing both of the 745  
following: 746

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

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

(C) The chief or the chief's authorized representative may 751  
at any time enter upon lands, public or private, for the purpose 752  
of administration or enforcement of this chapter, the rules 753  
adopted or orders made thereunder, or terms or conditions of 754  
permits or registration certificates issued thereunder and may 755  
examine and copy records pertaining to the drilling, conversion, 756  
or operation of a well for injection of fluids and logs required 757  
by division (C) of section 1509.223 of the Revised Code. No 758  
person shall prevent or hinder the chief or the chief's 759  
authorized representative in the performance of official duties. 760  
If entry is prevented or hindered, the chief or the chief's 761  
authorized representative may apply for, and the court of common 762  
pleas may issue, an appropriate inspection warrant necessary to 763  
achieve the purposes of this chapter within the court's 764  
territorial jurisdiction. 765

(D) The chief may issue orders to enforce this chapter, 766  
rules adopted thereunder, and terms or conditions of permits 767  
issued thereunder. ~~Any such order shall be considered an~~ 768

~~adjudication order for the purposes of Chapter 119. of the~~ 769  
~~Revised Code.~~ No person shall violate any order of the chief 770  
issued under this chapter. No person shall violate a term or 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 agent. 799  
800

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

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

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

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

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

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

(8) (a) An identification, to the best of the owner's knowledge, of each proposed source of ground water and surface water that will be used in the production operations of the well. The identification of each proposed source of water shall indicate if the water will be withdrawn from the Lake Erie watershed or the Ohio river watershed. In addition, the owner shall provide, to the best of the owner's knowledge, the proposed estimated rate and volume of the water withdrawal for the production operations. If recycled water will be used in the production operations, the owner shall provide the estimated volume of recycled water to be used. The owner shall submit to the chief an update of any of the information that is required by division (A) (8) (a) of this section if any of that information changes before the chief issues a permit for the application. 814  
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(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 1162  
responsibility instead of bond cannot demonstrate financial— 1163  
responsibility, shall order that the owner execute and file a— 1164  
bond or deposit cash, certificates of deposit, or irrevocable— 1165  
letters of credit as required by this section for the wells— 1166  
specified in the order within ten days of receipt of the order.— 1167  
If the order is not complied with, all wells of the owner that— 1168  
are specified in the order and for which no bond is filed or— 1169  
cash, certificates of deposit, or letters of credit are— 1170  
deposited shall be plugged. No owner shall fail or refuse to— 1171  
plug such a well. Each day on which such a well remains— 1172  
unplugged thereafter constitutes a separate offense.— 1173~~

~~(4) The surety bond provided for in this section shall be 1174  
executed by a surety company authorized to do business in this 1175  
state. 1176~~

~~The chief shall not approve any bond until it is 1177  
personally signed and acknowledged by both principal and surety, 1178  
or as to either by the principal's or surety's attorney in fact, 1179  
with a certified copy of the power of attorney attached thereto. 1180  
The chief shall not approve a bond unless there is attached a 1181  
certificate of the superintendent of insurance that the company 1182  
is authorized to transact a fidelity and surety business in this 1183  
state. 1184~~

~~All bonds shall be given in a form to be prescribed by the 1185  
chief and shall run to the state as obligee. 1186~~

~~(5) (4) An owner of an exempt Mississippian well or an 1187  
exempt domestic well, in lieu of filing a surety bond, cash in 1188~~

an amount equal to the surety bond, certificates of deposit, or 1189  
irrevocable letters of credit, ~~or a sworn financial statement,~~ 1190  
may file a one-time fee of fifty dollars, which shall be 1191  
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 1432  
completed in accordance with the applicable requirements, the 1433  
chief shall not pay the contractor or landowner for the cost of 1434  
the plugging. 1435

(f) If any equipment was removed from the well during the 1436  
plugging and sold, the chief shall deduct the sale amount of the 1437  
equipment from the payment to the contractor. 1438

(g) Changes made to a contract executed under division (E) 1439  
(2) of this section due to unanticipated conditions may be 1440  
presented to the chief in the form of a written request for 1441  
approval of the additional costs prior to completion of the 1442  
work. The chief shall determine if the changes are necessary to 1443  
comply with this chapter and rules adopted and orders issued 1444  
under it and if the cost of the changes are reasonable. The 1445  
chief shall provide to the contractor a written decision 1446  
regarding the proposed changes. If the chief determines that the 1447  
changes are not necessary or that the costs are not reasonable, 1448  
the chief may either deny the request or establish the amount of 1449  
the cost that the chief approves. Work completed prior to 1450  
receipt of written approval from the chief is not eligible for 1451  
payment, unless waived by the chief. 1452

(3) The chief may establish an annual limit on the number 1453  
of wells that may be plugged under division (E) (2) of this 1454  
section or an annual limit on the expenditures to be made under 1455  
that division. The chief may reject an application submitted 1456  
under division (E) (2) of this section if the chief determines 1457

that the plugging of other wells take priority. 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 1519  
Revised Code describing the efforts of the division of oil and 1520  
gas resources management to plug orphaned wells during the 1521  
immediately preceding calendar quarter. The chief also shall 1522  
include in the report all of the following information: 1523

(a) The total number of known orphaned wells in the state 1524  
and the total number in each county of the state; 1525

(b) The total number of newly discovered orphaned wells 1526  
during the immediately preceding calendar quarter; 1527

(c) The total number of wells plugged in accordance with 1528  
this section during the immediately preceding calendar quarter; 1529

(d) The total number of wells plugged in accordance with 1530  
this section and the estimated average and indirect costs of 1531  
plugging activities conducted under this section prior to the 1532  
date of the report; 1533

(e) The number of wells approved for plugging in 1534  
accordance with this section and the estimated average and 1535  
indirect costs of plugging activities conducted under this 1536  
section during the immediately preceding calendar quarter. 1537

(2) Not later than the thirty-first day of March of each 1538  
year, the chief and the technical advisory council shall jointly 1539  
provide a report containing, at a minimum, the information 1540  
required to be included in the quarterly reports during the 1541  
previous one-year period to all of the following: 1542

(a) The speaker of the house of representatives; 1543

(b) The president of the senate; 1544

(c) The chair of the committee of the house of 1545  
representatives responsible for energy and natural resources 1546  
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 1602  
resources inspector present unless permission has been granted 1603  
by the chief. The owner of a well that has produced oil or gas 1604  
shall give written notice at the same time to the owner of the 1605  
land upon which the well is located and to all lessors that 1606  
receive gas from the well pursuant to an agreement. If the well 1607  
penetrates or passes within one hundred feet of the excavations 1608  
and workings of a mine, the owner of the well shall give written 1609  
notice to the owner or lessee of that mine of the intention to 1610  
abandon the well and of the time when the owner of the well will 1611  
be prepared to commence plugging it. 1612

~~(D)~~ (D) (1) An applicant may file a request with the chief 1613  
for expedited review of an application for a permit to plug and 1614  
abandon a well. ~~The chief may refuse to accept a request for~~ 1615  
~~expedited review if, in the chief's judgment, acceptance of the~~ 1616  
~~request will prevent the issuance, within twenty-one days of~~ 1617  
~~filing, of permits for which applications filed under section~~ 1618  
~~1509.06 of the Revised Code are pending.~~ In addition to a 1619  
complete application for a permit that meets the requirements of 1620  
this section, a request for expedited review shall be 1621  
accompanied by a nonrefundable filing fee of five hundred 1622  
dollars unless the chief has ordered the applicant to plug and 1623  
abandon the well. When a request for expedited review is filed, 1624  
the chief shall immediately begin to process the application and 1625  
shall issue a permit within seven days of the filing of the 1626  
request unless the chief, by order, denies the application. 1627

(2) No owner shall apply for an expedited permit under 1628  
this section more than ten times within a calendar year. 1629  
However, if an emergency requires that an expedited permit be 1630

issued, as determined by the chief, an owner that is otherwise 1631  
prohibited from obtaining an expedited permit under this 1632  
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 1662  
Code, or in violation of rules or orders applicable to those 1663  
plans or resolutions. 1664

(2) (a) On and after January 1, 2014, no person shall 1665  
store, recycle, treat, process, or dispose of in this state 1666  
brine or other waste substances associated with the exploration, 1667  
development, well stimulation, production operations, or 1668  
plugging of oil and gas resources without an order or a permit 1669  
issued under this section or section 1509.06 or 1509.21 of the 1670  
Revised Code or rules adopted under any of those sections. For 1671  
purposes of division (B) (2) (a) of this section, a permit or 1672  
other form of authorization issued by another agency of the 1673  
state or a political subdivision of the state shall not be 1674  
considered a permit or order issued by the chief of the division 1675  
of oil and gas resources management under this chapter. 1676

(b) Division (B) (2) (a) of this section does not apply to a 1677  
person that disposes of such waste substances other than brine 1678  
in accordance with Chapter 3734. of the Revised Code and rules 1679  
adopted under it. 1680

(C) The chief shall adopt rules regarding storage, 1681  
recycling, treatment, processing, and disposal of brine and 1682  
other waste substances. The rules shall establish procedures and 1683  
requirements in accordance with which a person shall apply for a 1684  
permit or order for the storage, recycling, treatment, 1685  
processing, or disposal of brine and other waste substances that 1686  
are not subject to a permit issued under section 1509.06 or 1687  
1509.21 of the Revised Code and in accordance with which the 1688  
chief may issue such a permit or order. An application for such 1689

a permit shall be accompanied by a nonrefundable fee of two 1690  
thousand five hundred dollars. 1691

The storage, recycling, treatment, processing, and 1692  
disposal of brine and other waste substances and the chief's 1693  
rules relating to storage, recycling, treatment, processing, and 1694  
disposal are subject to all of the following standards: 1695

(1) Brine from any well except an exempt Mississippian 1696  
well shall be disposed of only as follows: 1697

(a) By injection into an underground formation, including 1698  
annular disposal if approved by rule of the chief, which 1699  
injection shall be subject to division (D) of this section; 1700

(b) By surface application in accordance with section 1701  
1509.226 of the Revised Code; 1702

(c) In association with a method of enhanced recovery as 1703  
provided in section 1509.21 of the Revised Code; 1704

(d) In any other manner not specified in divisions (C) (1) 1705  
(a) to (c) of this section that is approved by a permit or order 1706  
issued by the chief. 1707

(2) Brine from exempt Mississippian wells shall not be 1708  
discharged directly into the waters of the state. 1709

(3) Muds, cuttings, and other waste substances shall not 1710  
be disposed of in violation of this chapter or any rule adopted 1711  
under it. 1712

(4) Pits or steel tanks shall be used as authorized by the 1713  
chief for containing brine and other waste substances resulting 1714  
from, obtained from, or produced in connection with drilling, 1715  
well stimulation, reworking, reconditioning, plugging back, or 1716  
plugging operations. The pits and steel tanks shall be 1717

constructed and maintained to prevent the escape of brine and 1718  
other waste substances. 1719

(5) A dike or pit may be used for spill prevention and 1720  
control. A dike or pit so used shall be constructed and 1721  
maintained to prevent the escape of brine and crude oil, and the 1722  
reservoir within such a dike or pit shall be kept reasonably 1723  
free of brine, crude oil, and other waste substances. 1724

(6) Impoundments constructed utilizing a synthetic liner 1725  
pursuant to the division's specifications may be used for the 1726  
temporary storage of waste substances used in the construction, 1727  
stimulation, or plugging of a well. 1728

(7) No pit or dike shall be used for the temporary storage 1729  
of brine or other waste substances except in accordance with 1730  
divisions (C) (4) and (5) of this section. 1731

(8) No pit or dike shall be used for the ultimate disposal 1732  
of brine or other liquid waste substances. 1733

(D) (1) No person, without first having obtained a permit 1734  
from the chief, shall inject brine or other waste substances 1735  
resulting from, obtained from, or produced in connection with 1736  
oil or gas drilling, exploration, or production into an 1737  
underground formation unless a rule of the chief expressly 1738  
authorizes the injection without a permit. The permit shall be 1739  
in addition to any permit required by section 1509.05 of the 1740  
Revised Code, and the permit application shall be accompanied by 1741  
a permit fee of one thousand dollars. The chief shall adopt 1742  
rules in accordance with Chapter 119. of the Revised Code 1743  
regarding the injection into wells of brine and other waste 1744  
substances resulting from, obtained from, or produced in 1745  
connection with oil or gas drilling, exploration, or production. 1746

The rules shall include provisions regarding all of the 1747  
following: 1748

(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

<u>and Gas Resources Management.</u>	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 Recreation, shall be used in conjunction with appropriation item 730321, Parks and Recreation, to support the Division of Parks and Watercraft.	2497 2498 2499 2500
PARK MAINTENANCE	2501
The foregoing appropriation item 725514, Park Maintenance, shall be used by the Department of Natural Resources to pay the costs of projects supported by the State Park Maintenance Fund (Fund 5TD0) under section 1501.08 of the Revised Code.	2502 2503 2504 2505
On July 1 of each fiscal year or as soon as possible thereafter, the Director of Natural Resources shall certify the amount of five percent of the average of the previous five years of deposits in the State Park Fund (Fund 5120) to the Director of Budget and Management. The Director of Budget and Management may transfer up to \$2,200,000 from Fund 5120 to the State Park Maintenance Fund (Fund 5TD0).	2506 2507 2508 2509 2510 2511 2512
<b>Section 5.</b> That existing Section 343.30 of H.B. 96 of the 136th General Assembly is hereby repealed.	2513 2514