

I_136_1609-4

136th General Assembly
Regular Session
2025-2026

Sub. S. B. No. 219

To amend sections 155.33, 155.34, 1503.35, 1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 1509.38, 2305.041, 5577.02, and 5727.02 and to enact sections 131.52 and 1509.075 of the Revised Code and to amend Section 343.30 of H.B. 96 of the 136th General Assembly to make changes to the law governing oil and gas wells and to address federal mineral royalty payments.

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

Section 1. That sections 155.33, 155.34, 1503.35, 1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 1509.38, 2305.041, 5577.02, and 5727.02 be amended and sections 131.52 and 1509.075 of the Revised Code be enacted to read as follows:

Sec. 131.52. (A) As used in this section:

(1) "Federal mineral royalty" means the state of Ohio's share of payments received under 30 U.S.C. 191 from oil, gas, or other mineral production on federal lands within this state,



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including national forest system lands. 20

(2) "County of origin" means the county where a wellhead 21
or mine is located to which a federal mineral royalty is 22
attributable. 23

(B) The treasurer of state shall deposit all federal 24
mineral royalties received from the United States department of 25
the interior's office of natural resources revenue into the 26
federal mineral royalty clearing fund, which is hereby 27
established and shall be in the custody of the treasurer of 28
state but shall not be part of the state treasury. Within thirty 29
days after each deposit, the director of the office of budget 30
and management shall transfer from the fund to each county of 31
origin an amount equal to the royalty payments attributable to 32
that county. 33

(C) Money received by a county under division (B) of this 34
section may be appropriated by the board of county commissioners 35
solely for one of the following purposes: 36

(1) Planning; 37

(2) Construction and maintenance of public facilities; 38

(3) Provision of public services. 39

Sec. 155.33. (A) (1) Beginning on April 7, 2023, and ending 40
on the effective date of the rules adopted under section 155.34 41
of the Revised Code, a state agency shall lease, in good faith, 42
a formation within a parcel of land that is owned or controlled 43
by the state agency for the exploration for and development and 44
production of oil or natural gas. The lease shall be on terms 45
that are just and reasonable, as determined by custom and 46
practice in the oil and gas industry, and shall include at least 47
the terms required under ~~divisions (A) (1) (a) to (d)~~ division (A) 48

of section 155.34 of the Revised Code as that division existed 49
prior to the effective date of this amendment. The person 50
seeking to lease the formation shall submit to the state agency 51
the proof described in divisions (D) (5) (a) and (b) of this 52
section before entering into the lease. On and after the 53
effective date of the rules adopted under section 155.34 of the 54
Revised Code, a formation within a parcel of land that is owned 55
or controlled by a state agency may be leased for the 56
exploration for and development and production of oil or natural 57
gas only in accordance with divisions (A) (2) to (H) of this 58
section and those rules. 59

(2) On and after the effective date of rules adopted under 60
section 155.34 of the Revised Code, any person or state agency 61
that is interested in leasing a formation within a parcel of 62
land that is owned or controlled by a state agency for the 63
exploration for and the development and production of oil or 64
natural gas may submit to the oil and gas land management 65
commission a nomination that shall include all of the following: 66

(a) The name of the person making the nomination and the 67
person's address, telephone number, and email address; 68

(b) An identification of the formation and parcel of land 69
proposed to be leased that specifies all of the following: 70

(i) The percentage of the interest owned or controlled by 71
the state agency, and whether that interest is divided, 72
undivided, or partial; 73

(ii) The source deed by book and page numbers, including 74
the description and acreage of the parcel and an identification 75
of the county, section, township, and range in which the parcel 76
is located; 77

(iii) A plat map depicting the area in which the parcel is located. 78
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(c) If the person making the nomination is not a state agency, a nomination fee of one hundred fifty dollars; 80
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(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; 82
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(e) If the person making the nomination is not a state agency, proof of both of the following: 87
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(i) That the person has obtained the insurance and financial assurance required under section 1509.07 of the Revised Code; 89
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(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. 92
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(3) In order to encourage the submission of nominations and the responsible and reasonable development of the state's natural resources, only the information submitted under division (A) (2) (b) of this section may be disclosed to the public until a person is selected under division (F) of this section. Until a person is selected under division (F) of this section, all other information submitted under division (A) (2) of this section is confidential, shall not be disclosed by the commission, and is not a public record subject to inspection or copying under section 149.43 of the Revised Code. 95
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(4) When a nomination is not submitted by a state agency, the nomination is the opening bid for purposes of division (D) 105
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of this section. However, the person submitting the nomination 107
may supplement or amend that bid by providing additional 108
information in accordance with that division. 109

(B) (1) ~~Not less than thirty days, but not more than one~~ 110
~~hundred twenty days following the receipt of a nomination, the~~ 111
The commission shall conduct a meeting one or more meetings for 112
the purpose of determining whether to approve or disapprove the 113
nomination for the purpose of leasing a formation within the 114
parcel of land that is identified in the nomination. 115

In making its decision to approve or disapprove the 116
nomination, the commission shall consider all of the following: 117

(a) The economic benefits, including the potential income 118
from an oil or natural gas operation, that would result if the 119
lease of a formation that is the subject of the nomination were 120
approved; 121

(b) Whether the proposed oil or gas operation is 122
compatible with the current uses of the parcel of land that is 123
the subject of the nomination; 124

(c) The environmental impact that would result if the 125
lease of a formation that is the subject of the nomination were 126
approved; 127

(d) Any potential adverse geological impact that would 128
result if the lease of a formation that is the subject of the 129
nomination were approved; 130

(e) Any potential impact to visitors or users of a parcel 131
of land that is the subject of the nomination; 132

(f) Any potential impact to the operations or equipment of 133
a state agency that is a state university or college if the 134

lease of a formation within a parcel of land owned or controlled 135
by the university or college that is the subject of the 136
nomination were executed; 137

(g) Any comments or objections to the nomination submitted 138
to the commission by the state agency that owns or controls the 139
parcel of land on which the proposed oil or natural gas 140
operation would take place; 141

(h) Any comments or objections to the nomination submitted 142
to the commission by residents of this state or other users of 143
the parcel of land that is the subject of the nomination; 144

(i) Any special terms and conditions the state agency 145
included in its comments or objections that the state agency 146
believes are appropriate for the lease of the parcel of land 147
because of specific conditions related to that parcel of land. 148

(2) The commission shall approve or disapprove a 149
nomination not later than ~~two calendar quarters~~ ninety days 150
following the receipt of the nomination. The commission shall 151
post notice of the commission's decision on the commission's web 152
site and send notice of the decision by email and by certified 153
mail to the person that submitted the nomination and to the 154
state agency that owns or controls the formation within the 155
parcel of land that is the subject of the nomination. 156

(C) ~~Each calendar quarter, the~~ The commission shall 157
proceed to advertise for bids for a lease for a formation within 158
a parcel of land that was the subject of a nomination approved 159
~~during the previous calendar quarter~~ by the commission. The 160
commission shall publish the advertisement on its web site for a 161
period of time established by the commission. The advertisement 162
shall include all of the following: 163

(1) An identification of each formation and parcel of land 164
proposed to be leased that includes all of the information 165
specified in division (A) (2) (b) of this section; 166

(2) The deadline for the submission of bids; 167

(3) A statement that each bid must contain all of the 168
items required under division (D) of this section; 169

(4) A statement that a standard lease form that is 170
consistent with the practices of the oil and natural gas 171
industries and adopted by rule by the commission will be used 172
for the lease of a formation within the parcel of land; 173

(5) Any special terms and conditions that may apply to the 174
lease because of specific conditions related to the parcel of 175
land; 176

(6) The amount of the bid fee that is required to be 177
submitted with a bid; 178

(7) Any other information that the commission considers 179
pertinent to the advertisement for bids. 180

(D) A person interested in leasing a formation within a 181
parcel of land owned or controlled by a state agency for the 182
exploration for and development and production of oil or natural 183
gas may submit a bid to the commission on a parcel by parcel 184
basis that contains all of the following: 185

(1) A bid fee of twenty-five dollars; 186

(2) The name of the person making the bid and the person's 187
address, telephone number, and email address; 188

(3) An identification of the formation and parcel of land 189
for which the bid is being submitted, including all of the 190

information specified in division (A) (2) (b) of this section; 191

(4) The proposed lease bonus that applies to the bid and 192
any additional proposed gross landowner royalty that applies to 193
the bid and any additional proposed gross landowner royalty that 194
applies to the bid that is in addition to the amount required 195
under division (A) (1) (b) of section 155.34 of the Revised Code; 196

(5) Proof of both of the following: 197

(a) That the person has obtained the insurance and 198
financial assurance required under section 1509.07 of the 199
Revised Code; 200

(b) That the person has registered with and obtained an 201
identification number from the division of oil and gas resources 202
management under section 1509.31 of the Revised Code. 203

(6) Any other information that the person believes is 204
relevant to the bid. 205

(E) In order to encourage the submission of bids and the 206
responsible and reasonable development of the state's natural 207
resources, the information that is contained in a bid submitted 208
to the commission under this section is confidential, shall not 209
be disclosed by the commission, and is not a public record 210
subject to inspection and copying under section 149.43 of the 211
Revised Code until a person is selected under division (F) of 212
this section. 213

~~The~~ Not later than sixty days following a nomination's 214
approval, the commission shall select the person who submits the 215
highest and best bid, taking into account the financial 216
responsibility of the prospective lessee and the ability of the 217
prospective lessee to perform its obligations under the lease. 218
After the commission selects a person, the commission shall 219

notify the applicable state agency and send the person's bid to 220
the agency. The state agency shall enter into a lease with the 221
person selected by the commission. The state agency shall fully 222
execute the lease and deliver it to the selected person not 223
later than thirty days after the commission selects such person. 224

(G) (1) Except as otherwise provided in section 155.37 of 225
the Revised Code, all money received by a state agency from 226
signing fees, rentals, and royalty payments for leases entered 227
into under this section shall be paid by the state agency into 228
the state treasury to the credit of the state land royalty fund 229
created in section 131.50 of the Revised Code. 230

(2) All money received from nomination fees and bid fees 231
shall be paid into the state treasury to the credit of the oil 232
and gas land management commission administration fund created 233
in section 155.35 of the Revised Code. 234

(H) Notwithstanding any other provision of this section to 235
the contrary, a nature preserve as defined in section 1517.01 of 236
the Revised Code that is owned or controlled by a state agency 237
shall not be nominated or leased under this section for the 238
purpose of exploring for and developing and producing oil and 239
natural gas resources. 240

(I) Except as otherwise provided in this chapter, the 241
commission and any state agency shall not require as part of a 242
bid or lease either of the following: 243

(1) Any royalty payment in excess of the amount specified 244
in division (A) (1) (b) of section 155.34 of the Revised Code; 245

(2) Any additional payment that the commission or agency 246
is not specifically authorized or required to charge under this 247
section. 248

Sec. 155.34. (A) ~~Not later than one hundred twenty days~~ 249
~~after September 30, 2021, the~~ The oil and gas land management 250
commission shall adopt rules in accordance with Chapter 119. of 251
the Revised Code establishing both of the following: 252

(1) A standard lease form that shall be used by a state 253
agency for leases entered into under this chapter, is consistent 254
with the practices of the oil and natural gas industries, and 255
contains all of the following: 256

(a) A prohibition against the use of the surface of the 257
parcel of land for oil and gas development unless the state 258
agency, in its sole discretion, chooses to negotiate and execute 259
a written surface use agreement established under this section; 260

(b) A one-eighth gross landowner royalty; 261

(c) A shut-in royalty provision; 262

(d) A primary term of five years; 263

~~(d)~~ (e) An option for the lessee to extend the primary term 264
of the lease for an additional ~~three~~ five years by tendering to 265
the state agency the same bonus paid when first entering into 266
the lease. ~~;~~ ; 267

(f) A provision that states: "Notwithstanding any other 268
provision of this Lease to the contrary, Lessee is entitled to 269
pay any advanced delay rentals/bonus amounts owed under this 270
Lease within sixty (60) calendar days after Lessee receives a 271
copy of this Lease executed by Lessor." 272

(g) A provision that states: "Notwithstanding any other 273
provision of this Lease to the contrary, in the event that a 274
parcel subject to this Lease was acquired or improved through, 275
or is otherwise encumbered by, a federal grant program, the 276

Primary Term of the Lease shall be tolled until the requirements 277
of the program, and any related grant documents, have been fully 278
satisfied by Lessor and Lessor notifies Lessee in writing of 279
same." 280

(h) A provision that states: "Notwithstanding any other 281
provision of this Lease to the contrary, in the event that a 282
parcel subject to this Lease was acquired or improved through, 283
or is otherwise encumbered by, a federal grant program, Lessee 284
may defer payment of all sums otherwise due and owing under this 285
Lease until the requirements of the program, and any related 286
grant documents, have been fully satisfied by Lessor and Lessor 287
notifies Lessee in writing of same." 288

(i) A provision that states: "Notwithstanding any other 289
provision of this Lease to the contrary, in the event that 290
litigation of any kind or character is filed by a third party 291
that may adversely impact Lessee's ability to conduct operations 292
under the Lease, including an appeal before a court or the oil 293
and gas commission, the Primary Term of the Lease shall be 294
tolled until such time as there is a final, nonappealable order 295
entered in such litigation." 296

(j) A provision that states: "Notwithstanding any other 297
provision of this Lease to the contrary, in the event that 298
litigation of any kind or character is filed by a third party 299
that may adversely impact Lessee's ability to conduct operations 300
under the Lease, including an appeal before a court or the oil 301
and gas commission, Lessee may defer payment of all sums 302
otherwise due and owing under this Lease until a final, 303
nonappealable order is entered in such litigation." 304

(2) Any other procedures necessary to implement sections 305
155.30 to 155.36 of the Revised Code, subject to division (I) of 306

section 155.33 of the Revised Code.

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

(C) Section 121.95 of the Revised Code does not apply to rules adopted under this section and the commission is not subject to any requirements of that section.

Sec. 1503.35. ~~The~~ (A) Except as provided in division (B) of this section, the director of natural resources shall distribute money received by the state pursuant to 16 U.S.C. 500 from the sale of national forest timber and other national forest products to the applicable county or counties in which the national forest is situated. Money received by a county under this section shall be used by a county as follows:

~~(A)~~ (1) Fifty per cent shall be used to maintain county roads and bridges;

~~(B)~~ (2) Fifty per cent shall be used for the benefit of public schools.

(B) A federal mineral royalty, as defined in section 131.52 of the Revised Code, is not a forest product subject to distribution under this section. Any federal mineral royalty received by the state shall be deposited in accordance with that section.

Sec. 1509.01. As used in this chapter:

(A) "Well" means any borehole, whether drilled or bored, within the state for production, extraction, or injection of any gas or liquid mineral, excluding potable water to be used as

such, but including natural or artificial brines and oil field 335
waters. "Well" includes a stratigraphic well. 336

(B) "Oil" means crude petroleum oil and all other 337
hydrocarbons, regardless of gravity, that are produced in liquid 338
form by ordinary production methods, but does not include 339
hydrocarbons that were originally in a gaseous phase in the 340
reservoir. 341

(C) "Gas" means all natural gas and all other fluid 342
hydrocarbons that are not oil, including condensate. 343

(D) "Condensate" means liquid hydrocarbons separated at or 344
near the well pad or along the gas production or gathering 345
system prior to gas processing. 346

(E) "Pool" means an underground reservoir containing a 347
common accumulation of oil or gas, or both, but does not include 348
a gas storage reservoir. Each zone of a geological structure 349
that is completely separated from any other zone in the same 350
structure may contain a separate pool. 351

(F) "Field" means the general area underlaid by one or 352
more pools. 353

(G) "Drilling unit" means the minimum acreage on which one 354
well may be drilled, but does not apply to a well for injecting 355
gas into or removing gas from a gas storage reservoir and does 356
not apply to a stratigraphic well. 357

(H) "Waste" includes all of the following: 358

(1) Physical waste, as that term generally is understood 359
in the oil and gas industry; 360

(2) Inefficient, excessive, or improper use, or the 361
unnecessary dissipation, of reservoir energy; 362

(3) Inefficient storing of oil or gas;	363
(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;	364 365 366 367 368 369
(5) Other underground or surface waste in the production or storage of oil, gas, or condensate, however caused.	370 371
(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.	372 373 374 375 376
(J) "Tract" means a single, individual parcel of land or a portion of a single, individual parcel of land.	377 378
(K) (K) (1) "Owner," unless referring to a mine <u>or except as 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 the well has been plugged in accordance with applicable rules adopted and orders issued under this chapter. "Owner"	379 380 381 382 383 384 385 386
<u>(2) "Owner," for purposes of obtaining a permit under section 1509.06 of the Revised Code, means each person having the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil and gas produced therefrom either for the person or for others, except</u>	387 388 389 390 391

that a person ceases to be an owner with respect to a well when 392
the well has been plugged in accordance with applicable rules 393
adopted and orders issued under this chapter. 394

(3) "Owner" does not include a person who obtains a lease 395
of the mineral rights for oil and gas on a parcel of land if the 396
person does not attempt to produce or produce oil or gas from a 397
well or obtain a permit under this chapter for a well or if the 398
entire interest of a well is transferred to the person in 399
accordance with division (B) of section 1509.31 of the Revised 400
Code. 401

(L) "Royalty interest" means the fee holder's share in the 402
production from a well, except a stratigraphic well. 403

(M) "Discovery well" means the first well, except a 404
stratigraphic well, capable of producing oil or gas in 405
commercial quantities from a pool. 406

(N) "Prepared clay" means a clay that is plastic and is 407
thoroughly saturated with fresh water to a weight and 408
consistency great enough to settle through saltwater in the well 409
in which it is to be used, except as otherwise approved by the 410
chief of the division of oil and gas resources management. 411

(O) "Rock sediment" means the combined cutting and residue 412
from drilling sedimentary rocks and formation. 413

(P) "Excavations and workings," "mine," and "pillar" have 414
the same meanings as in section 1561.01 of the Revised Code. 415

(Q) "Coal bearing township" means a township designated as 416
such by the chief of the division of mineral resources 417
management under section 1561.06 of the Revised Code. 418

(R) "Gas storage reservoir" means a continuous area of a 419

subterranean porous sand or rock stratum or strata into which 420
gas is or may be injected for the purpose of storing it therein 421
and removing it therefrom and includes a gas storage reservoir 422
as defined in section 1571.01 of the Revised Code. 423

(S) "Safe Drinking Water Act" means the "Safe Drinking 424
Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended 425
by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 426
42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 427
1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking 428
Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 429
300(f), and regulations adopted under those acts. 430

(T) "Person" includes any political subdivision, 431
department, agency, or instrumentality of this state; the United 432
States and any department, agency, or instrumentality thereof; 433
any legal entity defined as a person under section 1.59 of the 434
Revised Code; and any other form of business organization or 435
entity recognized by the laws of this state. 436

(U) "Brine" means all saline geological formation water 437
resulting from, obtained from, or produced in connection with 438
exploration, drilling, well stimulation, production of oil or 439
gas, or plugging of a well. 440

(V) "Waters of the state" means all streams, lakes, ponds, 441
marshes, watercourses, waterways, springs, irrigation systems, 442
drainage systems, and other bodies of water, surface or 443
underground, natural or artificial, that are situated wholly or 444
partially within this state or within its jurisdiction, except 445
those private waters that do not combine or effect a junction 446
with natural surface or underground waters. 447

(W) "Exempt Mississippian well" means a well that meets 448

all of the following criteria: 449

(1) Was drilled and completed before January 1, 1980; 450

(2) Is located in an unglaciated part of the state; 451

(3) Was completed in a reservoir no deeper than the 452
Mississippian Big Injun sandstone in areas underlain by 453
Pennsylvanian or Permian stratigraphy, or the Mississippian 454
Berea sandstone in areas directly underlain by Permian 455
stratigraphy; 456

(4) Is used primarily to provide oil or gas for domestic 457
use. 458

(X) "Exempt domestic well" means a well that meets all of 459
the following criteria: 460

(1) Is owned by the owner of the surface estate of the 461
tract on which the well is located; 462

(2) Is used primarily to provide gas for the owner's 463
domestic use; 464

(3) Is located more than two hundred feet horizontal 465
distance from any inhabited private dwelling house other than an 466
inhabited private dwelling house located on the tract on which 467
the well is located; 468

(4) Is located more than two hundred feet horizontal 469
distance from any public building that may be used as a place of 470
resort, assembly, education, entertainment, lodging, trade, 471
manufacture, repair, storage, traffic, or occupancy by the 472
public. 473

(Y) "Urbanized area" means an area where a well or 474
production facilities of a well are located within a municipal 475

corporation or within a township that has an unincorporated 476
population of more than five thousand in the most recent federal 477
decennial census prior to the issuance of the permit for the 478
well or production facilities. 479

(Z) "Well stimulation" or "stimulation of a well" means 480
the process of enhancing well productivity, including hydraulic 481
fracturing operations. 482

(AA) "Production operation" means all operations and 483
activities and all related equipment, facilities, and other 484
structures that may be used in or associated with the 485
exploration and production of oil, gas, or other mineral 486
resources that are regulated under this chapter, including 487
operations and activities associated with site preparation, site 488
construction, access road construction, well drilling, well 489
completion, well stimulation, well site activities, reclamation, 490
and plugging. "Production operation" also includes all of the 491
following: 492

(1) The piping, equipment, and facilities used for the 493
production and preparation of hydrocarbon gas or liquids for 494
transportation or delivery; 495

(2) The processes of extraction and recovery, lifting, 496
stabilization, treatment, separation, production processing, 497
storage, waste disposal, and measurement of hydrocarbon gas and 498
liquids, including related equipment and facilities; 499

(3) The processes and related equipment and facilities 500
associated with production compression, gas lift, gas injection, 501
fuel gas supply, well drilling, well stimulation, and well 502
completion activities, including dikes, pits, and earthen and 503
other impoundments used for the temporary storage of fluids and 504

waste substances associated with well drilling, well 505
stimulation, and well completion activities; 506

(4) Equipment and facilities at a wellpad or other 507
location that are used for the transportation, handling, 508
recycling, temporary storage, management, processing, or 509
treatment of any equipment, material, and by-products or other 510
substances from an operation at a wellpad that may be used or 511
reused at the same or another operation at a wellpad or that 512
will be disposed of in accordance with applicable laws and rules 513
adopted under them. 514

(BB) "Annular overpressurization" means the accumulation 515
of fluids within an annulus with sufficient pressure to allow 516
migration of annular fluids into underground sources of drinking 517
water. 518

(CC) "Orphaned well" means a well that has not been 519
properly plugged or its land surface restored in accordance with 520
this chapter and the rules adopted under it to which either of 521
the following apply: 522

(1) The owner of the well is unknown, deceased, or cannot 523
be located and the well is abandoned. 524

(2) The owner of the well has abandoned the well and there 525
is no money available to plug the well in accordance with this 526
chapter and the rules adopted under it. 527

(DD) "Temporarily inactive well" means a well that has 528
been granted temporary inactive status under section 1509.062 of 529
the Revised Code. 530

(EE) "Material and substantial violation" means any of the 531
following: 532

(1) Failure to obtain a permit to drill, reopen, convert,	533
plugback, or plug a well under this chapter;	534
(2) Failure to obtain, maintain, update, or submit proof	535
of insurance coverage that is required under this chapter;	536
(3) Failure to obtain, maintain, update, or submit proof	537
of a surety bond that is required under this chapter;	538
(4) Failure to restore a disturbed land surface as	539
required by section 1509.072 of the Revised Code;	540
(5) Failure to reimburse the oil and gas well fund	541
pursuant to a final order issued under section 1509.071 of the	542
Revised Code;	543
(6) Failure to comply with a final nonappealable order of	544
the chief issued under section 1509.04 of the Revised Code;	545
(7) Failure to submit a report, test result, fee, or	546
document that is required in this chapter or rules adopted under	547
it.	548
(FF) "Severer" has the same meaning as in section 5749.01	549
of the Revised Code.	550
(GG) "Horizontal well" means a well that is drilled for	551
the production of oil or gas in which the wellbore reaches a	552
horizontal or near horizontal position in the Point Pleasant,	553
Utica, or Marcellus formation and the well is stimulated.	554
"Horizontal well" does not include a stratigraphic well.	555
(HH) "Well pad" means the area that is cleared or prepared	556
for the drilling of one or more horizontal wells.	557
(II) "Stratigraphic well" means a borehole that is drilled	558
within the state on a tract solely to conduct research or	559

testing of the subsurface geology, including porosity and 560
permeability. "Stratigraphic well" does not include geotechnical 561
or soil borings or a borehole drilled for seismic shot or mining 562
of industrial minerals or coal. 563

Sec. 1509.02. There is hereby created in the department of 564
natural resources the division of oil and gas resources 565
management, which shall be administered by the chief of the 566
division of oil and gas resources management. The division has 567
sole and exclusive authority to regulate the permitting, 568
location, and spacing of oil and gas wells and production 569
operations within the state, excepting only those activities 570
regulated under federal laws for which oversight has been 571
delegated to the environmental protection agency and activities 572
regulated under sections 6111.02 to 6111.028 of the Revised 573
Code. The division's sole and exclusive authority includes the 574
authority to regulate any portion of an oil and gas well located 575
in this state, regardless of whether any other portion of that 576
oil and gas well is located outside of this state. The 577
regulation of oil and gas activities is a matter of general 578
statewide interest that requires uniform statewide regulation, 579
and this chapter and rules adopted under it constitute a 580
comprehensive plan with respect to all aspects of the locating, 581
drilling, well stimulation, completing, and operating of oil and 582
gas wells within this state, including site construction and 583
restoration, permitting related to those activities, and the 584
disposal of wastes from those wells. In order to assist the 585
division in the furtherance of its sole and exclusive authority 586
as established in this section, the chief may enter into 587
cooperative agreements with other state agencies for advice and 588
consultation, including visitations at the surface location of a 589
well on behalf of the division. In cases in which a well is 590

located both in this state and another state, the chief also may 591
enter into a memorandum of understanding with an agency of 592
another state for purposes of the interstate well. Such 593
cooperative agreements and memorandums of understanding do not 594
confer on other state agencies or entities any authority to 595
administer or enforce this chapter and rules adopted under it. 596
In addition, such cooperative agreements and memorandums of 597
understanding shall not be construed to dilute or diminish the 598
division's sole and exclusive authority as established in this 599
section. Nothing in this section affects the authority granted 600
to the director of transportation and local authorities in 601
section 723.01 or 4513.34 of the Revised Code, provided that the 602
authority granted under those sections shall not be exercised in 603
a manner that discriminates against, unfairly impedes, or 604
obstructs oil and gas activities and operations regulated under 605
this chapter. 606

The chief shall not hold any other public office, nor 607
shall the chief be engaged in any occupation or business that 608
might interfere with or be inconsistent with the duties as 609
chief. 610

Money collected by the chief pursuant to sections 1509.06, 611
1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.222, 612
1509.28, 1509.34, 1509.50, and 5749.02 of the Revised Code, all 613
money from the sale of carbon credits, all civil penalties paid 614
under section 1509.33 of the Revised Code, and, notwithstanding 615
any section of the Revised Code relating to the distribution or 616
crediting of fines for violations of the Revised Code, all fines 617
imposed under divisions (A) and (B) of section 1509.99 of the 618
Revised Code and fines imposed under divisions (C) and (D) of 619
section 1509.99 of the Revised Code for all violations 620
prosecuted by the attorney general and for violations prosecuted 621

by prosecuting attorneys that do not involve the transportation 622
of brine by vehicle shall be deposited into the state treasury 623
to the credit of the oil and gas well fund, which is hereby 624
created. Fines imposed under divisions (C) and (D) of section 625
1509.99 of the Revised Code for violations prosecuted by 626
prosecuting attorneys that involve the transportation of brine 627
by vehicle and penalties associated with a compliance agreement 628
entered into pursuant to this chapter shall be paid to the 629
county treasury of the county where the violation occurred. 630

The fund shall be used solely and exclusively for the 631
purposes enumerated in division (B) of section 1509.071 of the 632
Revised Code, payments to the oil and gas resolution and 633
remediation fund created in section 1509.075 of the Revised 634
Code, for the expenses of the division associated with the 635
administration of this chapter and Chapter 1571. of the Revised 636
Code and rules adopted under them, and for expenses that are 637
critical and necessary for the protection of human health and 638
safety and the environment related to oil and gas production in 639
this state. The expenses of the division in excess of the moneys 640
available in the fund shall be paid from general revenue fund 641
appropriations to the department. 642

Sec. 1509.03. (A) The chief of the division of oil and gas 643
resources management shall adopt, rescind, and amend, in 644
accordance with Chapter 119. of the Revised Code, rules for the 645
administration, implementation, and enforcement of this chapter. 646
The rules shall include an identification of the subjects that 647
the chief shall address when attaching terms and conditions to a 648
permit with respect to a well and production facilities of a 649
well that are located within an urbanized area or with respect 650
to a horizontal well and production facilities associated with a 651
horizontal well. The subjects shall include all of the 652

following: 653

(1) Safety concerning the drilling or operation of a well; 654

(2) Protection of the public and private water supply, 655
including the amount of water used and the source or sources of 656
the water; 657

(3) Fencing and screening of surface facilities of a well; 658

(4) Containment and disposal of drilling and production 659
wastes; 660

(5) Construction of access roads for purposes of the 661
drilling and operation of a well; 662

(6) Noise mitigation for purposes of the drilling of a 663
well and the operation of a well, excluding safety and 664
maintenance operations. 665

No person shall violate any rule of the chief adopted 666
under this chapter. 667

~~(B) (1) Any order issuing, denying, or modifying a permit 668
or notices required to be made by the chief pursuant to this 669
chapter shall be made in compliance with Chapter 119. of the 670
Revised Code, except that personal service may be used in lieu 671
of service by mail. Every order issuing, denying, or modifying a 672
permit under this chapter and described as such shall be 673
considered an adjudication order for purposes of Chapter 119. of 674
the Revised Code. Division (B) (1) of this section does not apply 675
to a permit issued under section 1509.06 of the Revised Code_ 676
does not apply to orders made by or notices required to be made 677
by the chief pursuant to this chapter or rules adopted under it. 678~~

~~(2) Where notice to any person is required by this 679
chapter, the notice shall be given in order to meet the 680~~

~~requirements of law~~The chief shall adopt rules in accordance 681
with Chapter 119. of the Revised Code establishing both of the 682
following: 683

(a) Procedures for notice required to be provided to any 684
person under this chapter and rules adopted under it; 685

(b) Procedures for serving the chief's orders and 686
compliance notices. 687

(C) The chief or the chief's authorized representative may 688
at any time enter upon lands, public or private, for the purpose 689
of administration or enforcement of this chapter, the rules 690
adopted or orders made thereunder, or terms or conditions of 691
permits or registration certificates issued thereunder and may 692
examine and copy records pertaining to the drilling, conversion, 693
or operation of a well for injection of fluids and logs required 694
by division (C) of section 1509.223 of the Revised Code. No 695
person shall prevent or hinder the chief or the chief's 696
authorized representative in the performance of official duties. 697
If entry is prevented or hindered, the chief or the chief's 698
authorized representative may apply for, and the court of common 699
pleas may issue, an appropriate inspection warrant necessary to 700
achieve the purposes of this chapter within the court's 701
territorial jurisdiction. 702

(D) The chief may issue orders to enforce this chapter, 703
rules adopted thereunder, and terms or conditions of permits 704
issued thereunder. ~~Any such order shall be considered an~~ 705
~~adjudication order for the purposes of Chapter 119. of the~~ 706
~~Revised Code.~~ No person shall violate any order of the chief 707
issued under this chapter. No person shall violate a term or 708
condition of a permit or registration certificate issued under 709
this chapter. 710

(E) Orders of the chief denying, suspending, or revoking a 711
registration certificate; approving or denying approval of an 712
application for revision of a registered transporter's plan for 713
disposal; or to implement, administer, or enforce division (A) 714
of section 1509.224 and sections 1509.22, 1509.222, 1509.223, 715
1509.225, and 1509.226 of the Revised Code pertaining to the 716
transportation of brine by vehicle and the disposal of brine so 717
transported are not adjudication orders for purposes of Chapter 718
119. of the Revised Code. The chief shall issue such orders 719
under division (A) or (B) of section 1509.224 of the Revised 720
Code, as appropriate. 721

Sec. 1509.06. (A) An application for a permit to drill a 722
new well, drill an existing well deeper, reopen a well, convert 723
a well to any use other than its original purpose, or plug back 724
a well to a different source of supply, including any portion of 725
a well located in this state, regardless of whether any other 726
portion of that well is located outside of this state, and 727
including associated production operations, shall be filed with 728
the chief of the division of oil and gas resources management 729
upon such form as the chief prescribes and shall contain each of 730
the following that is applicable: 731

(1) The name and address of the owner and, if a 732
corporation, the name and address of the statutory agent; 733

(2) The signature of the owner or the owner's authorized 734
agent. When an authorized agent signs an application, it shall 735
be accompanied by a certified copy of the appointment as such 736
agent. 737

(3) The names and addresses of all persons holding the 738
royalty interest in the tract upon which the well is located or 739
is to be drilled or within a proposed drilling unit; 740

(4) The location of the tract or drilling unit on which 741
the well is located or is to be drilled identified by section or 742
lot number, city, village, township, and county; 743

(5) Designation of the well by name and number; 744

(6) (a) The geological formation to be tested or used and 745
the proposed total depth of the well; 746

(b) If the well is for the injection of a liquid, identity 747
of the geological formation to be used as the injection zone and 748
the composition of the liquid to be injected. 749

(7) The type of drilling equipment to be used; 750

(8) (a) An identification, to the best of the owner's 751
knowledge, of each proposed source of ground water and surface 752
water that will be used in the production operations of the 753
well. The identification of each proposed source of water shall 754
indicate if the water will be withdrawn from the Lake Erie 755
watershed or the Ohio river watershed. In addition, the owner 756
shall provide, to the best of the owner's knowledge, the 757
proposed estimated rate and volume of the water withdrawal for 758
the production operations. If recycled water will be used in the 759
production operations, the owner shall provide the estimated 760
volume of recycled water to be used. The owner shall submit to 761
the chief an update of any of the information that is required 762
by division (A) (8) (a) of this section if any of that information 763
changes before the chief issues a permit for the application. 764

(b) Except as provided in division (A) (8) (c) of this 765
section, for an application for a permit to drill a new well 766
within an urbanized area, the results of sampling of water wells 767
within three hundred feet of the proposed well prior to 768
commencement of drilling. In addition, the owner shall include a 769

list that identifies the location of each water well where the owner of the property on which the water well is located denied the owner access to sample the water well. The sampling shall be conducted in accordance with the guidelines established in "Best Management Practices For Pre-drilling Water Sampling" in effect at the time that the application is submitted. The division shall furnish those guidelines upon request and shall make them available on the division's web site. If the chief determines that conditions at the proposed well site warrant a revision, the chief may revise the distance established in this division for purposes of pre-drilling water sampling.

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

(9) For an application for a permit to drill a new well within an urbanized area, a sworn statement that the applicant has provided notice by regular mail of the application to the owner of each parcel of real property that is located within

five hundred feet of the surface location of the well and to the
executive authority of the municipal corporation or the board of
township trustees of the township, as applicable, in which the
well is to be located. In addition, the notice shall contain a
statement that informs an owner of real property who is required
to receive the notice under division (A) (9) of this section that
within five days of receipt of the notice, the owner is required
to provide notice under section 1509.60 of the Revised Code to
each residence in an occupied dwelling that is located on the
owner's parcel of real property. The notice shall contain a
statement that an application has been filed with the division
of oil and gas resources management, identify the name of the
applicant and the proposed well location, include the name and
address of the division, and contain a statement that comments
regarding the application may be sent to the division. The
notice may be provided by hand delivery or regular mail. The
identity of the owners of parcels of real property shall be
determined using the tax records of the municipal corporation or
county in which a parcel of real property is located as of the
date of the notice.

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

(11) (a) A description by name or number of the county,
township, and municipal corporation roads, streets, and highways
that the applicant anticipates will be used for access to and
egress from the well site;

(b) For an application for a permit for a horizontal well,

a copy of an agreement concerning maintenance and safe use of 831
the roads, streets, and highways described in division (A) (11) 832
(a) of this section entered into on reasonable terms with the 833
public official that has the legal authority to enter into such 834
maintenance and use agreements for each county, township, and 835
municipal corporation, as applicable, in which any such road, 836
street, or highway is located or an affidavit on a form 837
prescribed by the chief attesting that the owner attempted in 838
good faith to enter into an agreement under division (A) (11) (b) 839
of this section with the applicable public official of each such 840
county, township, or municipal corporation, but that no 841
agreement was executed. 842

(c) An agreement described in division (A) (11) (b) of this 843
section that is entered into on or after the effective date of 844
this amendment shall be on terms expressly agreed upon by the 845
parties and shall expire not later than three years after the 846
agreement is executed. Such an agreement may be renewed by the 847
parties for up to three years and may be subsequently renewed 848
indefinitely, but each such renewal shall be for a term not to 849
exceed three years. 850

(12) Such other relevant information as the chief 851
prescribes by rule. 852

Each application shall be accompanied by a map, on a scale 853
not smaller than four hundred feet to the inch, prepared by an 854
Ohio registered surveyor, showing the location of the well and 855
containing such other data as may be prescribed by the chief. If 856
the well is or is to be located within the excavations and 857
workings of a mine, the map also shall include the location of 858
the mine, the name of the mine, and the name of the person 859
operating the mine. 860

(B) The chief shall cause a copy of the weekly circular 861
prepared by the division to be provided to the county engineer 862
of each county that contains active or proposed drilling 863
activity. The weekly circular shall contain, in the manner 864
prescribed by the chief, the names of all applicants for 865
permits, the location of each well or proposed well, the 866
information required by division (A)(11) of this section, and 867
any additional information the chief prescribes. In addition, 868
the chief promptly shall transfer an electronic copy, or if that 869
method is not available to a municipal corporation or township, 870
a copy via regular mail, of a drilling permit application to the 871
clerk of the legislative authority of the municipal corporation 872
or to the clerk of the township in which the well or proposed 873
well is or is to be located if the legislative authority of the 874
municipal corporation or the board of township trustees has 875
asked to receive copies of such applications and the appropriate 876
clerk has provided the chief an accurate, current electronic 877
mailing address. 878

(C) (1) Except as provided in division (C) (2) of this 879
section, the chief shall not issue a permit for at least ten 880
days after the date of filing of the application for the permit 881
unless, upon reasonable cause shown, the chief waives that 882
period or a request for expedited review is filed under this 883
section. However, the chief shall issue a permit within twenty- 884
one days of the filing of the application unless the chief 885
denies the application by order. 886

(2) If the location of a well or proposed well will be or 887
is within an urbanized area, the chief shall not issue a permit 888
for at least eighteen days after the date of filing of the 889
application for the permit unless, upon reasonable cause shown, 890
the chief waives that period or the chief at the chief's 891

discretion grants a request for an expedited review. However, 892
the chief shall issue a permit for a well or proposed well 893
within an urbanized area within thirty days of the filing of the 894
application unless the chief denies the application by order. 895

~~(D) An~~ (D) (1) Except as provided in division (D) (3) of 896
this section, an applicant may file a request with the chief for 897
expedited review of a permit application if the well is not or 898
is not to be located in a gas storage reservoir or reservoir 899
protective area, as "reservoir protective area" is defined in 900
section 1571.01 of the Revised Code. If the well is or is to be 901
located in a coal bearing township, the application shall be 902
accompanied by the affidavit of the landowner prescribed in 903
section 1509.08 of the Revised Code. 904

(2) In addition to a complete application for a permit 905
that meets the requirements of this section and the permit fee 906
prescribed by this section, a request for expedited review shall 907
be accompanied by a separate nonrefundable filing fee of two 908
hundred fifty dollars. Upon the filing of a request for 909
expedited review, the chief shall cause the county engineer of 910
the county in which the well is or is to be located to be 911
notified of the filing of the permit application and the request 912
for expedited review by telephone or other means that in the 913
judgment of the chief will provide timely notice of the 914
application and request. The chief shall issue a permit within 915
seven days of the filing of the request unless the chief denies 916
the application by order. ~~Notwithstanding the provisions of this~~ 917
~~section governing expedited review of permit applications, the~~ 918
~~chief may refuse to accept requests for expedited review if, in~~ 919
~~the chief's judgment, the acceptance of the requests would~~ 920
~~prevent the issuance, within twenty-one days of their filing, of~~ 921
~~permits for which applications are pending.~~ 922

(3) No owner shall apply for an expedited permit under 923
this section more than ten times within a calendar year. 924
Accordingly, the chief shall not issue more than ten expedited 925
permits to an owner within a calendar year. However, if an 926
emergency requires that an expedited permit be issued, as 927
determined by the chief, an owner that is otherwise prohibited 928
from obtaining an expedited permit under this division may apply 929
for an expedited permit and the chief may so issue it. 930

(E) A well shall be drilled and operated in accordance 931
with the plans, sworn statements, and other information 932
submitted in the approved application. 933

(F) The chief shall issue an order denying a permit if the 934
chief finds that there is a substantial risk that the operation 935
will result in violations of this chapter or rules adopted under 936
it that will present an imminent danger to public health or 937
safety or damage to the environment, provided that where the 938
chief finds that terms or conditions to the permit can 939
reasonably be expected to prevent such violations, the chief 940
shall issue the permit subject to those terms or conditions, 941
including, if applicable, terms and conditions regarding 942
subjects identified in rules adopted under section 1509.03 of 943
the Revised Code. The issuance of a permit shall not be 944
considered an order of the chief. 945

The chief shall post notice of each permit that has been 946
approved under this section on the division's web site not later 947
than two business days after the application for a permit has 948
been approved. 949

(G) Each application for a permit required by section 950
1509.05 of the Revised Code, except an application for a well 951
drilled or reopened for purposes of section 1509.22 of the 952

Revised Code, also shall be accompanied by a nonrefundable fee 953
as follows: 954

(1) Five hundred dollars for a permit to conduct 955
activities in a township with a population of fewer than ten 956
thousand; 957

(2) Seven hundred fifty dollars for a permit to conduct 958
activities in a township with a population of ten thousand or 959
more, but fewer than fifteen thousand; 960

(3) One thousand dollars for a permit to conduct 961
activities in either of the following: 962

(a) A township with a population of fifteen thousand or 963
more; 964

(b) A municipal corporation regardless of population. 965

(4) If the application is for a permit that requires 966
mandatory pooling, an additional five thousand dollars. 967

For purposes of calculating fee amounts, populations shall 968
be determined using the most recent federal decennial census. 969

Each application for the revision or reissuance of a 970
permit shall be accompanied by a nonrefundable fee of two 971
hundred fifty dollars. 972

(H) (1) Prior to the commencement of well pad construction 973
and prior to the issuance of a permit to drill a proposed 974
horizontal well or a proposed well that is to be located in an 975
urbanized area, the division shall conduct a site review to 976
identify and evaluate any site-specific terms and conditions 977
that may be attached to the permit. At the site review, a 978
representative of the division shall consider fencing, 979
screening, and landscaping requirements, if any, for similar 980

structures in the community in which the well is proposed to be 981
located. The terms and conditions that are attached to the 982
permit shall include the establishment of fencing, screening, 983
and landscaping requirements for the surface facilities of the 984
proposed well, including a tank battery of the well. 985

(2) Prior to the issuance of a permit to drill a proposed 986
well, the division shall conduct a review to identify and 987
evaluate any site-specific terms and conditions that may be 988
attached to the permit if the proposed well will be located in a 989
one-hundred-year floodplain or within the five-year time of 990
travel associated with a public drinking water supply. 991

(I) A permit shall be issued by the chief in accordance 992
with this chapter. A permit issued under this section for a well 993
that is or is to be located in an urbanized area shall be valid 994
for twelve months, and all other permits issued under this 995
section shall be valid for twenty-four months. 996

(J) An applicant or a permittee, as applicable, shall 997
submit to the chief an update of the information that is 998
required under division (A) (8) (a) of this section if any of that 999
information changes prior to commencement of production 1000
operations. 1001

(K) A permittee or a permittee's authorized representative 1002
shall notify an inspector from the division at least twenty-four 1003
hours, or another time period agreed to by the chief's 1004
authorized representative, prior to the commencement of well pad 1005
construction and of drilling, reopening, converting, well 1006
stimulation, or plugback operations. 1007

Sec. 1509.07. (A) (1) (a) Except as provided in division (A) 1008
(1) (b) or (A) (2) of this section, an owner of any well, except 1009

an exempt Mississippian well or an exempt domestic well, shall 1010
obtain liability insurance coverage from a company authorized or 1011
approved to do business in this state in an amount of not less 1012
than one million dollars bodily injury coverage and property 1013
damage coverage to pay damages for injury to persons or damage 1014
to property caused by the drilling, operation, or plugging of 1015
all the owner's wells in this state. However, if any well is 1016
located within an urbanized area, the owner shall obtain 1017
liability insurance coverage in an amount of not less than three 1018
million dollars for bodily injury coverage and property damage 1019
coverage to pay damages for injury to persons or damage to 1020
property caused by the drilling, operation, or plugging of all 1021
of the owner's wells in this state. 1022

(b) A board of county commissioners of a county that is an 1023
owner of a well or a board of township trustees of a township 1024
that is an owner of a well may elect to satisfy the liability 1025
coverage requirements specified in division (A)(1)(a) of this 1026
section by participating in a joint self-insurance pool in 1027
accordance with the requirements established under section 1028
2744.081 of the Revised Code. Nothing in division (A)(1)(b) of 1029
this section shall be construed to allow an entity, other than a 1030
county or township, to participate in a joint self-insurance 1031
pool to satisfy the liability coverage requirements specified in 1032
division (A)(1)(a) of this section. 1033

(2) An owner of a horizontal well shall obtain liability 1034
insurance coverage from an insurer authorized to write such 1035
insurance in this state or from an insurer approved to write 1036
such insurance in this state under section 3905.33 of the 1037
Revised Code in an amount of not less than five million dollars 1038
bodily injury coverage and property damage coverage to pay 1039
damages for injury to persons or damage to property caused by 1040

the production operations of all the owner's wells in this 1041
state. The insurance policy shall include a reasonable level of 1042
coverage available for an environmental endorsement. 1043

(3) An owner shall maintain the coverage required under 1044
division (A) (1) or (2) of this section until all the owner's 1045
wells are plugged and abandoned or are transferred to an owner 1046
who has obtained insurance as required under this section and 1047
who is not under a notice of material and substantial violation 1048
or under a suspension order. The owner shall provide proof of 1049
liability insurance coverage to the chief of the division of oil 1050
and gas resources management upon request. Upon failure of the 1051
owner to provide that proof when requested, the chief may order 1052
the suspension of any outstanding permits and operations of the 1053
owner until the owner provides proof of the required insurance 1054
coverage. 1055

(B) (1) Except as otherwise provided in this section, an 1056
owner of any well, before being issued a permit under section 1057
1509.06 of the Revised Code or before operating or producing 1058
from a well, shall execute and file with the division of oil and 1059
gas resources management a surety bond conditioned on compliance 1060
with the restoration requirements of section 1509.072, the 1061
plugging requirements of section 1509.12, the permit provisions 1062
of section 1509.13 of the Revised Code, and all rules and orders 1063
of the chief relating thereto, in an amount set by rule of the 1064
chief. 1065

(2) The owner may deposit with the chief, instead of a 1066
surety bond, cash in an amount equal to the surety bond as 1067
prescribed pursuant to this section or negotiable certificates 1068
of deposit or irrevocable letters of credit, issued by any bank 1069
organized or transacting business in this state, having a cash 1070

value equal to or greater than the amount of the surety bond as 1071
prescribed pursuant to this section. Cash or certificates of 1072
deposit shall be deposited upon the same terms as those upon 1073
which surety bonds may be deposited. If the owner deposits cash, 1074
the cash shall be credited to the performance cash bond refunds 1075
fund created in section 1501.16 of the Revised Code. If the 1076
owner deposits certificates of deposit, the chief shall require 1077
the bank that issued any such certificate to pledge securities 1078
of a cash value equal to the amount of the certificate that is 1079
in excess of the amount insured by the federal deposit insurance 1080
corporation. The securities shall be security for the repayment 1081
of the certificate of deposit. 1082

Upon a deposit of cash, certificates of deposit, or 1083
letters of credit with the chief, the chief shall hold them in 1084
trust for the purposes for which they have been deposited. 1085

~~(3) Instead of a surety bond, the chief may accept proof 1086
of financial responsibility consisting of a sworn financial 1087
statement showing a net financial worth within this state equal 1088
to twice the amount of the bond for which it substitutes and, as 1089
may be required by the chief, a list of producing properties of 1090
the owner within this state or other evidence showing ability 1091
and intent to comply with the law and rules concerning 1092
restoration and plugging that may be required by rule of the 1093
chief. The owner of an exempt Mississippian well is not required 1094
to file scheduled updates of the financial documents, but shall 1095
file updates of those documents if requested to do so by the 1096
chief. The owner of a nonexempt Mississippian well shall file 1097
updates of the financial documents in accordance with a schedule 1098
established by rule of the chief. The chief, upon determining 1099
that an owner for whom the chief has accepted proof of financial 1100
responsibility instead of bond cannot demonstrate financial 1101~~

~~responsibility, shall order that the owner execute and file a~~ 1102
~~bond or deposit cash, certificates of deposit, or irrevocable~~ 1103
~~letters of credit as required by this section for the wells~~ 1104
~~specified in the order within ten days of receipt of the order.~~ 1105
~~If the order is not complied with, all wells of the owner that~~ 1106
~~are specified in the order and for which no bond is filed or~~ 1107
~~cash, certificates of deposit, or letters of credit are~~ 1108
~~deposited shall be plugged. No owner shall fail or refuse to~~ 1109
~~plug such a well. Each day on which such a well remains~~ 1110
~~unplugged thereafter constitutes a separate offense.~~ 1111

~~(4)~~ The surety bond provided for in this section shall be 1112
executed by a surety company authorized to do business in this 1113
state. 1114

The chief shall not approve any bond until it is 1115
personally signed and acknowledged by both principal and surety, 1116
or as to either by the principal's or surety's attorney in fact, 1117
with a certified copy of the power of attorney attached thereto. 1118
The chief shall not approve a bond unless there is attached a 1119
certificate of the superintendent of insurance that the company 1120
is authorized to transact a fidelity and surety business in this 1121
state. 1122

All bonds shall be given in a form to be prescribed by the 1123
chief and shall run to the state as obligee. 1124

~~(5)~~ (4) An owner of an exempt Mississippian well or an 1125
exempt domestic well, in lieu of filing a surety bond, cash in 1126
an amount equal to the surety bond, certificates of deposit, or 1127
irrevocable letters of credit, ~~or a sworn financial statement,~~ 1128
may file a one-time fee of fifty dollars, which shall be 1129
deposited in the oil and gas ~~well plugging resolution and~~ 1130
remediation fund created in section ~~1509.071-1509.075~~ of the 1131

Revised Code. 1132

(C) An owner, operator, producer, or other person shall 1133
not operate a well or produce from a well at any time if the 1134
owner, operator, producer, or other person has not satisfied the 1135
requirements established in this section. 1136

Sec. 1509.071. (A) When the chief of the division of oil 1137
and gas resources management finds that an owner has failed to 1138
comply with a final nonappealable order issued or compliance 1139
agreement entered into under section 1509.04, the restoration 1140
requirements of section 1509.072, plugging requirements of 1141
section 1509.12, or permit provisions of section 1509.13 of the 1142
Revised Code, or rules and orders relating thereto, the chief 1143
shall make a finding of that fact and declare any surety bond 1144
filed to ensure compliance with those sections and rules 1145
forfeited in the amount set by rule of the chief. The chief 1146
thereupon shall certify the total forfeiture to the attorney 1147
general, who shall proceed to collect the amount of the 1148
forfeiture. In addition, the chief may require an owner, 1149
operator, producer, or other person who forfeited a surety bond 1150
to post a new surety bond in the amount of fifteen thousand 1151
dollars for a single well, thirty thousand dollars for two 1152
wells, or fifty thousand dollars for three or more wells. 1153

In lieu of total forfeiture, the surety or owner, at the 1154
surety's or owner's option, may cause the well to be properly 1155
plugged and abandoned and the area properly restored or pay to 1156
the treasurer of state the cost of plugging and abandonment. 1157

(B) (1) All moneys collected because of forfeitures of 1158
bonds as provided in this section shall be deposited in the 1159
state treasury to the credit of the oil and gas well fund 1160
created in section 1509.02 of the Revised Code. 1161

For purposes of promoting the competent management and 1162
conservation of the state's oil and natural gas resources and 1163
the proper and lawful plugging of historic oil and gas wells for 1164
which there is no known responsible owner, the chief annually 1165
shall spend not less than thirty per cent of the revenue 1166
credited to the oil and gas well fund during the previous fiscal 1167
year for both of the following purposes: 1168

(a) In accordance with division (E) of this section, to 1169
plug orphaned wells or to restore the land surface properly as 1170
required in section 1509.072 of the Revised Code; 1171

(b) In accordance with division (F) of this section, to 1172
correct conditions that the chief reasonably has determined are 1173
causing imminent health or safety risks at an orphaned well or 1174
associated with a well for which the owner has not initiated a 1175
corrective action within a reasonable period of time as 1176
determined by the chief after the chief has attempted to notify 1177
the owner. 1178

(2) Expenditures from the oil and gas well fund and the 1179
oil and gas resolution and remediation fund shall be made only 1180
for lawful purposes. ~~In addition~~ Except as otherwise provided in 1181
divisions (B) (2) and (D) of section 1509.075 of the Revised 1182
Code, expenditures from ~~the fund~~ those funds shall not be made 1183
to purchase real property or to remove a structure in order to 1184
access a well. 1185

~~The director of budget and management, in consultation~~ 1186
~~with the chief, shall establish an accounting code for purposes~~ 1187
~~of tracking expenditures made as required under this division.~~ 1188

(C) (1) If a landowner discovers a well on the landowner's 1189
real property and the landowner is not the owner of the well, 1190

the landowner may report the existence of the well in writing to 1191
the chief. 1192

(2) If the chief receives a written report from a 1193
landowner of the discovery of a well previously unknown to the 1194
division, the chief shall inspect the well not later than thirty 1195
days after the date of receipt of the landowner's report. 1196

(3) The chief shall establish a scoring matrix for use in 1197
determining the priority of plugging wells or restoring land 1198
surfaces at orphaned well sites for purposes of this section. 1199
The matrix shall include a classification system that 1200
categorizes orphaned wells as high priority, medium priority, 1201
and low priority. However, when determining the priority of 1202
plugging wells or restoring land surfaces at orphaned well 1203
sites, the chief shall ensure that first priority is given to 1204
orphaned wells located in close proximity, as determined by the 1205
chief, to one or more active wells. 1206

(4) The chief shall use the matrix developed under 1207
division (C) (3) of this section to prioritize plugging and land 1208
restoration projects under this section. The chief may add 1209
additional orphaned wells to a project regardless of 1210
classification. 1211

(D) (1) After ~~Except as provided in division (E) (2) (a) of~~ 1212
this section, after determining that a well is an orphaned well, 1213
the chief shall do all of the following: 1214

(a) Make a reasonable attempt to determine from the 1215
records in the office of the county recorder of the county in 1216
which the well is located the identity of the current owner of 1217
the land on which the well is located, the identity of each 1218
person owning a right or interest in the oil or gas mineral 1219

interests, and the identities of the persons having a lien upon 1220
any of the equipment appurtenant to the well. For purposes of 1221
division (D)(1)(a) of this section, the chief is not required to 1222
review records in the office of the county recorder that are 1223
older than forty years from the date on which the chief made the 1224
determination that the well is an orphaned well. 1225

(b) Mail notice to each person identified in division (D) 1226
(1)(a) of this section; 1227

(c) Include in the notice to each person having a lien 1228
upon any equipment appurtenant to the well, a statement 1229
informing the person that the well is to be plugged and offering 1230
the person the opportunity to remove that equipment from the 1231
well site at the person's own expense in order to avoid 1232
forfeiture of the equipment to this state; 1233

(d) Publish notice in a newspaper of general circulation 1234
in the county where the well is located that the well is to be 1235
plugged or post the notice on the department of natural 1236
resources web site. 1237

(2) If the current address of a person identified in 1238
division (D)(1)(a) of this section cannot be determined, or if a 1239
notice provided by mail to a person under division (D)(1)(b) of 1240
this section is returned undeliverable, the notice published 1241
under division (D)(1)(d) of this section constitutes sufficient 1242
notice to the person. 1243

(3) If none of the persons described in division (D)(1)(a) 1244
of this section removes equipment from the well within thirty 1245
days after the mailing of the notice or publication or posting 1246
of notice described in division (D)(1)(d) of this section, 1247
whichever is later, all equipment appurtenant to the well is 1248

hereby declared to be forfeited to this state without 1249
compensation and without the necessity for any action by the 1250
state for use to defray the cost of plugging the well and 1251
restoring the land surface at the well site. 1252

(E) The chief may expend money from the oil and gas well 1253
fund and the oil and gas resolution and remediation fund for the 1254
purpose of division (B) (1) (a) of this section, and such 1255
expenditures shall be made in accordance with either of the 1256
following: 1257

(1) The chief may make expenditures pursuant to contracts 1258
entered into by either the chief or another agency of the state 1259
with persons who agree to furnish the materials, equipment, 1260
work, and labor as specified and provided in such a contract for 1261
activities associated with the restoration or plugging of an 1262
orphaned well as determined by the chief. If another agency of 1263
the state enters into the contract, the chief shall prepare the 1264
scope of work for the restoration or plugging of the well. The 1265
activities may include excavation to uncover a well, methods to 1266
locate a well, analyzing the well, stabilizing or other work 1267
conducted prior to plugging the well, drilling out or cleanout 1268
of wellbores to remove material from a well, plugging 1269
operations, installation of vault and vent systems, including 1270
associated engineering certifications and permits, removal of 1271
associated equipment, restoration of property, replugging of 1272
previously plugged orphaned wells or wells for which final 1273
restoration was completed under section 1509.072 of the Revised 1274
Code and rules adopted under it, and repair of damage to 1275
property that is caused by such activities. The chief may make 1276
expenditures for salaries, maintenance, equipment, or other 1277
administrative purposes, for costs directly attributed to 1278
locating, analyzing, stabilizing, designing, plugging, 1279

remediating, or restoring an orphaned well, and for determining 1280
if a well is an orphaned well. 1281

Agents or employees of persons contracting with the chief 1282
to locate, analyze, stabilize, design, plug, remediate, or 1283
restore a well may enter upon any land, public or private, on 1284
which the well is located, or on adjacent parcels needed for 1285
access, for the purpose of performing the work. Prior to such 1286
entry, the chief shall give to the following persons written 1287
notice of the existence of a contract to locate, analyze, 1288
stabilize, design, plug, remediate, or restore a well, the names 1289
of the persons with whom the contract is made, and the date that 1290
the project will commence: the owner of the well, the owner of 1291
the land upon which the well is located, the owner of the land 1292
of an adjacent parcel that will be entered upon, and, if the 1293
well is located in the same township as or in a township 1294
adjacent to the excavations and workings of a mine and the owner 1295
or lessee of that mine has provided written notice identifying 1296
those townships to the chief at any time during the immediately 1297
preceding three years, the owner or lessee of the mine. The 1298
chief may include in the notice to the owner or lessee of the 1299
mine additional information, such as authorization to plug an 1300
orphaned well under section 1509.151 of the Revised Code. 1301

(2) (a) The owner of the land on which at least one 1302
orphaned well is located who either discovers the orphaned well 1303
or who has received notice under division (D) (1) (b) of this 1304
section may plug any such orphaned well and be reimbursed by the 1305
division of oil and gas resources management for the reasonable 1306
cost of plugging such wells. In order to plug the orphaned 1307
wells, the landowner shall submit an application to the chief on 1308
a form prescribed by the chief and approved by the technical 1309
advisory council on oil and gas created in section 1509.38 of 1310

the Revised Code. The application, at a minimum, shall require 1311
the landowner to provide the same information as is required to 1312
be included in the application for a permit to plug and abandon 1313
under section 1509.13 of the Revised Code. 1314

The application shall be accompanied by a copy of a 1315
proposed contract to plug and abandon the orphaned wells 1316
prepared by a contractor regularly engaged in the business of 1317
plugging oil and gas wells. The proposed contract shall require 1318
the contractor to furnish all of the materials, equipment, work, 1319
and labor necessary to plug the orphaned wells properly and 1320
restore the site including the removal of all associated 1321
equipment and shall specify the price for doing the work. The 1322
contractor shall be insured in the same amounts required of the 1323
contractor when completing work pursuant to contracts entered 1324
into under division (E)(1) of this section. The application 1325
shall document how the contractor intends to comply with all 1326
applicable rules, codes, and laws governing human health, 1327
safety, and the environment. 1328

In the case of a landowner who discovers one or more 1329
orphaned wells on the land, the chief need not fulfill the 1330
notice requirements specified in division (D)(1) of this 1331
section, except the chief shall publish notice in a newspaper of 1332
general circulation in the county where the well is located that 1333
the well is to be plugged or post the notice on the department 1334
of natural resources web site. 1335

Expenditures made under division (E)(2)(a) of this section 1336
shall be consistent with the expenditures for activities 1337
described in division (E)(1) of this section. In addition, 1338
expenditures made under division (E)(2) of this section are not 1339
subject to section 127.16 of the Revised Code. The application 1340

constitutes an application for a permit to plug the well for the 1341
purposes of section 1509.13 of the Revised Code. 1342

(b) Within thirty days after receiving an application and 1343
accompanying proposed contract under division (E)(2)(a) of this 1344
section, the chief shall determine whether the plugging would 1345
comply with the applicable requirements of this chapter and 1346
applicable rules adopted and orders issued under it and whether 1347
the cost of the plugging under the proposed contract is 1348
reasonable. If the chief determines that the proposed plugging 1349
would comply with those requirements and that the proposed cost 1350
of the plugging is reasonable, the chief shall notify the 1351
landowner of that determination and issue to the landowner a 1352
permit to plug the well under section 1509.13 of the Revised 1353
Code. The chief may disapprove an application submitted under 1354
division (E)(2)(a) of this section if the chief determines that 1355
the proposed plugging would not comply with the applicable 1356
requirements of this chapter and applicable rules adopted and 1357
orders issued under it, that the cost of the plugging under the 1358
proposed contract is unreasonable, or that the proposed contract 1359
is not a bona fide, arm's length contract. 1360

(c) After receiving the chief's notice of the approval of 1361
the application and permit to plug and abandon a well under 1362
division (E)(2)(b) of this section, the landowner may enter into 1363
the proposed contract to plug the well. 1364

(d) Upon determining that the plugging has been completed 1365
in compliance with the applicable requirements of this chapter 1366
and applicable rules adopted and orders issued under it, the 1367
chief shall pay the contractor for the cost of the plugging and 1368
restoration as set forth in the proposed contract approved by 1369
the chief and changes or costs approved by the chief. The 1370

payment shall be paid from the oil and gas well fund or the oil 1371
and gas resolution and remediation fund. The chief shall only 1372
make payments for purposes of division (E) (2) of this section 1373
pursuant to a proper invoice as defined under section 125.01 of 1374
the Revised Code. 1375

(e) If the chief determines that the plugging was not 1376
completed in accordance with the applicable requirements, the 1377
chief shall not pay the contractor or landowner for the cost of 1378
the plugging. 1379

(f) If any equipment was removed from the well during the 1380
plugging and sold, the chief shall deduct the sale amount of the 1381
equipment from the payment to the contractor. 1382

(g) Changes made to a contract executed under division (E) 1383
(2) of this section due to unanticipated conditions may be 1384
presented to the chief in the form of a written request for 1385
approval of the additional costs prior to completion of the 1386
work. The chief shall determine if the changes are necessary to 1387
comply with this chapter and rules adopted and orders issued 1388
under it and if the cost of the changes are reasonable. The 1389
chief shall provide to the contractor a written decision 1390
regarding the proposed changes. If the chief determines that the 1391
changes are not necessary or that the costs are not reasonable, 1392
the chief may either deny the request or establish the amount of 1393
the cost that the chief approves. Work completed prior to 1394
receipt of written approval from the chief is not eligible for 1395
payment, unless waived by the chief. 1396

(3) The chief may establish an annual limit on the number 1397
of wells that may be plugged under division (E) (2) of this 1398
section or an annual limit on the expenditures to be made under 1399
that division. The chief may reject an application submitted 1400

under division (E) (2) of this section if the chief determines 1401
that the plugging of other wells take priority. 1402

(4) As used in division (E) (2) of this section, "plug" and 1403
"plugging" include the plugging of the well, replugging of a 1404
previously plugged orphaned well or a well for which final 1405
restoration was completed under section 1509.072 of the Revised 1406
Code and rules adopted under it, drilling out or cleanout of a 1407
well bore to remove material from a well, installation of 1408
casings, installation of a vault and vent, restoration, and the 1409
restoration of the land surface disturbed by the plugging. 1410

(F) (1) Expenditures from the oil and gas well fund or the 1411
oil and gas resolution and remediation fund for the purpose of 1412
division (B) (1) (b) of this section may be made pursuant to 1413
contracts entered into by either the chief or another agency of 1414
the state with persons who agree to furnish the materials, 1415
equipment, work, and labor as specified and provided in such a 1416
contract. The competitive bidding requirements of Chapter 153. 1417
of the Revised Code do not apply if the chief reasonably 1418
determines that a situation exists requiring immediate action 1419
for the correction of the applicable health or safety risk. A 1420
contract or purchase of materials for purposes of addressing the 1421
emergency situation is not subject to division (B) of section 1422
127.16 of the Revised Code. The chief, designated 1423
representatives of the chief, and agents or employees of persons 1424
contracting with the chief to locate, analyze, stabilize, 1425
design, plug, remediate, or restore a well under this division 1426
may enter upon any land, public or private, on which the well is 1427
located, or on parcels needed for access, for the purpose of 1428
performing the work. 1429

(2) The chief shall issue an order that requires the owner 1430

of a well to pay the actual documented costs of a corrective 1431
action that is described in division (B)(1)(b) of this section 1432
concerning the well. The chief shall transmit the money so 1433
recovered to the treasurer of state who shall deposit the money 1434
in the ~~state treasury to the credit of the oil and gas well~~ 1435
resolution and remediation fund. 1436

(G) Contracts entered into by either the chief or another 1437
agency of the state under this section are not subject to any of 1438
the following: 1439

(1) Chapter 4115. of the Revised Code; 1440

(2) Chapter 153. of the Revised Code; 1441

(3) Section 4733.17 of the Revised Code. 1442

(H) The owner of land on which a well is located who has 1443
received notice under division (D)(1)(b) of this section, in 1444
lieu of plugging the well in accordance with division (E)(2) of 1445
this section, may cause ownership of the well to be transferred 1446
in accordance with section 1509.31 of the Revised Code. 1447

If a well is transferred, the owner to whom it is 1448
transferred shall comply with this chapter and rules adopted 1449
under it and shall take title to and possession of the equipment 1450
appurtenant to the well that has been identified by the chief as 1451
having been abandoned by the former owner of the well. 1452

(I) The chief may engage in cooperative projects under 1453
this section with any agency of this state, another state, or 1454
the United States; any other governmental agencies; any state 1455
university or college as defined in section 3345.27 of the 1456
Revised Code; or a nonprofit corporation that is exempt from 1457
federal income taxation under section 501(c)(3) of the "Internal 1458
Revenue Code of 1986," 26 U.S.C. 1, as amended. A contract 1459

entered into for purposes of a cooperative project is not 1460
subject to division (B) of section 127.16 of the Revised Code. 1461

(J) (1) On or before the close of each calendar quarter, 1462
the chief shall submit a written report to the technical 1463
advisory council established under section 1509.38 of the 1464
Revised Code describing the efforts of the division of oil and 1465
gas resources management to plug orphaned wells during the 1466
immediately preceding calendar quarter. The chief also shall 1467
include in the report all of the following information: 1468

(a) The total number of known orphaned wells in the state 1469
and the total number in each county of the state; 1470

(b) The total number of newly discovered orphaned wells 1471
during the immediately preceding calendar quarter; 1472

(c) The total number of wells plugged in accordance with 1473
this section during the immediately preceding calendar quarter; 1474

(d) The total number of wells plugged in accordance with 1475
this section and the estimated average and indirect costs of 1476
plugging activities conducted under this section prior to the 1477
date of the report; 1478

(e) The number of wells approved for plugging in 1479
accordance with this section and the estimated average and 1480
indirect costs of plugging activities conducted under this 1481
section during the immediately preceding calendar quarter. 1482

(2) Not later than the thirty-first day of March of each 1483
year, the chief and the technical advisory council shall jointly 1484
provide a report containing, at a minimum, the information 1485
required to be included in the quarterly reports during the 1486
previous one-year period to all of the following: 1487

(a) The speaker of the house of representatives;	1488
(b) The president of the senate;	1489
(c) The chair of the committee of the house of	1490
representatives responsible for energy and natural resources	1491
issues;	1492
(d) The chair of the committee of the senate responsible	1493
for energy and natural resources issues.	1494
<u>(K) (1) Notwithstanding any section of the Revised Code to</u>	1495
<u>the contrary, the division of oil and gas resources management,</u>	1496
<u>on behalf of the state, shall own the right to carbon credits</u>	1497
<u>for any orphaned well plugged using state or federal money.</u>	1498
<u>(2) The chief may enter into agreements to obtain or to</u>	1499
<u>sell carbon credits. The chief may use money from the sale of</u>	1500
<u>carbon credits for the purposes established in this section.</u>	1501
<u>Sec. 1509.075. (A) The oil and gas resolution and</u>	1502
<u>remediation fund is created in the state treasury. The fund</u>	1503
<u>shall consist of moneys transferred to it from the oil and gas</u>	1504
<u>well fund and any money deposited into it under sections 1509.07</u>	1505
<u>and 1509.071 of the Revised Code. Notwithstanding any provision</u>	1506
<u>of law to the contrary, at the beginning of each fiscal year,</u>	1507
<u>the treasurer of state shall transfer to the oil and gas</u>	1508
<u>resolution and remediation fund the amount of money in the oil</u>	1509
<u>and gas well fund that is in excess of the total amount</u>	1510
<u>appropriated to the oil and gas well fund for that fiscal year.</u>	1511
<u>(B) (1) Money in the oil and gas resolution and remediation</u>	1512
<u>fund shall be used by the chief of the division of oil and gas</u>	1513
<u>resources management for the plugging of orphaned wells under</u>	1514
<u>this chapter.</u>	1515

(2) The chief may use money in the fund for expenses that 1516
are critical and necessary for the protection of human health 1517
and safety and the environment related to oil and gas production 1518
in this state. 1519

(3) The treasurer of state shall disburse moneys from the 1520
fund quarterly on order of the chief. 1521

(C) The treasurer of state may invest any portion of the 1522
oil and gas resolution and remediation fund not needed for 1523
immediate use in the same manner as, and subject to all 1524
provisions of law with respect to the investment of, state 1525
funds. 1526

(D) Interest earned on the fund shall be credited to the 1527
fund and reserved for use by the director of natural resources. 1528
The director may order the treasurer of state to disburse 1529
interest from the fund for any purpose of the department of 1530
natural resources, subject to the approval of the technical 1531
advisory council on oil and gas, as provided in section 1509.38 1532
of the Revised Code. The director shall provide the treasurer of 1533
state with written notice of the council's approval before the 1534
treasurer of state may disburse money from the fund. 1535

(E) Notwithstanding any other provision of law to the 1536
contrary, no money shall be transferred out of the fund by the 1537
director of budget and management or the controlling board to 1538
any other fund, including the general revenue fund. The fund 1539
shall not be used for any purpose not specified in law. 1540

Sec. 1509.13. (A) (1) Except as otherwise provided in 1541
division (A) (2) of this section and division (E) (1) of section 1542
1509.071 of the Revised Code, no person shall plug and abandon a 1543
well without having a permit to do so issued by the chief of the 1544

division of oil and gas resources management. The permit shall 1545
be issued by the chief in accordance with this chapter and shall 1546
be valid for a period of twenty-four months from the date of 1547
issue. 1548

(2) The holder of a valid permit issued under section 1549
1509.06 of the Revised Code may receive approval from an oil and 1550
gas resources inspector to plug and abandon the well associated 1551
with that permit, without obtaining the permit required under 1552
division (A) of this section, if either of the following apply: 1553

(a) The well was drilled to total depth and the well 1554
cannot or will not be completed. 1555

(b) The well is a lost hole or dry hole. 1556

(3) A permit holder plugging a well pursuant to division 1557
(A) (2) (a) of this section shall plug the well within thirty days 1558
of receipt of approval from the oil and gas resources inspector. 1559

(4) A permit holder plugging a well pursuant to division 1560
(A) (2) (b) of this section shall plug the well immediately after 1561
determining that the well is a lost hole or dry hole in 1562
accordance with rules adopted under this chapter. 1563

(B) The application for a permit to plug and abandon shall 1564
be filed as many days in advance as will be necessary for an oil 1565
and gas resources inspector or, if the well is located in a coal 1566
bearing township, both a deputy mine inspector and an oil and 1567
gas resources inspector to be present at the plugging. The 1568
application shall be filed with the chief upon a form that the 1569
chief prescribes and shall contain the following information: 1570

(1) The name and address of the applicant; 1571

(2) The signature of the applicant or the applicant's 1572

authorized agent. When an authorized agent signs an application, 1573
it shall be accompanied by a certified copy of the appointment 1574
as that agent. 1575

(3) The location of the well identified by section or lot 1576
number, city, village, township, and county; 1577

(4) Designation of well by name and number; 1578

(5) The total depth of the well to be plugged; 1579

(6) The date and amount of last production from the well; 1580

(7) Other information that the chief may require. 1581

(C) Unless waived by an oil and gas resources inspector, 1582
the owner of a well or the owner's authorized representative 1583
shall notify an oil and gas resources inspector at least twenty- 1584
four hours prior to the commencement of the plugging of a well. 1585
No well shall be plugged and abandoned without an oil and gas 1586
resources inspector present unless permission has been granted 1587
by the chief. The owner of a well that has produced oil or gas 1588
shall give written notice at the same time to the owner of the 1589
land upon which the well is located and to all lessors that 1590
receive gas from the well pursuant to an agreement. If the well 1591
penetrates or passes within one hundred feet of the excavations 1592
and workings of a mine, the owner of the well shall give written 1593
notice to the owner or lessee of that mine of the intention to 1594
abandon the well and of the time when the owner of the well will 1595
be prepared to commence plugging it. 1596

~~(D) (1) An applicant may file a request with the chief 1597~~
~~for expedited review of an application for a permit to plug and 1598~~
~~abandon a well. The chief may refuse to accept a request for 1599~~
~~expedited review if, in the chief's judgment, acceptance of the 1600~~
~~request will prevent the issuance, within twenty-one days of 1601~~

~~filing, of permits for which applications filed under section~~ 1602
~~1509.06 of the Revised Code are pending.~~ In addition to a 1603
complete application for a permit that meets the requirements of 1604
this section, a request for expedited review shall be 1605
accompanied by a nonrefundable filing fee of five hundred 1606
dollars unless the chief has ordered the applicant to plug and 1607
abandon the well. When a request for expedited review is filed, 1608
the chief shall immediately begin to process the application and 1609
shall issue a permit within seven days of the filing of the 1610
request unless the chief, by order, denies the application. 1611

(2) No owner shall apply for an expedited permit under 1612
this section more than ten times within a calendar year. 1613
However, if an emergency requires that an expedited permit be 1614
issued, as determined by the chief, an owner that is otherwise 1615
prohibited from obtaining an expedited permit under this 1616
division may apply for an expedited permit and the chief may so 1617
issue it. 1618

(E) (1) Except as otherwise provided in division (E) (2) of 1619
this section, any person undertaking the plugging of a well for 1620
which a permit has been issued under this section shall obtain 1621
insurance for bodily injury coverage and property damage 1622
coverage in the amount established under section 1509.07 of the 1623
Revised Code to pay for damages or injury to property or person, 1624
including damages caused by the plugging of the well. The person 1625
shall electronically submit proof of insurance to the chief upon 1626
the chief's request. 1627

(2) Division (E) (1) of this section does not apply to a 1628
person already required to maintain an insurance policy under 1629
section 1509.07 of the Revised Code. 1630

(F) This section does not apply to a well plugged or 1631

abandoned in compliance with section 1571.05 of the Revised 1632
Code. 1633

Sec. 1509.22. (A) Except when acting in accordance with 1634
section 1509.226 of the Revised Code, no person shall place or 1635
cause to be placed in ground water or in or on the land or 1636
discharge or cause to be discharged in surface water brine, 1637
crude oil, natural gas, or other fluids associated with the 1638
exploration, development, well stimulation, production 1639
operations, or plugging of oil and gas resources that causes or 1640
could reasonably be anticipated to cause damage or injury to 1641
public health or safety or the environment. 1642

(B) (1) No person shall store or dispose of brine in 1643
violation of a plan approved under division (A) of section 1644
1509.222 or section 1509.226 of the Revised Code, in violation 1645
of a resolution submitted under section 1509.226 of the Revised 1646
Code, or in violation of rules or orders applicable to those 1647
plans or resolutions. 1648

(2) (a) On and after January 1, 2014, no person shall 1649
store, recycle, treat, process, or dispose of in this state 1650
brine or other waste substances associated with the exploration, 1651
development, well stimulation, production operations, or 1652
plugging of oil and gas resources without an order or a permit 1653
issued under this section or section 1509.06 or 1509.21 of the 1654
Revised Code or rules adopted under any of those sections. For 1655
purposes of division (B) (2) (a) of this section, a permit or 1656
other form of authorization issued by another agency of the 1657
state or a political subdivision of the state shall not be 1658
considered a permit or order issued by the chief of the division 1659
of oil and gas resources management under this chapter. 1660

(b) Division (B) (2) (a) of this section does not apply to a 1661

person that disposes of such waste substances other than brine 1662
in accordance with Chapter 3734. of the Revised Code and rules 1663
adopted under it. 1664

(C) The chief shall adopt rules regarding storage, 1665
recycling, treatment, processing, and disposal of brine and 1666
other waste substances. The rules shall establish procedures and 1667
requirements in accordance with which a person shall apply for a 1668
permit or order for the storage, recycling, treatment, 1669
processing, or disposal of brine and other waste substances that 1670
are not subject to a permit issued under section 1509.06 or 1671
1509.21 of the Revised Code and in accordance with which the 1672
chief may issue such a permit or order. An application for such 1673
a permit shall be accompanied by a nonrefundable fee of two 1674
thousand five hundred dollars. 1675

The storage, recycling, treatment, processing, and 1676
disposal of brine and other waste substances and the chief's 1677
rules relating to storage, recycling, treatment, processing, and 1678
disposal are subject to all of the following standards: 1679

(1) Brine from any well except an exempt Mississippian 1680
well shall be disposed of only as follows: 1681

(a) By injection into an underground formation, including 1682
annular disposal if approved by rule of the chief, which 1683
injection shall be subject to division (D) of this section; 1684

(b) By surface application in accordance with section 1685
1509.226 of the Revised Code; 1686

(c) In association with a method of enhanced recovery as 1687
provided in section 1509.21 of the Revised Code; 1688

(d) In any other manner not specified in divisions (C) (1) 1689
(a) to (c) of this section that is approved by a permit or order 1690

issued by the chief. 1691

(2) Brine from exempt Mississippian wells shall not be 1692
discharged directly into the waters of the state. 1693

(3) Muds, cuttings, and other waste substances shall not 1694
be disposed of in violation of this chapter or any rule adopted 1695
under it. 1696

(4) Pits or steel tanks shall be used as authorized by the 1697
chief for containing brine and other waste substances resulting 1698
from, obtained from, or produced in connection with drilling, 1699
well stimulation, reworking, reconditioning, plugging back, or 1700
plugging operations. The pits and steel tanks shall be 1701
constructed and maintained to prevent the escape of brine and 1702
other waste substances. 1703

(5) A dike or pit may be used for spill prevention and 1704
control. A dike or pit so used shall be constructed and 1705
maintained to prevent the escape of brine and crude oil, and the 1706
reservoir within such a dike or pit shall be kept reasonably 1707
free of brine, crude oil, and other waste substances. 1708

(6) Impoundments constructed utilizing a synthetic liner 1709
pursuant to the division's specifications may be used for the 1710
temporary storage of waste substances used in the construction, 1711
stimulation, or plugging of a well. 1712

(7) No pit or dike shall be used for the temporary storage 1713
of brine or other waste substances except in accordance with 1714
divisions (C) (4) and (5) of this section. 1715

(8) No pit or dike shall be used for the ultimate disposal 1716
of brine or other liquid waste substances. 1717

(D) (1) No person, without first having obtained a permit 1718

from the chief, shall inject brine or other waste substances 1719
resulting from, obtained from, or produced in connection with 1720
oil or gas drilling, exploration, or production into an 1721
underground formation unless a rule of the chief expressly 1722
authorizes the injection without a permit. The permit shall be 1723
in addition to any permit required by section 1509.05 of the 1724
Revised Code, and the permit application shall be accompanied by 1725
a permit fee of one thousand dollars. The chief shall adopt 1726
rules in accordance with Chapter 119. of the Revised Code 1727
regarding the injection into wells of brine and other waste 1728
substances resulting from, obtained from, or produced in 1729
connection with oil or gas drilling, exploration, or production. 1730
The rules shall include provisions regarding all of the 1731
following: 1732

(a) Applications for and issuance of the permits required 1733
by this division; 1734

(b) Entry to conduct inspections and to examine and copy 1735
records to ascertain compliance with this division and rules, 1736
orders, and terms and conditions of permits adopted or issued 1737
under it; 1738

(c) The provision and maintenance of information through 1739
monitoring, recordkeeping, and reporting. In addition, the rules 1740
shall require the owner of an injection well who has been issued 1741
a permit under division (D) of this section to quarterly submit 1742
electronically to the chief information concerning each shipment 1743
of brine or other waste substances received by the owner for 1744
injection into the well. 1745

(d) The provision and electronic reporting quarterly of 1746
information concerning brine and other waste substances from a 1747
transporter that is registered under section 1509.222 of the 1748

Revised Code prior to the injection of the transported brine or 1749
other waste substances; 1750

(e) Any other provisions in furtherance of the goals of 1751
this section and the Safe Drinking Water Act. 1752

(2) The chief may adopt rules in accordance with Chapter 1753
119. of the Revised Code authorizing tests to evaluate whether 1754
fluids or carbon dioxide may be injected in a reservoir and to 1755
determine the maximum allowable injection pressure, which shall 1756
be conducted in accordance with methods prescribed in the rules 1757
or in accordance with conditions of the permit. In addition, the 1758
chief may adopt rules that do both of the following: 1759

(a) Establish the total depth of a well for which a permit 1760
has been applied for or issued under this division; 1761

(b) Establish requirements and procedures to protect 1762
public health and safety. 1763

(3) To implement the goals of the Safe Drinking Water Act, 1764
the chief shall not issue a permit for the injection of brine or 1765
other waste substances resulting from, obtained from, or 1766
produced in connection with oil or gas drilling, exploration, or 1767
production unless the chief concludes that the applicant has 1768
demonstrated that the injection will not result in the presence 1769
of any contaminant in ground water that supplies or can 1770
reasonably be expected to supply any public water system, such 1771
that the presence of the contaminant may result in the system's 1772
not complying with any national primary drinking water 1773
regulation or may otherwise adversely affect the health of 1774
persons. 1775

(4) The chief may issue an order to the owner of a well in 1776
existence on September 10, 2012, to make changes in the 1777

operation of the well in order to correct problems or to address 1778
safety concerns. 1779

(5) This division and rules, orders, and terms and 1780
conditions of permits adopted or issued under it shall be 1781
construed to be no more stringent than required for compliance 1782
with the Safe Drinking Water Act unless essential to ensure that 1783
underground sources of drinking water will not be endangered. 1784

(E) The owner holding a permit, or an assignee or 1785
transferee who has assumed the obligations and liabilities 1786
imposed by this chapter and any rules adopted or orders issued 1787
under it pursuant to section 1509.31 of the Revised Code, and 1788
the operator of a well shall be liable for a violation of this 1789
section or any rules adopted or orders or terms or conditions of 1790
a permit issued under it. 1791

(F) An owner shall replace the water supply of the holder 1792
of an interest in real property who obtains all or part of the 1793
holder's supply of water for domestic, agricultural, industrial, 1794
or other legitimate use from an underground or surface source 1795
where the supply has been substantially disrupted by 1796
contamination, diminution, or interruption proximately resulting 1797
from the owner's oil or gas operation, or the owner may elect to 1798
compensate the holder of the interest in real property for the 1799
difference between the fair market value of the interest before 1800
the damage occurred to the water supply and the fair market 1801
value after the damage occurred if the cost of replacing the 1802
water supply exceeds this difference in fair market values. 1803
However, during the pendency of any order issued under this 1804
division, the owner shall obtain for the holder or shall 1805
reimburse the holder for the reasonable cost of obtaining a 1806
water supply from the time of the contamination, diminution, or 1807

interruption by the operation until the owner has complied with 1808
an order of the chief for compliance with this division or such 1809
an order has been revoked or otherwise becomes not effective. If 1810
the owner elects to pay the difference in fair market values, 1811
but the owner and the holder have not agreed on the difference 1812
within thirty days after the chief issues an order for 1813
compliance with this division, within ten days after the 1814
expiration of that thirty-day period, the owner and the chief 1815
each shall appoint an appraiser to determine the difference in 1816
fair market values, except that the holder of the interest in 1817
real property may elect to appoint and compensate the holder's 1818
own appraiser, in which case the chief shall not appoint an 1819
appraiser. The two appraisers appointed shall appoint a third 1820
appraiser, and within thirty days after the appointment of the 1821
third appraiser, the three appraisers shall hold a hearing to 1822
determine the difference in fair market values. Within ten days 1823
after the hearing, the appraisers shall make their determination 1824
by majority vote and issue their final determination of the 1825
difference in fair market values. The chief shall accept a 1826
determination of the difference in fair market values made by 1827
agreement of the owner and holder or by appraisers under this 1828
division and shall make and dissolve orders accordingly. This 1829
division does not affect in any way the right of any person to 1830
enforce or protect, under applicable law, the person's interest 1831
in water resources affected by an oil or gas operation. 1832

(G) In any action brought by the state for a violation of 1833
division (A) of this section involving any well at which annular 1834
disposal is used, there shall be a rebuttable presumption 1835
available to the state that the annular disposal caused the 1836
violation if the well is located within a one-quarter-mile 1837
radius of the site of the violation. 1838

(H) (1) There is levied on the owner of an injection well 1839
who has been issued a permit under division (D) of this section 1840
the following fees: 1841

(a) Five cents per barrel of each substance that is 1842
delivered to a well to be injected in the well when the 1843
substance is produced within the division of oil and gas 1844
resources management regulatory district in which the well is 1845
located or within an adjoining oil and gas resources management 1846
regulatory district; 1847

(b) Twenty cents per barrel of each substance that is 1848
delivered to a well to be injected in the well when the 1849
substance is not produced within the division of oil and gas 1850
resources management regulatory district in which the well is 1851
located or within an adjoining oil and gas resources management 1852
regulatory district. 1853

(2) The maximum number of barrels of substance per 1854
injection well in a calendar year on which a fee may be levied 1855
under division (H) of this section is five hundred thousand. If 1856
in a calendar year the owner of an injection well receives more 1857
than five hundred thousand barrels of substance to be injected 1858
in the owner's well and if the owner receives at least one 1859
substance that is produced within the division's regulatory 1860
district in which the well is located or within an adjoining 1861
regulatory district and at least one substance that is not 1862
produced within the division's regulatory district in which the 1863
well is located or within an adjoining regulatory district, the 1864
fee shall be calculated first on all of the barrels of substance 1865
that are not produced within the division's regulatory district 1866
in which the well is located or within an adjoining district at 1867
the rate established in division (H) (2) of this section. The fee 1868

then shall be calculated on the barrels of substance that are 1869
produced within the division's regulatory district in which the 1870
well is located or within an adjoining district at the rate 1871
established in division (H) (1) of this section until the maximum 1872
number of barrels established in division (H) (2) of this section 1873
has been attained. 1874

(3) The owner of an injection well who is issued a permit 1875
under division (D) of this section shall collect the fee levied 1876
by division (H) of this section on behalf of the division of oil 1877
and gas resources management and forward the fee to the 1878
division. The chief shall transmit all money received under 1879
division (H) of this section to the treasurer of state who shall 1880
~~deposit the money in the state treasury to the credit of the oil~~ 1881
~~and gas well fund created in section 1509.02 of the Revised-~~ 1882
~~Code~~ disburse the money to the county treasurer of the county in 1883
which the injection well is located. If the injection well is 1884
located in more than one county, the treasurer of state shall 1885
disburse the money equally to the county treasurer of each such 1886
county. The county treasurer shall deposit such money in the 1887
county's general fund. The owner of an injection well who 1888
collects the fee levied by this division may retain up to three 1889
per cent of the amount that is collected. 1890

(4) The chief shall adopt rules in accordance with Chapter 1891
119. of the Revised Code establishing requirements and 1892
procedures for collection of the fee levied by division (H) of 1893
this section. 1894

Sec. 1509.221. (A) No person, without first having 1895
obtained a permit from the chief of the division of oil and gas 1896
resources management, shall drill a well or inject a substance 1897
into a well for the exploration for or extraction of minerals or 1898

energy, other than oil or natural gas, including, but not 1899
limited to, the mining of sulfur by the Frasch process, the 1900
solution mining of minerals, the in situ combustion of fossil 1901
fuel, or the recovery of geothermal energy to produce electric 1902
power, unless a rule of the chief expressly authorizes the 1903
activity without a permit. The permit shall be in addition to 1904
any permit required by section 1509.05 of the Revised Code. The 1905
chief shall adopt rules in accordance with Chapter 119. of the 1906
Revised Code governing the issuance of permits under this 1907
section. The rules shall include provisions regarding the 1908
matters the applicant for a permit shall demonstrate to 1909
establish eligibility for a permit; the form and content of 1910
applications for permits; the terms and conditions of permits; 1911
entry to conduct inspections and to examine and copy records to 1912
ascertain compliance with this section and rules, orders, and 1913
terms and conditions of permits adopted or issued thereunder; 1914
provision and maintenance of information through monitoring, 1915
recordkeeping, and reporting; and other provisions in 1916
furtherance of the goals of this section and the Safe Drinking 1917
Water Act. To implement the goals of the Safe Drinking Water 1918
Act, the chief shall not issue a permit under this section, 1919
unless the chief concludes that the applicant has demonstrated 1920
that the drilling, injection of a substance, and extraction of 1921
minerals or energy will not result in the presence of any 1922
contaminant in underground water that supplies or can reasonably 1923
be expected to supply any public water system, such that the 1924
presence of the contaminant may result in the system's not 1925
complying with any national primary drinking water regulation or 1926
may otherwise adversely affect the health of persons. The chief 1927
may issue, without a prior ~~adjudication~~ hearing, orders 1928
requiring compliance with this section and rules, orders, and 1929
terms and conditions of permits adopted or issued thereunder. 1930

This section and rules, orders, and terms and conditions of 1931
permits adopted or issued thereunder shall be construed to be no 1932
more stringent than required for compliance with the Safe 1933
Drinking Water Act, unless essential to ensure that underground 1934
sources of drinking water will not be endangered. 1935

(B) In an action under section 1509.04 or 1509.33 of the 1936
Revised Code to enforce this section, the court shall grant 1937
preliminary and permanent injunctive relief and impose a civil 1938
penalty upon the showing that the person against whom the action 1939
is brought has violated, is violating, or will violate this 1940
section or rules, orders, or terms or conditions of permits 1941
adopted or issued thereunder. The court shall not require, prior 1942
to granting such preliminary and permanent injunctive relief or 1943
imposing a civil penalty, proof that the violation was, is, or 1944
will be the result of intentional conduct or negligence. In any 1945
such action, any person may intervene as a plaintiff upon the 1946
demonstration that the person has an interest that is or may be 1947
adversely affected by the activity for which injunctive relief 1948
or a civil penalty is sought. 1949

Sec. 1509.23. (A) Rules of the chief of the division of 1950
oil and gas resources management may specify practices to be 1951
followed in the drilling and treatment of wells, production of 1952
oil and gas, and plugging of wells for protection of public 1953
health or safety or to prevent damage to natural resources, 1954
including specification of the following: 1955

~~(A)~~ (1) Appropriate devices; 1956

~~(B)~~ (2) Minimum distances that wells and other excavations, 1957
structures, and equipment shall be located from water wells, 1958
streets, roads, highways, rivers, lakes, streams, ponds, other 1959
bodies of water, railroad tracks, public or private recreational 1960

areas, zoning districts, and buildings or other structures. 1961
Rules adopted under this division shall not conflict with 1962
section 1509.021 of the Revised Code. 1963

~~(C)~~ (3) Other methods of operation; 1964

~~(D)~~ (4) Procedures, methods, and equipment and other 1965
requirements for equipment to prevent and contain discharges of 1966
oil and brine from oil production facilities and oil drilling 1967
and workover facilities consistent with and equivalent in scope, 1968
content, and coverage to section 311(j)(1)(c) of the "Federal 1969
Water Pollution Control Act Amendments of 1972," 86 Stat. 886, 1970
33 U.S.C.A. 1251, as amended, and regulations adopted under it. 1971
In addition, the rules may specify procedures, methods, and 1972
equipment and other requirements for equipment to prevent and 1973
contain surface and subsurface discharges of fluids, 1974
condensates, and gases. 1975

~~(E)~~ (5) Notifications; 1976

~~(F)~~ (6) Requirements governing the location and 1977
construction of fresh water impoundments that are part of a 1978
production operation. 1979

(B) The chief shall not require an owner of a well to 1980
cease producing from, or limit production from, the well in 1981
order to engage in simultaneous operations on a well pad. 1982

Sec. 1509.28. (A) (1) A person who has obtained the consent 1983
of the owners of at least sixty-five per cent of the land area 1984
overlying a pool or a part of a pool may submit an application 1985
for the operation as a unit of the entire pool or part of the 1986
pool to the chief of the division of oil and gas resources 1987
management. In calculating the sixty-five per cent, an owner's 1988
entire interest in each tract in the proposed unit area, 1989

including any divided, undivided, partial, fee, or other 1990
interest in the tract, shall be included to the fullest extent 1991
of that interest. 1992

(2) The chief may make a motion, without application, for 1993
the operation as a unit of an entire pool or part of the pool. 1994

(B) An applicant shall include with the application for 1995
unit operation both of the following: 1996

(1) A nonrefundable fee of ten thousand dollars; 1997

(2) Any additional information requested by the chief. 1998

(C) (1) The chief shall hold a hearing regarding an 1999
application submitted under division (A) (1) of this section or 2000
regarding the chief's motion made under division (A) (2) of this 2001
section. Except as otherwise provided in division (C) (2) of this 2002
section, the chief shall hold the hearing not more than sixty 2003
days after the date the chief receives the application or makes 2004
the motion, as applicable. 2005

(2) If the chief determines that an application is 2006
materially incomplete before the required hearing date, the 2007
chief shall notify the applicant. The applicant shall respond to 2008
the chief not later than three business days from receipt of the 2009
notice to correct the application. If the applicant does not 2010
timely correct the application, the chief may reschedule the 2011
hearing date. 2012

(3) At the hearing, the chief shall consider the need for 2013
the operation as a unit of an entire pool or part thereof. 2014

(D) The chief shall make an order providing for the unit 2015
operation of a pool or part thereof if the chief finds that such 2016
operation is reasonably necessary to increase substantially the 2017

ultimate recovery of oil and gas, and the value of the estimated 2018
additional recovery of oil or gas exceeds the estimated 2019
additional cost incident to conducting the operation. The chief 2020
shall issue the order not later than sixty days after the date 2021
of the hearing, unless the chief denies the application or 2022
motion by order within that sixty-day period. 2023

(E) The order shall be upon terms and conditions that are 2024
just and reasonable and shall prescribe a plan for unit 2025
operations that shall include: 2026

(1) A description of the unitized area, termed the unit 2027
area; 2028

(2) A statement of the nature of the operations 2029
contemplated; 2030

(3) An allocation to the separately owned tracts in the 2031
unit area of all the oil and gas that is produced from the unit 2032
area and is saved, being the production that is not used in the 2033
conduct of operations on the unit area or not unavoidably lost. 2034
The allocation shall be in accord with the agreement, if any, of 2035
the interested parties. If there is no such agreement, the chief 2036
shall determine the value, from the evidence introduced at the 2037
hearing, of each separately owned tract in the unit area, 2038
exclusive of physical equipment, for development of oil and gas 2039
by unit operations, and the production allocated to each tract 2040
shall be the proportion that the value of each tract so 2041
determined bears to the value of all tracts in the unit area. 2042

(4) A provision for the credits and charges to be made in 2043
the adjustment among the owners in the unit area for their 2044
respective investments in wells, tanks, pumps, machinery, 2045
materials, and equipment contributed to the unit operations; 2046

(5) A provision providing how the expenses of unit 2047
operations, including capital investment, shall be determined 2048
and charged to the separately owned tracts and how the expenses 2049
shall be paid; 2050

(6) A provision, if necessary, for carrying or otherwise 2051
financing any person who is unable to meet the person's 2052
financial obligations in connection with the unit, allowing a 2053
reasonable interest charge for such service; 2054

(7) A provision for the supervision and conduct of the 2055
unit operations, in respect to which each person shall have a 2056
vote with a value corresponding to the percentage of the 2057
expenses of unit operations chargeable against the interest of 2058
that person; 2059

(8) The time when the unit operations shall commence, and 2060
the manner in which, and the circumstances under which, the unit 2061
operations shall terminate; 2062

(9) Such additional provisions as are found to be 2063
appropriate for carrying on the unit operations, and for the 2064
protection or adjustment of correlative rights. 2065

(F) No order of the chief providing for unit operations 2066
shall become effective unless and until the plan for unit 2067
operations prescribed by the chief has been approved in writing 2068
by those owners who, under the chief's order, will be required 2069
to pay at least sixty-five per cent of the costs of the unit 2070
operation, and also by the royalty or, with respect to unleased 2071
acreage, fee owners of sixty-five per cent of the acreage to be 2072
included in the unit. If the plan for unit operations has not 2073
been so approved by owners and royalty owners at the time the 2074
order providing for unit operations is made, the chief shall 2075

upon application and notice hold such supplemental hearings as 2076
may be required to determine if and when the plan for unit 2077
operations has been so approved. If the owners and royalty 2078
owners, or either, owning the required percentage of interest in 2079
the unit area do not approve the plan for unit operations within 2080
a period of six months from the date on which the order 2081
providing for unit operations is made, the order shall cease to 2082
be of force and shall be revoked by the chief. 2083

(G) An order providing for unit operations may be amended 2084
by an order made by the chief, in the same manner and subject to 2085
the same conditions as an original order providing for unit 2086
operations, provided that: 2087

(1) If such an amendment affects only the rights and 2088
interests of the owners, the approval of the amendment by the 2089
royalty owners shall not be required. 2090

(2) No such order of amendment shall change the percentage 2091
for allocation of oil and gas as established for any separately 2092
owned tract by the original order, except with the consent of 2093
all persons owning interest in the tract. 2094

(H) The chief, by an order, may provide for the unit 2095
operation of a pool or a part thereof that embraces a unit area 2096
established by a previous order of the chief. Such an order, in 2097
providing for the allocation of unit production, shall first 2098
treat the unit area previously established as a single tract, 2099
and the portion of the unit production so allocated thereto 2100
shall then be allocated among the separately owned tracts 2101
included in the previously established unit area in the same 2102
proportions as those specified in the previous order. 2103

(I) Oil and gas allocated to a separately owned tract 2104

shall be deemed, for all purposes, to have been actually 2105
produced from the tract, and all operations, including, but not 2106
limited to, the commencement, drilling, operation of, or 2107
production from a well upon any portion of the unit area shall 2108
be deemed for all purposes the conduct of such operations and 2109
production from any lease or contract for lands any portion of 2110
which is included in the unit area. ~~The operations~~ Operations 2111
conducted pursuant to the order of the chief shall constitute a 2112
fulfillment of all the express or implied ~~obligations~~ terms of 2113
each lease or contract covering lands in the unit area and shall 2114
not be construed to be a breach of any such terms to the extent 2115
~~that compliance with such obligations cannot be had because of~~ 2116
~~the order of the chief.~~ 2117

(J) Oil and gas allocated to any tract, and the proceeds 2118
from the sale thereof, shall be the property and income of the 2119
several persons to whom, or to whose credit, the same are 2120
allocated or payable under the order providing for unit 2121
operations. 2122

(K) No order of the chief or other contract relating to 2123
the sale or purchase of production from a separately owned tract 2124
shall be terminated by the order providing for unit operations, 2125
but shall remain in force and apply to oil and gas allocated to 2126
the tract until terminated in accordance with the provisions 2127
thereof. 2128

(L) Notwithstanding divisions (A) to (G) of section 155.33 2129
of the Revised Code and rules adopted under it, the chief shall 2130
issue an order for the unit operation of a pool or a part of a 2131
pool that encompasses a unit area for which all or a portion of 2132
the mineral rights are owned by the department of 2133
transportation. 2134

(M) Except to the extent that the parties affected so 2135
agree, no order providing for unit operations shall be construed 2136
to result in a transfer of all or any part of the title of any 2137
person to the oil and gas rights in any tract in the unit area. 2138
All property, whether real or personal, that may be acquired for 2139
the account of the owners within the unit area shall be the 2140
property of such owners in the proportion that the expenses of 2141
unit operations are charged. 2142

Sec. 1509.31. (A) (1) No person shall operate a well in 2143
this state unless the person first registers with and obtains an 2144
identification number from the chief of the division of oil and 2145
gas resources management. 2146

(2) Whenever the entire interest of an oil and gas lease 2147
is assigned or otherwise transferred, the assignor or transferor 2148
shall notify the holders of the royalty interests, and, if a 2149
well or wells exist on the lease, the division of oil and gas 2150
resources management, of the name and address of the assignee or 2151
transferee by certified mail, return receipt requested, not 2152
later than thirty days after the date of the assignment or 2153
transfer. When notice of any such assignment or transfer is 2154
required to be provided to the division, it shall be provided on 2155
a form prescribed and provided by the division and verified by 2156
both the assignor or transferor and by the assignee or 2157
transferee. The notice form applicable to assignments or 2158
transfers of a well to the owner of the surface estate of the 2159
tract on which the well is located shall contain a statement 2160
informing the landowner that the well may require periodic 2161
servicing to maintain its productivity; that, upon assignment or 2162
transfer of the well to the landowner, the landowner becomes 2163
responsible for compliance with the requirements of this chapter 2164
and rules adopted under it, including, without limitation, the 2165

proper disposal of brine obtained from the well, the plugging of 2166
the well when it becomes incapable of producing oil or gas, and 2167
the restoration of the well site; and that, upon assignment or 2168
transfer of the well to the landowner, the landowner becomes 2169
responsible for the costs of compliance with the requirements of 2170
this chapter and rules adopted under it and the costs for 2171
operating and servicing the well. 2172

(3) Notwithstanding division (A) (2) of this section, the 2173
assignee or transferee shall notify the division of oil and gas 2174
resources management of the assignment or transfer if both of 2175
the following apply: 2176

(a) The assignor or transferor failed to notify the 2177
division of the assignment or transfer as required by division 2178
(A) (2) of this section; 2179

(b) The assignor or transferor is deceased, dissolved, 2180
cannot be located, or is otherwise incapable of complying with 2181
the notification requirement. 2182

The assignee or transferee shall notify the division of 2183
the assignment or transfer on a form prescribed and provided by 2184
the division. At a minimum, the form shall require the assignee 2185
or transferee to attest that the assignee or transferee is the 2186
owner. The division shall not charge a fee for such assignment 2187
or transfer when notice is provided in accordance with division 2188
(A) (3) of this section. 2189

(B) When the entire interest of a well is proposed to be 2190
assigned or otherwise transferred to the landowner for use as an 2191
exempt domestic well, the owner who has been issued a permit 2192
under this chapter for the well shall submit to the chief of the 2193
division of oil and gas resources management an application for 2194

the assignment or transfer that contains all documents that the 2195
chief requires. The application for such an assignment or 2196
transfer shall be prescribed and provided by the chief. The 2197
chief may approve the application if the application is 2198
accompanied by a release of all of the oil and gas leases that 2199
are included in the applicable formation of the drilling unit, 2200
the release is in a form such that the well ownership merges 2201
with the fee simple interest of the surface tract, and the 2202
release is in a form that may be recorded. However, if the owner 2203
of the well does not release the oil and gas leases associated 2204
with the well that is proposed to be assigned or otherwise 2205
transferred or if the fee simple tract that results from the 2206
merger of the well ownership with the fee simple interest of the 2207
surface tract is less than five acres, the proposed exempt 2208
domestic well owner shall post a five thousand dollar bond with 2209
the division prior to the assignment or transfer of the well to 2210
ensure that the well will be properly plugged. The chief, for 2211
good cause, may modify the requirements of this section 2212
governing the assignment or transfer of the interests of a well 2213
to the landowner. Upon the assignment or transfer of the well, 2214
the owner of an exempt domestic well is not subject to the 2215
severance tax levied under section 5749.02 of the Revised Code, 2216
but is subject to all applicable fees established in this 2217
chapter. 2218

(C) The owner holding a permit under section 1509.05 of 2219
the Revised Code is responsible for all obligations and 2220
liabilities imposed by this chapter and any rules, orders, and 2221
terms and conditions of a permit adopted or issued under it, and 2222
no assignment or transfer by the owner relieves the owner of the 2223
obligations and liabilities until and unless ~~the~~ both of the 2224
following occur: 2225

(1) The assignor or transferor or the assignee or 2226
transferee files with the division the information described in 2227
divisions (A) (1), (2), (3), (4), (5), (10), (11), and (12) of 2228
section 1509.06 of the Revised Code; 2229

(2) The assignor or transferor provides or the assignee or 2230
transferee obtains liability insurance coverage required by 2231
section 1509.07 of the Revised Code, except when none is 2232
required by that section; ~~and executes.~~ 2233

(D) Upon assignment or transfer, the assignee or 2234
transferee shall execute and files file a surety bond, 2235
negotiable certificates of deposit or irrevocable letters of 2236
credit, or cash, as described in ~~that~~ section 1509.07 of the 2237
Revised Code. ~~Instead of a bond, but only upon acceptance by the~~ 2238
~~chief, the assignee or transferee may file proof of financial~~ 2239
~~responsibility, described in section 1509.07 of the Revised~~ 2240
~~Code.~~ Section 1509.071 of the Revised Code applies to the surety 2241
bond, cash, and negotiable certificates of deposit and 2242
irrevocable letters of credit described in this section. Unless 2243
the chief approves a modification, each assignee or transferee 2244
shall operate in accordance with the plans and information filed 2245
by the permit holder pursuant to section 1509.06 of the Revised 2246
Code. 2247

~~(D)~~ (E) If a mortgaged property that is being foreclosed is 2248
subject to an oil or gas lease, pipeline agreement, or other 2249
instrument related to the production or sale of oil or natural 2250
gas and the lease, agreement, or other instrument was recorded 2251
subsequent to the mortgage, and if the lease, agreement, or 2252
other instrument is not in default, the oil or gas lease, 2253
pipeline agreement, or other instrument, as applicable, has 2254
priority over all other liens, claims, or encumbrances on the 2255

property so that the oil or gas lease, pipeline agreement, or 2256
other instrument is not terminated or extinguished upon the 2257
foreclosure sale of the mortgaged property. If the owner of the 2258
mortgaged property was entitled to oil and gas royalties before 2259
the foreclosure sale, the oil or gas royalties shall be paid to 2260
the purchaser of the foreclosed property. 2261

Sec. 1509.36. Any person adversely affected by an order by 2262
the chief of the division of oil and gas resources management 2263
may appeal to the oil and gas commission for an order vacating 2264
or modifying the order. 2265

The person so appealing to the commission shall be known 2266
as appellant and the chief shall be known as appellee. Appellant 2267
and appellee shall be deemed to be parties to the appeal. 2268

The appeal shall be in writing and shall set forth the 2269
order complained of and the grounds upon which the appeal is 2270
based. The appeal shall be filed with the commission within 2271
thirty days after the date upon which the person to whom the 2272
order was issued received the order and, for all other persons 2273
adversely affected by the order, within thirty days after the 2274
date of the order complained of. Notice of the filing of the 2275
appeal shall be filed with the chief within three days after the 2276
appeal is filed with the commission. 2277

Upon the filing of the appeal, the commission may decide 2278
the appeal, in whole or in part, without a hearing when, in its 2279
judgment, it is appropriate to do so. If the commission decides 2280
to hold a hearing, the commission promptly shall fix the time 2281
and place at which the hearing on the appeal will be held, and 2282
shall give the appellant and the chief at least ten days' 2283
written notice thereof by mail. The commission may postpone or 2284
continue any hearing upon its own motion or upon application of 2285

the appellant or of the chief. 2286

The filing of an appeal provided for in this section does 2287
not automatically suspend or stay execution of the order 2288
appealed from, but upon application by the appellant the 2289
commission may suspend or stay the execution pending 2290
determination of the appeal upon such terms as the commission 2291
considers proper. 2292

Either party to the appeal or any interested person who, 2293
pursuant to commission rules has been granted permission to 2294
appear, may submit such evidence as the commission considers 2295
admissible. 2296

For the purpose of conducting a hearing on an appeal, the 2297
commission may require the attendance of witnesses and the 2298
production of books, records, and papers, and it may, and at the 2299
request of any party it shall, issue subpoenas for witnesses or 2300
subpoenas duces tecum to compel the production of any books, 2301
records, or papers, directed to the sheriffs of the counties 2302
where the witnesses are found. The subpoenas shall be served and 2303
returned in the same manner as subpoenas in criminal cases are 2304
served and returned. The fees of sheriffs shall be the same as 2305
those allowed by the court of common pleas in criminal cases. 2306
Witnesses shall be paid the fees and mileage provided for under 2307
section 119.094 of the Revised Code. Such fees and mileage 2308
expenses incurred at the request of appellant shall be paid in 2309
advance by the appellant, and the remainder of those expenses 2310
shall be paid out of funds appropriated for the expenses of the 2311
division of oil and gas resources management. 2312

In case of disobedience or neglect of any subpoena served 2313
on any person, or the refusal of any witness to testify to any 2314
matter regarding which the witness may be lawfully interrogated, 2315

the court of common pleas of the county in which the 2316
disobedience, neglect, or refusal occurs, or any judge thereof, 2317
on application of the commission or any member thereof, shall 2318
compel obedience by attachment proceedings for contempt as in 2319
the case of disobedience of the requirements of a subpoena 2320
issued from that court or a refusal to testify therein. 2321
Witnesses at such hearings shall testify under oath, and any 2322
member of the commission may administer oaths or affirmations to 2323
persons who so testify. 2324

If a hearing occurs and at the request of any party to the 2325
appeal, a record of the testimony and other evidence submitted 2326
shall be taken by an official court reporter at the expense of 2327
the party making the request for the record. The record shall 2328
include all of the testimony and other evidence and the rulings 2329
on the admissibility thereof presented at the hearing. The 2330
commission shall pass upon the admissibility of evidence, but 2331
any party may at the time object to the admission of any 2332
evidence and except to the rulings of the commission thereon, 2333
and if the commission refuses to admit evidence the party 2334
offering same may make a proffer thereof, and such proffer shall 2335
be made a part of the record of the hearing. 2336

If the commission finds that the order appealed from was 2337
lawful and reasonable, it shall make a written order affirming 2338
the order appealed from; if the commission finds that the order 2339
was unreasonable or unlawful, it shall make a written order 2340
vacating the order appealed from and making the order that it 2341
finds the chief should have made. Every order made by the 2342
commission shall contain a written finding by the commission of 2343
the facts upon which the order is based. 2344

Notice of the making of the order shall be given forthwith 2345

to each party to the appeal by mailing a certified copy thereof 2346
to each such party by certified mail. 2347

The order of the commission is final unless vacated by the 2348
court of common pleas of Franklin county in an appeal as 2349
provided for in section 1509.37 of the Revised Code. ~~Sections~~ 2350
~~1509.01 to 1509.37 of the Revised Code, providing for appeals~~ 2351
~~relating to orders by the chief or by the commission, or~~ 2352
~~relating to rules adopted by the chief, do not constitute the~~ 2353
~~exclusive procedure that any person who believes the person's~~ 2354
~~rights to be unlawfully affected by those sections or any~~ 2355
~~official action taken thereunder must pursue in order to protect~~ 2356
~~and preserve those rights, nor do those sections constitute a~~ 2357
~~procedure that that person must pursue before that person may~~ 2358
~~lawfully appeal to the courts to protect and preserve those~~ 2359
~~rights.~~ 2360

Sec. 1509.38. (A) There is hereby created in the division 2361
of oil and gas resources management a technical advisory council 2362
on oil and gas, which shall consist of eight members to be 2363
appointed by the governor with the advice and consent of the 2364
senate. Three members shall be independent oil or gas producers, 2365
operators, or their representatives, operating and producing 2366
primarily in this state, three members shall be oil or gas 2367
producers, operators, or their representatives having 2368
substantial oil and gas producing operations in this state and 2369
at least one other state, one member shall represent the public, 2370
and one member shall represent persons having landowners' 2371
royalty interests in oil and gas production. All members shall 2372
be residents of this state, and all members, except the members 2373
representing the public and persons having landowners' royalty 2374
interests, shall have at least five years of practical or 2375
technical experience in oil or gas drilling and production. Not 2376

more than one member may represent any one company, producer, or operator. 2377
2378

(B) Terms of office shall be for three years, commencing 2379
on the first day of February and ending on the thirty-first day 2380
of January. Each member shall hold office from the date of 2381
appointment until the end of the term for which the member was 2382
appointed. A vacancy in the office of a member shall be filled 2383
by the governor, with the advice and consent of the senate. Any 2384
member appointed to fill a vacancy occurring prior to the 2385
expiration of the term for which the member's predecessor was 2386
appointed shall hold office for the remainder of that term. Any 2387
member shall continue in office subsequent to the expiration 2388
date of the member's term until the member's successor takes 2389
office, or until a period of sixty days has elapsed, whichever 2390
occurs first. 2391

(C) The council shall select from among its members a 2392
chairperson, a vice-chairperson, and a secretary. All members 2393
are entitled to their actual and necessary expenses incurred in 2394
the performance of their duties as members, payable from the 2395
appropriations for the division. 2396

(D) The governor may remove any member for inefficiency, 2397
neglect of duty, or malfeasance in office. 2398

(E) The council shall hold at least one regular meeting in 2399
each quarter of a calendar year and shall keep a record of its 2400
proceedings. Special meetings may be called by the chairperson 2401
and shall be called by the chairperson upon receipt of a written 2402
request signed by two or more members of the council. A written 2403
notice of the time and place of each meeting shall be sent to 2404
each member of the council. Five members constitute a quorum, 2405
and no action of the council is valid unless five members 2406

concur. 2407

(F) The council, when requested by the chief of the 2408
division of oil and gas resources management, shall consult with 2409
and advise the chief and perform other duties that may be 2410
lawfully delegated to it by the chief. The council may 2411
participate in hearings held by the chief under this chapter and 2412
has powers of approval as provided in sections 1509.24 and 2413
1509.25 of the Revised Code. The council shall conduct the 2414
activities required, and exercise the authority granted, under 2415
Chapter 1510. of the Revised Code. 2416

(G) If the council receives a request from the director of 2417
natural resources to approve an expenditure from the oil and gas 2418
resolution and remediation fund for purposes of division (D) of 2419
section 1509.075 of the Revised Code, the council shall vote to 2420
approve or deny that expenditure. The council shall notify the 2421
director in writing of the approval or denial. 2422

(H) The council, upon receiving a request from the 2423
chairperson of the oil and gas commission under division (C) of 2424
section 1509.35 of the Revised Code, immediately shall prepare 2425
and provide to the chairperson a list of its members who may 2426
serve as temporary members of the oil and gas commission as 2427
provided in that division. 2428

Sec. 2305.041. (A) With respect to a lease or license by 2429
which a right is granted to operate or to sink or drill wells on 2430
land in this state for natural gas or petroleum and that is 2431
recorded in accordance with section 5301.09 of the Revised Code, 2432
an action alleging breach of any express or implied provision of 2433
the lease or license concerning the calculation or payment of 2434
royalties shall be brought within the time period that is 2435
specified in section 1302.98 of the Revised Code. 2436

(B) An action alleging a breach with respect to any other 2437
issue that the lease or license involves either of the following 2438
shall be brought within the time period specified in section 2439
2305.06 of the Revised Code: 2440

(1) That a lease has terminated, is no longer in effect, 2441
or has expired; 2442

(2) A breach with respect to any other issue that the 2443
lease or license involves. 2444

Sec. 5577.02. (A) No person shall operate or move a 2445
trackless trolley, traction engine, steam roller, or other 2446
vehicle, load, object, or structure, whether propelled by 2447
muscular or motor power, over or upon the improved public 2448
streets, highways, bridges, or culverts in this state, that 2449
weighs in excess of the weights prescribed in sections 5577.01 2450
to 5577.14 of the Revised Code, unless ~~the~~ one of the following 2451
applies: 2452

(1) The person has been issued a permit under section 2453
4513.34 of the Revised Code; 2454

(2) The person has been issued a permit under section 2455
1509.06 of the Revised Code, and the person has either entered 2456
into an agreement concerning maintenance and safe use of the 2457
roads, streets, and highways, or the person has filed an 2458
affidavit attesting that the person has attempted in good faith 2459
to enter into an agreement in accordance with division (A) (11) 2460
(b) of that section. 2461

(B) The prohibition in this section applies regardless of 2462
whether the weight is moved upon wheels, rollers, or otherwise. 2463
Any weight determination shall include the weight of the 2464
vehicle, object, structure, contrivance, and load. 2465

Sec. 5727.02. As used in this chapter, "public utility," 2466
"electric company," "natural gas company," "pipe-line company," 2467
"water-works company," "water transportation company," or 2468
"heating company" does not include any of the following: 2469

(A) (1) Except as provided in division (A) (2) of this 2470
section, any person that is engaged in some other primary 2471
business to which the supplying of electricity, heat, natural 2472
gas, water, water transportation, steam, or air to others is 2473
incidental. 2474

(2) For tax year 2009 and each tax year thereafter, a 2475
person that is engaged in some other primary business to which 2476
the supplying of electricity to others is incidental shall be 2477
treated as an "electric company" and a "public utility" for 2478
purposes of this chapter solely to the extent required by 2479
section 5727.031 of the Revised Code. 2480

(3) For purposes of division (A) of this section and 2481
section 5727.031 of the Revised Code: 2482

(a) "Supplying of electricity" means generating, 2483
transmitting, or distributing electricity. 2484

(b) A person that leases to others energy facilities with 2485
an aggregate nameplate capacity in this state of two hundred 2486
fifty kilowatts or less per lease is not supplying electricity 2487
to others. 2488

(c) A person that owns, or leases from another person, 2489
energy facilities with an aggregate nameplate capacity in this 2490
state of two hundred fifty kilowatts or less is not supplying 2491
electricity to others, regardless of whether the owner or lessee 2492
engages in net metering as defined in section 4928.01 of the 2493
Revised Code. 2494

(d) A political subdivision of this state that owns an 2495
energy facility is not supplying electricity to others 2496
regardless of the nameplate capacity of the facility if the 2497
primary purpose of the facility is to supply electricity for the 2498
political subdivision's own use. As used in this division, 2499
"political subdivision" means a county, township, municipal 2500
corporation, or any other body corporate and politic that is 2501
responsible for government activities in a geographic area 2502
smaller than that of the state. 2503

(B) Any person that supplies electricity, natural gas, 2504
water, water transportation, steam, or air to its tenants, 2505
whether for a separate charge or otherwise; 2506

(C) Any person whose primary business in this state 2507
consists of producing, refining, or marketing petroleum or its 2508
products. 2509

(D) Any person whose primary business in this state 2510
consists of producing or gathering natural gas rather than 2511
supplying or distributing natural gas to consumers. A person's 2512
primary business is gathering natural gas if the total 2513
dekatherms of natural gas the person gathers exceeds the total 2514
dekatherms of natural gas the person purchases from nongathered 2515
sources in a calendar year. 2516

Section 2. That existing sections 155.33, 155.34, 1503.35, 2517
1509.01, 1509.02, 1509.03, 1509.06, 1509.07, 1509.071, 1509.13, 2518
1509.22, 1509.221, 1509.23, 1509.28, 1509.31, 1509.36, 1509.38, 2519
2305.041, 5577.02, and 5727.02 of the Revised Code are hereby 2520
repealed. 2521

Section 3. The amendment by this act of section 5727.02 of 2522
the Revised Code applies to tax year 2027 and every tax year 2523

thereafter. 2524

Section 4. That Section 343.30 of H.B. 96 of the 136th 2525
General Assembly be amended to read as follows: 2526

Sec. 343.30. WELL LOG FILING FEES 2527

The Chief of the Division of Water Resources shall deposit 2528
fees forwarded to the Division pursuant to section 1521.05 of 2529
the Revised Code into the Water Management Fund (Fund 5160) for 2530
the purposes described in that section. 2531

OIL AND GAS WELL FUND 2532

The Oil and Gas Well Fund (Fund 5180) shall be used solely 2533
and exclusively for the purposes enumerated in division (B) of 2534
section 1509.071 of the Revised Code, for the expenses of the 2535
Division of Oil and Gas Resources Management associated with the 2536
administration of Chapters 1509. and 1571. of the Revised Code 2537
and rules adopted under them, and for expenses that are critical 2538
and necessary for the protection of human health and safety and 2539
the environment related to oil and gas production in this state. 2540
Notwithstanding Section 503.20 of H.B. 96 of the 136th General 2541
Assembly, or any other provision of law to the contrary, money 2542
credited to the Oil and Gas Well Fund (Fund 5180) shall not be 2543
used to transfer cash to any other fund or appropriation item or 2544
for judgments and settlements unrelated to the Division of Oil 2545
and Gas Resources Management. 2546

PARKS CAPITAL EXPENSES FUND 2547

The Director of Natural Resources shall submit to the 2548
Director of Budget and Management the estimated design, 2549
engineering, and planning costs of capital-related work to be 2550
done by Department of Natural Resources staff for parks projects 2551
within the Ohio Parks and Recreation Improvement Fund (Fund 2552

7035). If the Director of Budget and Management approves the 2553
estimated costs, the Director may release appropriations from 2554
Fund 7035 appropriation item C725E6, Project Planning, for those 2555
purposes. Upon release of the appropriations, the Department of 2556
Natural Resources shall pay for these expenses from the Parks 2557
Capital Expenses Fund (Fund 2270). Expenses paid from Fund 2270 2558
shall be reimbursed by Fund 7035 using an intrastate transfer 2559
voucher. 2560

NATUREWORKS CAPITAL EXPENSES FUND 2561

The Department of Natural Resources shall submit to the 2562
Director of Budget and Management the estimated design, 2563
planning, and engineering costs of capital-related work to be 2564
done by Department of Natural Resources staff for each capital 2565
improvement project within the Ohio Parks and Natural Resources 2566
Fund (Fund 7031). If the Director of Budget and Management 2567
approves the estimated costs, the Director may release 2568
appropriations from Fund 7031 appropriation item C725E5, Project 2569
Planning, for those purposes. Upon release of the 2570
appropriations, the Department of Natural Resources shall pay 2571
for these expenses from the Capital Expenses Fund (Fund 4S90). 2572
Expenses paid from Fund 4S90 shall be reimbursed by Fund 7031 2573
using an intrastate transfer voucher. 2574

PARKS AND RECREATION 2575

The foregoing appropriation item 7256A6, Parks and 2576
Recreation, shall be used in conjunction with appropriation item 2577
730321, Parks and Recreation, to support the Division of Parks 2578
and Watercraft. 2579

PARK MAINTENANCE 2580

The foregoing appropriation item 725514, Park Maintenance, 2581

shall be used by the Department of Natural Resources to pay the 2582
costs of projects supported by the State Park Maintenance Fund 2583
(Fund 5TD0) under section 1501.08 of the Revised Code. 2584

On July 1 of each fiscal year or as soon as possible 2585
thereafter, the Director of Natural Resources shall certify the 2586
amount of five percent of the average of the previous five years 2587
of deposits in the State Park Fund (Fund 5120) to the Director 2588
of Budget and Management. The Director of Budget and Management 2589
may transfer up to \$2,200,000 from Fund 5120 to the State Park 2590
Maintenance Fund (Fund 5TD0). 2591

Section 5. That existing Section 343.30 of H.B. 96 of the 2592
136th General Assembly is hereby repealed. 2593