



Thank you Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Senate Energy and Natural Resources Committee for allowing me to testify today on Senate Bill 236. My name is Amanda Finn, and I am the Government Relations Manager for Ascent Resources, LLC, a company with a prime acreage position in Ohio and recently ranked as the #1 oil and gas producer in Ohio according to ODNR's 3<sup>rd</sup> quarter reports.

While Ascent Resources Utica (ARU) has experienced several "affected mine" issues over the years, I want to highlight the most recent struggles we have encountered regarding the inability to obtain a permit which affects not only us as a company, but affects property owners as well.

When a producer files for a permit to drill, there is a limited time frame on how quickly a permit is needed. This could vary in reasons but most are due to leasehold expirations and agreements with the landowner. With a rapidly changing and well thought out drill schedule, the option to appeal a permit denial is not always a viable one when it comes to the schedule. This has been the case with several of our pads and submitting permit requests. Ascent Resources Utica (ARU) has been denied two permits on record with ODNR-DMRM and another three would have been denied, but out of good faith were negotiated without the formal objection process due to time restrictions and the understanding the mining company would not allow the permits to go through.

Our Stone Pad, located in Cross Creek Township in Jefferson County, Ohio was the second and most recent objection on record with the ODNR-DMRM. This pad already had one approved drilling permit for the 3H well, approved in November of 2016. The coal company had no objection to this well in November, but approximately three months later on January 20<sup>th</sup>, 2017, the mining company objected to 3 more drilling permits on the same pad.

A meeting was set between the coal company and ARU, only to have variations in plans and numbers each meeting that occurred. Due to timing and lack of cooperation from the coal company to come to an agreement, ARU was forced to pay for 2.0 acres of potential "sterilized" coal as deemed by the coal company. According to the changing mine plans, there was no near future projection to mine this coal nor had a permit application been filed by the coal company. The majority of the supporting information needed to provide a valid case by the coal company was not provided nor submitted to ODNR-DMRM, leading us to question why the coal company could universally object to these permits.

In addition to the Stone Pad, we had two other pads to be located northeast of the Stone pad, within the city of Steubenville limits. Due to leasehold constraints, ARU went to the coal company to come to an agreement in order to move forward with the permitting process. The City of Steubenville ordinances (referenced in 767.01) prohibits "the removal of coal by any commercially known means whatsoever".

With this said, it was stated by the coal company that our two proposed pads would "sterilize" a total of 4.0 acres and that compensation for lost coal was expected. The coal company was requesting compensation for coal that was not even possible to be mined in the first place, according to the



ordinances created to protect the city. Once again, ARU was forced due to time constraints to negotiate a settlement to obtain a permit with no objections from the coal company. These settlements over the last few years total upwards of \$1.3 million.

The requested amounts of these settlements are not based on current market value or the value of coal at all. These are simply pay to play type scenarios extorted by the coal companies to make any and all profits off of oil and gas producers. The way the current regulatory system is operating provides coal companies with this leverage. The system is currently unbalanced and broken and in need of repair.

Senate Bill 236 is such a vehicle to bring needed balance back to the process. By defining what is and is not an “affected mine” and by creating a new commission that balances the needs of oil and gas interests, coal interests, and landowners, order is restored to the process. Order that oil and gas companies like Ascent Resources need to develop substantial oil and gas resources. Order that our landowners and mineral interest owners need in order to develop their minerals and provide them with value. We need this clarification to create a fair and even playing field going forward for both industries to work together on.

Thank you once again, Chairman Balderson and members of the committee, for allowing me to testify today on Senate Bill 236. I will now make myself available for any questions, should members of the committee have them.