

**As Reported by the House Energy and Natural Resources Committee**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**Sub. H. B. No. 225**

**Representative Thompson**

**Cosponsors: Representatives Hambley, Householder, Stein, Brenner, Riedel, Dean, Schaffer, Seitz, Keller, Edwards, Greenspan, Patterson, Goodman, Wiggam, Retherford, Ginter, Barnes, Young, Romanchuk, Landis, Kick, Patton, Faber, West, Boccieri, Hagan, O'Brien, Gavarone**

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**A BILL**

To amend sections 1509.071, 1509.13, 1509.151, and 1  
1509.34 of the Revised Code and to amend 2  
Sections 503.20 and 512.20 of Am. Sub. H.B. 49 3  
of the 132nd General Assembly to modify the law 4  
governing idle and orphaned oil and gas wells. 5

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

**Section 1.** That sections 1509.071, 1509.13, 1509.151, and 6  
1509.34 of the Revised Code be amended to read as follows: 7

**Sec. 1509.071.** (A) When the chief of the division of oil 8  
and gas resources management finds that an owner has failed to 9  
comply with a final nonappealable order issued or compliance 10  
agreement entered into under section 1509.04, the restoration 11  
requirements of section 1509.072, plugging requirements of 12  
section 1509.12, or permit provisions of section 1509.13 of the 13  
Revised Code, or rules and orders relating thereto, the chief 14  
shall make a finding of that fact and declare any surety bond 15  
filed to ensure compliance with those sections and rules 16

forfeited in the amount set by rule of the chief. The chief 17  
thereupon shall certify the total forfeiture to the attorney 18  
general, who shall proceed to collect the amount of the 19  
forfeiture. In addition, the chief may require an owner, 20  
operator, producer, or other person who forfeited a surety bond 21  
to post a new surety bond in the amount of fifteen thousand 22  
dollars for a single well, thirty thousand dollars for two 23  
wells, or fifty thousand dollars for three or more wells. 24

In lieu of total forfeiture, the surety or owner, at the 25  
surety's or owner's option, may cause the well to be properly 26  
plugged and abandoned and the area properly restored or pay to 27  
the treasurer of state the cost of plugging and abandonment. 28

(B) (1) All moneys collected because of forfeitures of 29  
bonds as provided in this section shall be deposited in the 30  
state treasury to the credit of the oil and gas well fund 31  
created in section 1509.02 of the Revised Code. 32

~~The~~ For purposes of promoting the competent management and 33  
conservation of the state's oil and natural gas resources and 34  
the proper and lawful plugging of historic oil and gas wells for 35  
which there is no known responsible owner, the chief annually 36  
shall spend not less than ~~fourteen~~ forty-five per cent of the 37  
revenue credited to the oil and gas well fund during the 38  
previous fiscal year for both of the following purposes: 39

~~(1)~~ (a) In accordance with division ~~(D)~~ (E) of this 40  
section, to plug idle and orphaned wells or to restore the land 41  
surface properly as required in section 1509.072 of the Revised 42  
Code; 43

~~(2)~~ (b) In accordance with division ~~(E)~~ (F) of this 44  
section, to correct conditions that the chief reasonably has 45

determined are causing imminent health or safety risks at an 46  
idle and orphaned well or a well for which the owner cannot be 47  
contacted in order to initiate a corrective action within a 48  
reasonable period of time as determined by the chief. 49

(2) Expenditures from the fund shall be made only for 50  
lawful purposes. In addition, expenditures from the fund shall 51  
not be made to purchase real property or to remove a dwelling in 52  
order to access a well. 53

The director of budget and management, in consultation 54  
with the chief, shall establish an accounting code for purposes 55  
of tracking expenditures made as required under this division. 56

(C) (1) If a landowner discovers an idle and orphaned well 57  
or abandoned well on the landowner's real property and the 58  
landowner is not the owner of the well, the landowner may report 59  
the existence of the well in writing to the chief. 60

(2) If the chief receives a written report from a 61  
landowner of the existence of an idle and orphaned well, the 62  
chief shall inspect the well not later than thirty days after 63  
the date of receipt of the landowner's report. 64

(3) The chief shall establish a scoring matrix for use in 65  
determining the priority of plugging wells or restoring land 66  
surfaces at idle and orphaned well sites for purposes of this 67  
section. The matrix shall include a classification system that 68  
categorizes idle and orphaned wells as distressed-high priority, 69  
moderate-medium priority, and maintenance-low priority. 70

(4) The chief shall use the matrix developed under 71  
division (C) (3) of this section to prioritize plugging and land 72  
restoration projects under this section. 73

(D) (1) Upon determining that ~~the owner of a well has~~ 74

~~failed to properly plug and abandon it or to properly restore~~ 75  
~~the land surface at the well site in compliance with the~~ 76  
~~applicable requirements of this chapter and applicable rules~~ 77  
~~adopted and orders issued under it or that a well is an~~ 78  
~~abandoned idle and orphaned well for which no funds are~~ 79  
~~available to plug the well in accordance with this chapter, the~~ 80  
chief shall do all of the following: 81

(a) ~~Determine~~ Make a reasonable attempt to determine from 82  
the records in the office of the county recorder of the county 83  
in which the well is located the identity of the current owner 84  
of the land on which the well is located, ~~the identity of the~~ 85  
~~owner of the oil or gas lease under which the well was drilled~~ 86  
~~or the identity of each person owning an a right or interest in~~ 87  
~~the lease oil or gas mineral interests, and the identities of~~ 88  
the persons having ~~legal title to, or a lien upon,~~ any of the 89  
equipment appurtenant to the well~~†~~. For purposes of division (D) 90  
(1) (a) of this section, the chief is not required to review 91  
records in the office of the county recorder that are older than 92  
forty years from the date on which the chief made the 93  
determination that the well is an idle and orphaned well. 94

(b) ~~Mail notice to the owner of the land on which the well~~ 95  
~~is located informing the landowner that the well is to be~~ 96  
~~plugged. If the owner of the oil or gas lease under which the~~ 97  
~~well was drilled is different from the owner of the well or if~~ 98  
~~any persons other than the owner of the well own interests in~~ 99  
~~the lease, the chief also shall mail notice that the well is to~~ 100  
~~be plugged to the owner of the lease or to each person owning an~~ 101  
~~interest in the lease, as appropriate.~~ each person identified in 102  
division (D) (1) (a) of this section; 103

(c) ~~Mail~~ Include in the notice to each person having ~~legal~~ 104

~~title to, or a lien upon,~~ any equipment appurtenant to the well, 105  
a statement informing the person that the well is to be plugged 106  
and offering the person the opportunity to ~~plug the well and~~ 107  
~~restore the land surface at~~ remove that equipment from the well 108  
site at the person's own expense in order to avoid forfeiture of 109  
the equipment to this state; 110

(d) Publish notice in a newspaper of general circulation 111  
in the county where the well is located that the well is to be 112  
plugged. 113

(2) If none the current address of a person identified in 114  
division (D) (1) (a) of this section cannot be determined, or if a 115  
notice provided by mail to a person under division (D) (1) (b) of 116  
this section is returned undeliverable, the notice published 117  
under division (D) (1) (d) of this section constitutes sufficient 118  
notice to the person. 119

(3) If none of the persons described in division ~~(C) (1) (e)~~ 120  
(D) (1) (a) of this section ~~plugs~~ removes equipment from the well 121  
within ~~sixty~~ thirty days after the mailing of the notice 122  
~~required by that division or publication in a newspaper of~~ 123  
general circulation, whichever is later, all equipment 124  
appurtenant to the well is hereby declared to be forfeited to 125  
this state without compensation and without the necessity for 126  
any action by the state for use to defray the cost of plugging 127  
~~and abandoning~~ the well and restoring the land surface at the 128  
well site. 129

~~(D) Expenditures~~ (E) The chief may expend money from the 130  
oil and gas well fund for the purpose of division (B) (1) (a) of 131  
this section, and such expenditures shall be made in accordance 132  
with either of the following: 133

(1) The chief may make expenditures ~~may be made~~ pursuant 134  
to contracts entered into by either the chief or another agency 135  
of the state with persons who agree to furnish all of the 136  
materials, equipment, work, and labor as specified and provided 137  
in such a contract for activities associated with the 138  
restoration or plugging of a well as determined by the chief. If 139  
another agency of the state enters into the contract, the chief 140  
shall prepare the scope of work for the restoration or plugging 141  
of the well. The activities may include excavation to uncover a 142  
well, geophysical methods to locate a buried well when clear 143  
evidence of leakage from the well exists, cleanout of wellbores 144  
to remove material from a failed ~~plugging of a plugged~~ well, 145  
plugging operations, installation of vault and vent systems, 146  
including associated engineering certifications and permits, 147  
restoration of property, and repair of damage to property that 148  
is caused by such activities. ~~Expenditures~~ The chief shall not 149  
~~be used~~ make expenditures for salaries, maintenance, equipment, 150  
or other administrative purposes, except for costs directly 151  
attributed to the plugging of an idle and orphaned well. Agents 152  
or employees of persons contracting with the chief for a 153  
restoration or plugging project may enter upon any land, public 154  
or private, on which the well is located for the purpose of 155  
performing the work. Prior to such entry, the chief shall give 156  
to the following persons written notice of the existence of a 157  
contract for a project to restore a location or plug a well, the 158  
names of the persons with whom the contract is made, and the 159  
date that the project will commence: the owner of the well, the 160  
owner of the land upon which the well is located, ~~the owner or~~ 161  
~~agents of adjoining land,~~ and, if the well is located in the 162  
same township as or in a township adjacent to the excavations 163  
and workings of a mine and the owner or lessee of that mine has 164  
provided written notice identifying those townships to the chief 165

at any time during the immediately preceding three years, the 166  
owner or lessee of the mine. The chief may include in the notice 167  
to the owner or lessee of the mine additional information, such 168  
as authorization to plug an idle and orphaned well under section 169  
1509.151 of the Revised Code. 170

(2) (a) The owner of the land on which a well is located 171  
who has received notice under division ~~(C)~~ (D) (1) (b) of this 172  
section may plug the well and be reimbursed by the division of 173  
oil and gas resources management for the reasonable cost of 174  
plugging the well. In order to plug the well, the landowner 175  
shall submit an application to the chief on a form prescribed by 176  
the chief and approved by the technical advisory council on oil 177  
and gas created in section 1509.38 of the Revised Code. The 178  
application, at a minimum, shall require the landowner to 179  
provide the same information as is required to be included in 180  
the application for a permit to plug and abandon under section 181  
1509.13 of the Revised Code. The application shall be 182  
accompanied by a copy of a proposed contract to plug the well 183  
prepared by a contractor regularly engaged in the business of 184  
plugging oil and gas wells. The proposed contract shall require 185  
the contractor to furnish all of the materials, equipment, work, 186  
and labor necessary to plug the well properly and shall specify 187  
the price for doing the work, including a credit for the 188  
equipment appurtenant to the well that was forfeited to the 189  
state through the operation of division ~~(C) (2)~~ (D) (3) of this 190  
section. The contractor shall be insured and bonded. 191

Expenditures under division ~~(D)~~ (E) (2) (a) of this section shall 192  
be consistent with the expenditures for activities described in 193  
division ~~(D)~~ (E) (1) of this section. ~~The application also shall~~ 194  
~~be accompanied by the permit fee required by section 1509.13 of~~ 195  
~~the Revised Code unless the chief, in the chief's discretion,~~ 196

~~waives payment of the permit fee.~~ The application constitutes an 197  
application for a permit to plug ~~and abandon~~ the well for the 198  
purposes of section 1509.13 of the Revised Code and the 199  
applicant is not required to submit the fee otherwise required 200  
under that section. 201

(b) Within thirty days after receiving an application and 202  
accompanying proposed contract under division ~~(D)~~ (E) (2) (a) of 203  
this section, the chief shall determine whether the plugging 204  
would comply with the applicable requirements of this chapter 205  
and applicable rules adopted and orders issued under it and 206  
whether the cost of the plugging under the proposed contract is 207  
reasonable. If the chief determines that the proposed plugging 208  
would comply with those requirements and that the proposed cost 209  
of the plugging is reasonable, the chief shall notify the 210  
landowner of that determination and issue to the landowner a 211  
permit to plug ~~and abandon~~ the well under section 1509.13 of the 212  
Revised Code. Upon approval of the application and proposed 213  
contract, the ~~chief shall transfer~~ ownership of the equipment 214  
appurtenant to the well is transferred to the landowner. The 215  
chief may disapprove an application submitted under division ~~(D)~~ 216  
(E) (2) (a) of this section if the chief determines that the 217  
proposed plugging would not comply with the applicable 218  
requirements of this chapter and applicable rules adopted and 219  
orders issued under it, that the cost of the plugging under the 220  
proposed contract is unreasonable, or that the proposed contract 221  
is not a bona fide, arm's length contract. 222

(c) After receiving the chief's notice of the approval of 223  
the application and permit to plug and abandon a well under 224  
division ~~(D)~~ (E) (2) (b) of this section, the landowner shall enter 225  
into the proposed contract to plug the well. 226



(d) Upon determining that the plugging has been completed 227  
in compliance with the applicable requirements of this chapter 228  
and applicable rules adopted and orders issued under it, the 229  
chief shall ~~reimburse the landowner~~ pay the contractor for the 230  
cost of the plugging and restoration as set forth in the 231  
proposed contract approved by the chief. The ~~reimbursement~~ 232  
payment shall be paid from the oil and gas well fund. If the 233  
chief determines that the plugging was not completed in 234  
accordance with the applicable requirements, the chief shall not 235  
~~reimburse~~ pay the landowner contractor for the cost of the 236  
plugging, and the landowner or the contractor, as applicable, 237  
promptly shall transfer back to this state title to and 238  
possession of the equipment appurtenant to the well that 239  
previously was transferred to the landowner under division ~~(D)~~ 240  
(E) (2) (b) of this section. If any such equipment was removed 241  
from the well during the plugging and sold, the landowner shall 242  
pay to the chief the proceeds from the sale of the equipment, 243  
and the chief promptly shall pay the moneys so received to the 244  
treasurer of state for deposit into the oil and gas well fund. 245

The chief may establish an annual limit on the number of 246  
wells that may be plugged under division ~~(D)~~ (E) (2) of this 247  
section or an annual limit on the expenditures to be made under 248  
that division. The chief may reject an application submitted 249  
under division (E) (2) of this section if the chief determines 250  
that the plugging of other wells take priority. 251

As used in division ~~(D)~~ (E) (2) of this section, "plug" and 252  
"plugging" include the plugging of the well, installation of a 253  
vault and vent, restoration, and the restoration of the land 254  
surface disturbed by the plugging. 255

~~(E)~~ (F) (1) Expenditures from the oil and gas well fund for 256

the purpose of division (B) ~~(2)~~ (1)(b) of this section may be 257  
made pursuant to contracts entered into by either the chief or 258  
another agency of the state with persons who agree to furnish 259  
all of the materials, equipment, work, and labor as specified 260  
and provided in such a contract. The competitive bidding 261  
requirements of Chapter 153. of the Revised Code do not apply if 262  
the chief reasonably determines that ~~an emergency a~~ situation 263  
exists requiring immediate action for the correction of the 264  
applicable health or safety risk. A contract or purchase of 265  
materials for purposes of addressing the emergency situation is 266  
not subject to division (B) of section 127.16 of the Revised 267  
Code. The chief, designated representatives of the chief, and 268  
agents or employees of persons contracting with the chief under 269  
this division may enter upon any land, public or private, for 270  
the purpose of performing the work. 271

~~(F)~~ (2) The chief shall issue an order that requires the 272  
owner of a well to pay the actual documented costs of a 273  
corrective action that is described in division (B) (1) (b) of 274  
this section concerning the well. The chief shall transmit the 275  
money so recovered to the treasurer of state who shall deposit 276  
the money in the state treasury to the credit of the oil and gas 277  
well fund. 278

(G) Contracts entered into by either the chief or another 279  
agency of the state under this section are not subject to any of 280  
the following: 281

(1) Chapter 4115. of the Revised Code; 282

(2) Section 153.54 of the Revised Code, ~~except that the~~ 283  
~~contractor shall obtain and provide to the chief as a bid~~ 284  
~~guaranty a surety bond or letter of credit in an amount equal to~~ 285  
~~ten per cent of the amount of the contract;~~ 286

(3) Section 4733.17 of the Revised Code.	287
<del>(C)</del> <u>(H)</u> The owner of land on which a well is located who	288
has received notice under division <del>(C)</del> <u>(D)</u> (1) (b) of this section,	289
in lieu of plugging the well in accordance with division <del>(D)</del> <u>(E)</u>	290
(2) of this section, may cause ownership of the well to be	291
transferred to an owner who is lawfully doing business in this	292
state and who has met the financial responsibility requirements	293
established under section 1509.07 of the Revised Code, subject	294
to the approval of the chief. The transfer of ownership also	295
shall be subject to the landowner's filing the appropriate forms	296
required under section 1509.31 of the Revised Code and providing	297
to the chief sufficient information to demonstrate the	298
landowner's or owner's right to produce a formation or	299
formations. That information may include a deed, a lease, or	300
other documentation of ownership or property rights.	301
The chief shall approve or disapprove <u>by order</u> the	302
transfer of ownership of the well. If the chief approves the	303
transfer, the owner is responsible for operating the well in	304
accordance with this chapter and rules adopted under it,	305
including, without limitation, all of the following:	306
(1) Filing an application with the chief under section	307
1509.06 of the Revised Code if the owner intends to drill deeper	308
or produce a formation that is not listed in the records of the	309
division for that well;	310
(2) Taking title to and possession of the equipment	311
appurtenant to the well that has been identified by the chief as	312
having been abandoned by the former owner;	313
(3) Complying with all applicable requirements that are	314
necessary to drill deeper, plug the well, or plug back the well.	315

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

(I) The chief may engage in cooperative projects under this section with any agency of this state, another state, or the United States; any other governmental agencies; or any state university or college as defined in section 3345.27 of the Revised Code. A contract entered into for purposes of a cooperative project is not subject to division (B) of section 127.16 of the Revised Code.

(J) (1) On or before the close of each calendar quarter, the chief shall submit a written report to the technical advisory council established under section 1509.38 of the Revised Code describing the efforts of the division of oil and gas resources management to plug idle and orphaned wells during the immediately preceding calendar quarter. The chief also shall include in the report all of the following information:

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

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

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

(d) The total number of wells plugged in accordance with this section and the estimated average and indirect costs of

plugging activities conducted under this section prior to the 345  
date of the report; 346

(e) The number of wells approved for plugging in 347  
accordance with this section and the estimated average and 348  
indirect costs of plugging activities conducted under this 349  
section during the immediately preceding calendar quarter. 350

(2) Not later than the thirty-first day of March of each 351  
year, the chief and the technical advisory council shall jointly 352  
provide to the speaker of the house of representatives and the 353  
chair of the committee of the house of representatives 354  
responsible for energy and natural resources issues a report 355  
containing, at a minimum, the information required to be 356  
included in the quarterly reports during the previous one-year 357  
period. 358

**Sec. 1509.13.** (A) No person shall plug and abandon a well 359  
without having a permit to do so issued by the chief of the 360  
division of oil and gas resources management. The permit shall 361  
be issued by the chief in accordance with this chapter and shall 362  
be valid for a period of twenty-four months from the date of 363  
issue. 364

(B) Application by the owner for a permit to plug and 365  
abandon shall be filed as many days in advance as will be 366  
necessary for an oil and gas resources inspector or, if the well 367  
is located in a coal bearing township, both a deputy mine 368  
inspector and an oil and gas resources inspector to be present 369  
at the plugging. The application shall be filed with the chief 370  
upon a form that the chief prescribes and shall contain the 371  
following information: 372

(1) The name and address of the owner; 373

(2) The signature of the owner or the owner's authorized agent. When an authorized agent signs an application, it shall be accompanied by a certified copy of the appointment as that agent. 374  
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(3) The location of the well identified by section or lot number, city, village, township, and county; 378  
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(4) Designation of well by name and number; 380

(5) The total depth of the well to be plugged; 381

(6) The date and amount of last production from the well; 382

(7) Other data that the chief may require. 383

(C) ~~If~~ Except as otherwise provided in division (E) (2) (a) of section 1509.071 of the Revised Code, if oil or gas has been produced from the well, the application shall be accompanied by a fee of two hundred fifty dollars. If a well has been drilled in accordance with law and the permit is still valid, the permit holder may receive approval to plug the well from an oil and gas resources inspector so that the well can be plugged and abandoned without undue delay. Unless waived by an oil and gas resources inspector, the owner of a well or the owner's authorized representative shall notify an oil and gas resources inspector at least twenty-four hours prior to the commencement of the plugging of a well. No well shall be plugged and abandoned without an oil and gas resources inspector present unless permission has been granted by the chief. The owner of a well that has produced oil or gas shall give written notice at the same time to the owner of the land upon which the well is located and to all lessors that receive gas from the well pursuant to a lease agreement. If the well penetrates or passes within one hundred feet of the excavations and workings of a 384  
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mine, the owner of the well shall give written notice to the 403  
owner or lessee of that mine, of the well owner's intention to 404  
abandon the well and of the time when the well owner will be 405  
prepared to commence plugging it. 406

(D) An applicant may file a request with the chief for 407  
expedited review of an application for a permit to plug and 408  
abandon a well. The chief may refuse to accept a request for 409  
expedited review if, in the chief's judgment, acceptance of the 410  
request will prevent the issuance, within twenty-one days of 411  
filing, of permits for which applications filed under section 412  
1509.06 of the Revised Code are pending. In addition to a 413  
complete application for a permit that meets the requirements of 414  
this section and the permit fee prescribed by this section, if 415  
applicable, a request shall be accompanied by a nonrefundable 416  
filing fee of five hundred dollars unless the chief has ordered 417  
the applicant to plug and abandon the well. When a request for 418  
expedited review is filed, the chief shall immediately begin to 419  
process the application and shall issue a permit within seven 420  
days of the filing of the request unless the chief, by order, 421  
denies the application. 422

(E) This section does not apply to a well plugged or 423  
abandoned in compliance with section 1571.05 of the Revised 424  
Code. 425

**Sec. 1509.151.** If a mine operator is about to encounter or 426  
encounters an ~~abandoned~~ idle and orphaned well whose existence 427  
is detrimental to the mining operation, the mine operator may 428  
plug the well at his own expense in accordance with ~~all statutes~~ 429  
~~and rules governing the plugging of abandoned wells that apply~~ 430  
~~to any plugging under this section~~ chapter and rules adopted 431  
under it. 432

**Sec. 1509.34.** (A) (1) If an owner fails to pay the fees 433  
imposed by this chapter, or if the chief of the division of oil 434  
and gas resources management incurs costs under division ~~(E)~~ (F) 435  
of section 1509.071 of the Revised Code to correct conditions 436  
associated with the owner's well that the chief reasonably has 437  
determined are causing imminent health or safety risks, the 438  
division of oil and gas resources management shall have a 439  
priority lien against that owner's interest in the applicable 440  
well in front of all other creditors for the amount of any such 441  
unpaid fees and costs incurred. The chief shall file a statement 442  
in the office of the county recorder of the county in which the 443  
applicable well is located of the amount of the unpaid fees and 444  
costs incurred as described in this division. The statement 445  
shall constitute a lien on the owner's interest in the well as 446  
of the date of the filing. The lien shall remain in force so 447  
long as any portion of the lien remains unpaid or until the 448  
chief issues a certificate of release of the lien. If the chief 449  
issues a certificate of release of the lien, the chief shall 450  
file the certificate of release in the office of the applicable 451  
county recorder. 452

(2) A lien imposed under division (A) (1) of this section 453  
shall be in addition to any lien imposed by the attorney general 454  
for failure to pay the assessment imposed by section 1509.50 of 455  
the Revised Code or the tax levied under division (A) (5) or (6) 456  
of section 5749.02 of the Revised Code, as applicable. 457

(3) If the attorney general cannot collect from a severer 458  
or an owner for an outstanding balance of amounts due under 459  
section 1509.50 of the Revised Code or of unpaid taxes levied 460  
under division (A) (5) or (6) of section 5749.02 of the Revised 461  
Code, as applicable, the tax commissioner may request the chief 462  
to impose a priority lien against the owner's interest in the 463



applicable well. Such a lien has priority in front of all other 464  
creditors. 465

(B) The chief promptly shall issue a certificate of 466  
release of a lien under either of the following circumstances: 467

(1) Upon the repayment in full of the amount of unpaid 468  
fees imposed by this chapter or costs incurred by the chief 469  
under division ~~(E)~~(F) of section 1509.071 of the Revised Code 470  
to correct conditions associated with the owner's well that the 471  
chief reasonably has determined are causing imminent health or 472  
safety risks; 473

(2) Any other circumstance that the chief determines to be 474  
in the best interests of the state. 475

(C) The chief may modify the amount of a lien under this 476  
section. If the chief modifies a lien, the chief shall file a 477  
statement in the office of the county recorder of the applicable 478  
county of the new amount of the lien. 479

(D) An owner regarding which the division has recorded a 480  
lien against the owner's interest in a well in accordance with 481  
this section shall not transfer a well, lease, or mineral rights 482  
to another owner or person until the chief issues a certificate 483  
of release for each lien against the owner's interest in the 484  
well. 485

(E) All money from the collection of liens under this 486  
section shall be deposited in the state treasury to the credit 487  
of the oil and gas well fund created in section 1509.02 of the 488  
Revised Code. 489

**Section 2.** That existing sections 1509.071, 1509.13, 490  
1509.151, and 1509.34 of the Revised Code are hereby repealed. 491

**Section 3.** That Section 503.20 of Am. Sub. H.B. 49 of the 132nd General Assembly be amended to read as follows:

**Sec. 503.20.** SATISFACTION OF JUDGMENTS AND SETTLEMENTS  
AGAINST THE STATE

Except as otherwise provided in this section, an appropriation in this act or any other act may be used for the purpose of satisfying judgments, settlements, or administrative awards ordered or approved by the Court of Claims or by any other court of competent jurisdiction in connection with civil actions against the state. This authorization does not apply to appropriations to be applied to or used for payment of guarantees by or on behalf of the state, or for payments under lease agreements relating to, or debt service on, bonds, notes, or other obligations of the state. This authorization, and any transfers authorized under this section, do not apply to appropriations from the Oil and Gas Well Fund (Fund 5180), created in section 1509.02 of the Revised Code. Notwithstanding any other statute to the contrary, this authorization includes appropriations from funds into which proceeds of direct obligations of the state are deposited only to the extent that the judgment, settlement, or administrative award is for, or represents, capital costs for which the appropriation may otherwise be used and is consistent with the purpose for which any related obligations were issued or entered into. Nothing contained in this section is intended to subject the state to suit in any forum in which it is not otherwise subject to suit, and is not intended to waive or compromise any defense or right available to the state in any suit against it.

**Section 4.** That existing Section 503.20 of Am. Sub. H.B. 49 of the 132nd General Assembly is hereby repealed.

<b>Section 5.</b> That Section 512.20 of Am. Sub. H.B. 49 of the	522
132nd General Assembly be amended to read as follows:	523
<b>Sec. 512.20.</b> CASH TRANSFERS TO THE GENERAL REVENUE FUND	524
FROM NON-GRF FUNDS	525
Notwithstanding any provision of law to the contrary, the	526
Director of Budget and Management may transfer up to	527
\$200,000,000 in cash, during the biennium ending June 30, 2019,	528
from non-General Revenue Funds that are not constitutionally	529
restricted to the General Revenue Fund. <u>This authorization, and</u>	530
<u>any transfers authorized under this section, do not apply to</u>	531
<u>appropriations from the Oil and Gas Well Fund (Fund 5180),</u>	532
<u>created in section 1509.02 of the Revised Code.</u>	533
<b>Section 6.</b> That existing Section 512.20 of Am. Sub. H.B.	534
49 of the 132nd General Assembly is hereby repealed.	535