



Senator Matt Huffman
12th District
S.B. 236 – Sponsor Testimony
Senate Energy & Natural Resources Committee

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Energy and Natural Resources Committee, it is my pleasure to offer sponsor testimony on Senate Bill 236, which will provide much needed reforms to negotiations between coal mines and oil and gas drilling operations. This legislation is necessary to better open up our state's many opportunities in the oil and gas industry.

As you may know, oil and natural gas are located deeper in the earth's crust than coal is, requiring deeper drilling operations to collect them. Several years ago, the State of Ohio made it illegal to drill a well directly through or underneath an active coal mine due to miner safety issues. Thus arose the term "affected mine."

Over the next several years, the meaning of "affected mine" has been altered either through administrative action or a variety of court decisions. The definition began to also include coal mines near a drilling operation or planned, future mines that overlapped territorially with a drilling operation. When a drilling operation is deemed, by this poorly defined and often misconstrued term, to be engaging an "affected mine," no permit for operations is issued.

The inability to obtain a permit affects both the property owner and the driller for oil and gas. When a permit is denied, the process for addressing the denial is unclear, as is the procedure. As a result, a great deal of oil and natural gas in Ohio is not being utilized.

My legislation seeks to remedy this two pronged issue. First, it clearly defines an affected mine as a coal mining operation, whether surface or underground, as one that meets the following conditions:

- An operation where a permit has been issued to conduct coal mining operations
- An oil/gas well is located within permitted mine limits
- The mining company has acquired rights to mine coal at the proposed well location from 100% of the owners of that coal
- Active mining is occurring within 2500 feet of, and progressing towards, the proposed well location

Second, the legislation creates an affected mine commission to oversee affected mine designations and hear appeals cases. The commission shall be comprised of the following individuals:

- Two members of the Ohio Reclamation Commission appointed by the Chair of that Commission

- Two members of the Ohio Oil and Gas Commission appointed by the Chair of that Commission
- Three representatives of land owners and/or farmers:
 - One appointed by the Governor
 - One appointed by the Speaker of the House
 - One appointed by the President of the Senate

By establishing a clear definition of “affected mine” and creating a more appropriate adjudication process for permitting disputes, S.B. 236 will ensure that negotiations between mining and drilling operations are fair and that property owners are appropriately represented. Thank you for your attention and consideration. I will be happy to answer any questions you might have at this time.