

**As Passed by the Senate**

**128th General Assembly  
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**Sub. S. B. No. 165**

**Senator Niehaus**

**Cosponsors: Senators Gibbs, Stewart, Carey, Harris, Seitz, Hughes,  
Schaffer, Wilson, Cates, Wagoner, Coughlin**

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**A B I L L**

To amend sections 1509.01, 1509.02, 1509.03, 1509.04, 1  
1509.05, 1509.06, 1509.07, 1509.071, 1509.072, 2  
1509.10, 1509.11, 1509.12, 1509.13, 1509.14, 3  
1509.17, 1509.18, 1509.20, 1509.21, 1509.22, 4  
1509.221, 1509.222, 1509.225, 1509.226, 1509.23, 5  
1509.24, 1509.27, 1509.31, 1509.35, 1509.36, 6  
1565.07, 1565.13, 1571.05, and 5749.06 and to 7  
enact sections 1509.021, 1509.062, 1509.073, 8  
1509.19, 1509.34, 1509.50, 1509.60, and 1509.61 of 9  
the Revised Code to revise the Oil and Gas Law. 10

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

**Section 1.** That sections 1509.01, 1509.02, 1509.03, 1509.04, 11  
1509.05, 1509.06, 1509.07, 1509.071, 1509.072, 1509.10, 1509.11, 12  
1509.12, 1509.13, 1509.14, 1509.17, 1509.18, 1509.20, 1509.21, 13  
1509.22, 1509.221, 1509.222, 1509.225, 1509.226, 1509.23, 1509.24, 14  
1509.27, 1509.31, 1509.35, 1509.36, 1565.07, 1565.13, 1571.05, and 15  
5749.06 be amended and sections 1509.021, 1509.062, 1509.073, 16  
1509.19, 1509.34, 1509.50, 1509.60, and 1509.61 of the Revised 17  
Code be enacted to read as follows: 18

Sec. 1509.01. As used in this chapter: 19

(A) "Well" means any borehole, whether drilled or bored, 20  
within the state for production, extraction, or injection of any 21  
gas or liquid mineral, excluding potable water to be used as such, 22  
but including natural or artificial brines and oil field waters. 23

(B) "Oil" means crude petroleum oil and all other 24  
hydrocarbons, regardless of gravity, that are produced in liquid 25  
form by ordinary production methods, but does not include 26  
hydrocarbons that were originally in a gaseous phase in the 27  
reservoir. 28

(C) "Gas" means all natural gas and all other fluid 29  
hydrocarbons that are not oil, including condensate. 30

(D) "Condensate" means liquid hydrocarbons that were 31  
originally in the gaseous phase in the reservoir. 32

(E) "Pool" means an underground reservoir containing a common 33  
accumulation of oil or gas, or both, but does not include a gas 34  
storage reservoir. Each zone of a geological structure that is 35  
completely separated from any other zone in the same structure may 36  
contain a separate pool. 37

(F) "Field" means the general area underlaid by one or more 38  
pools. 39

(G) "Drilling unit" means the minimum acreage on which one 40  
well may be drilled, but does not apply to a well for injecting 41  
gas into or removing gas from a gas storage reservoir. 42

(H) "Waste" includes all of the following: 43

(1) Physical waste, as that term generally is understood in 44  
the oil and gas industry; 45

(2) Inefficient, excessive, or improper use, or the 46  
unnecessary dissipation, of reservoir energy; 47

(3) Inefficient storing of oil or gas;	48
(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;	49 50 51 52 53 54
(5) Other underground or surface waste in the production or storage of oil, gas, or condensate, however caused.	55 56
(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.	57 58 59 60 61
(J) "Tract" means a single, individually taxed parcel of land appearing on the tax list.	62 63
(K) "Owner," unless referring to a mine, 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. <u>"Owner" does not include a person who obtains a lease of the mineral rights for oil and gas on a parcel of land if the person does not attempt to produce or produce oil or gas from a well or obtain a permit under this chapter for a well or if the entire interest of a well is transferred to the person in accordance with division (B) of section 1509.31 of the Revised Code.</u>	64 65 66 67 68 69 70 71 72 73 74 75 76
(L) "Royalty interest" means the fee holder's share in the production from a well.	77 78

(M) "Discovery well" means the first well capable of producing oil or gas in commercial quantities from a pool.	79 80
(N) "Prepared clay" means a clay that is plastic and is thoroughly saturated with fresh water to a weight and consistency great enough to settle through saltwater in the well in which it is to be used, except as otherwise approved by the chief of the division of mineral resources management.	81 82 83 84 85
(O) "Rock sediment" means the combined cutting and residue from drilling sedimentary rocks and formation.	86 87
(P) "Excavations and workings," "mine," and "pillar" have the same meanings as in section 1561.01 of the Revised Code.	88 89
(Q) "Coal bearing township" means a township designated as such by the chief under section 1561.06 of the Revised Code.	90 91
(R) "Gas storage reservoir" means a continuous area of a subterranean porous sand or rock stratum or strata into which gas is or may be injected for the purpose of storing it therein and removing it therefrom and includes a gas storage reservoir as defined in section 1571.01 of the Revised Code.	92 93 94 95 96
(S) "Safe Drinking Water Act" means the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(f), and regulations adopted under those acts.	97 98 99 100 101 102 103
(T) "Person" includes any political subdivision, department, agency, or instrumentality of this state; the United States and any department, agency, or instrumentality thereof; and any legal entity defined as a person under section 1.59 of the Revised Code.	104 105 106 107
(U) "Brine" means all saline geological formation water	108

resulting from, obtained from, or produced in connection with ~~the~~ 109  
exploration, drilling, ~~or well stimulation,~~ production of oil or 110  
gas, or plugging of a well. 111

(V) "Waters of the state" means all streams, lakes, ponds, 112  
marshes, watercourses, waterways, springs, irrigation systems, 113  
drainage systems, and other bodies of water, surface or 114  
underground, natural or artificial, that are situated wholly or 115  
partially within this state or within its jurisdiction, except 116  
those private waters that do not combine or effect a junction with 117  
natural surface or underground waters. 118

(W) "Exempt Mississippian well" means a well that meets all 119  
of the following criteria: 120

(1) Was drilled and completed before January 1, 1980; 121

(2) Is located in an unglaciated part of the state; 122

(3) Was completed in a reservoir no deeper than the 123  
Mississippian Big Injun sandstone in areas underlain by 124  
Pennsylvanian or Permian stratigraphy, or the Mississippian ~~berea~~ 125  
Berea sandstone in areas directly underlain by Permian 126  
stratigraphy; 127

(4) Is used primarily to provide oil or gas for domestic use. 128

(X) "Exempt domestic well" means a well that meets all of the 129  
following criteria: 130

(1) Is owned by the owner of the surface estate of the tract 131  
on which the well is located; 132

(2) Is used primarily to provide gas for the owner's domestic 133  
use; 134

(3) Is located more than two hundred feet horizontal distance 135  
from any inhabited private dwelling house other than an inhabited 136  
private dwelling house located on the tract on which the well is 137  
located; 138

(4) Is located more than two hundred feet horizontal distance 139  
from any public building that may be used as a place of resort, 140  
assembly, education, entertainment, lodging, trade, manufacture, 141  
repair, storage, traffic, or occupancy by the public. 142

(Y) "Urbanized area" means an area where a well or production 143  
facilities of a well are located within a municipal corporation or 144  
within a township that has an unincorporated population of more 145  
than five thousand in the most recent federal decennial census 146  
prior to the issuance of the permit for the well or production 147  
facilities. 148

(Z) "Well stimulation" or "stimulation of a well" means the 149  
process of enhancing well productivity, including hydraulic 150  
fracturing operations. 151

(AA) "Production operation" means site preparation, access 152  
roads, drilling, well completion, well stimulation, well 153  
operation, site reclamation, and well plugging. "Production 154  
operation" also includes all of the following: 155

(1) The piping and equipment used for the production and 156  
preparation of hydrocarbon gas or liquids for transportation or 157  
delivery; 158

(2) The processes of extraction and recovery, lifting, 159  
stabilization, treatment, separation, production processing, 160  
storage, and measurement of hydrocarbon gas and liquids; 161

(3) The processes associated with production compression, gas 162  
lift, gas injection, and fuel gas supply. 163

(BB) "Annular overpressurization" means the accumulation of 164  
fluids within an annulus with sufficient pressure to allow 165  
migration of annular fluids into underground sources of drinking 166  
water. 167

(CC) "Idle and orphaned well" means a well for which a bond 168

has been forfeited or an abandoned well for which no money is 169  
available to plug the well in accordance with this chapter and 170  
rules adopted under it. 171

(DD) "Temporarily inactive well" means a well that has been 172  
granted temporary inactive status under section 1509.062 of the 173  
Revised Code. 174

(EE) "Material and substantial violation" means all of the 175  
following: 176

(1) Failure to obtain a permit to drill, reopen, convert, 177  
plugback, or plug a well under this chapter; 178

(2) Failure to obtain or maintain insurance coverage that is 179  
required under this chapter; 180

(3) Failure to obtain or maintain a surety bond that is 181  
required under this chapter; 182

(4) Failure to plug an abandoned well or idle and orphaned 183  
well unless the well has been granted temporary inactive status 184  
under section 1509.062 of the Revised Code or the chief has 185  
approved another option concerning the abandoned well or idle and 186  
orphaned well; 187

(5) Failure to restore a disturbed land surface as required 188  
by section 1509.072 of the Revised Code; 189

(6) Failure to reimburse the oil and gas fund pursuant to a 190  
final order issued under section 1509.071 of the Revised Code; 191

(7) Failure to comply with a final nonappealable order of the 192  
chief issued under section 1509.04 of the Revised Code. 193

**Sec. 1509.02.** There is hereby created in the department of 194  
natural resources the division of mineral resources management, 195  
which shall be administered by the chief of the division of 196  
mineral resources management. The division has sole and exclusive 197

authority to regulate the permitting, location, and spacing of oil and gas wells and production operations within the state. The regulation of oil and gas activities is a matter of general statewide interest that requires uniform statewide regulation, and this chapter and rules adopted under it constitute a comprehensive plan with respect to all aspects of the locating, drilling, and operating of oil and gas wells within this state, including site restoration and disposal of wastes from those wells. Nothing in this section affects the authority granted to the director of transportation and local authorities in section 4513.34 of the Revised Code.

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

All moneys collected by the chief pursuant to sections 1509.06, 1509.061, 1509.062, 1509.071, 1509.13, 1509.22, and 1509.221, 1509.222, 1509.34, and 1509.50, ninety per cent of moneys received by the treasurer of state from the tax levied in divisions (A)(5) and (6) of section 5749.02, all civil penalties paid under section 1509.33, and, notwithstanding any section of the Revised Code relating to the distribution or crediting of fines for violations of the Revised Code, all fines imposed under divisions (A) and (B) of section 1509.99 of the Revised Code and fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for all violations prosecuted by the attorney general and for violations prosecuted by prosecuting attorneys that do not involve the transportation of brine by vehicle shall be deposited into the state treasury to the credit of the oil and gas well fund, which is hereby created. Fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for violations prosecuted by prosecuting attorneys that involve the transportation of brine by vehicle and penalties associated with a

compliance agreement entered into pursuant to this chapter shall 230  
be paid to the county treasury of the county where the violation 231  
occurred. 232

The fund shall be used solely and exclusively for the 233  
purposes enumerated in division (B) of section 1509.071 of the 234  
Revised Code, for the expenses of the division associated with the 235  
administration of ~~the "Natural Gas Policy Act of 1978," 92 Stat.~~ 236  
~~3358, 15 U.S.C. 3301, and for the division's other functions~~ this 237  
chapter and Chapter 1571. of the Revised Code and rules adopted 238  
under them, and for expenses that are critical and necessary for 239  
the protection of human health and safety and the environment 240  
related to oil and gas production in this state. The expenses of 241  
the division in excess of the moneys available in the fund shall 242  
be paid from general revenue fund appropriations to the 243  
department. 244

**Sec. 1509.021.** (A) On and after the effective date of this 245  
section, the surface location of a new well shall not be within 246  
one hundred fifty feet of an occupied dwelling that is located in 247  
an urbanized area unless the owner of the land on which the 248  
occupied dwelling is located consents in writing to the surface 249  
location of the well less than one hundred fifty feet from the 250  
occupied dwelling and the chief of the division of mineral 251  
resources management approves the written consent of that owner. 252  
However, the chief shall not approve the written consent of such 253  
an owner when the surface location of a new well will be within 254  
one hundred feet of an occupied dwelling that is located in an 255  
urbanized area. 256

(B) On and after the effective date of this section, the 257  
surface location of a new well shall not be less than one hundred 258  
fifty feet from the property line of a parcel of land that is not 259  
in the drilling unit of the well if the parcel of land is located 260

in an urbanized area and directional drilling will be used to 261  
drill the new well unless the owner of the parcel of land consents 262  
in writing to the surface location of the well less than one 263  
hundred fifty feet from the property line of the parcel of land 264  
and the chief approves the written consent of that owner. However, 265  
the chief shall not approve the written consent of such an owner 266  
when the surface location of a new well will be less than one 267  
hundred feet from the property line of the owner's parcel of land 268  
that is not in the drilling unit of the well if the parcel of land 269  
is located in an urbanized area and directional drilling will be 270  
used. 271

**Sec. 1509.03.** The chief of the division of mineral resources 272  
management shall adopt, rescind, and amend, in accordance with 273  
Chapter 119. of the Revised Code, rules for the administration, 274  
implementation, and enforcement of this chapter. The rules shall 275  
include an identification of the subjects that the chief shall 276  
address when attaching terms and conditions to a permit with 277  
respect to a well and production facilities of a well that are 278  
located within an urbanized area. The subjects shall include all 279  
of the following: 280

(A) Safety concerning the drilling or operation of a well; 281

(B) Protection of the public and private water supply; 282

(C) Location of surface facilities of a well; 283

(D) Fencing and screening of surface facilities of a well; 284

(E) Containment and disposal of drilling and production 285  
wastes; 286

(F) Construction of access roads for purposes of the drilling 287  
and operation of a well; 288

(G) Noise mitigation for purposes of the drilling of a well. 289

No person shall violate any rule of the chief adopted under 290

this chapter. 291

Prior to the issuance of a permit to drill a proposed well 292  
that will be located within an urbanized area, the division of 293  
mineral resources management shall conduct a site review to 294  
identify and evaluate any site-specific terms and conditions that 295  
may be attached to the permit. 296

Any order issuing, denying, or modifying a permit or notices 297  
required to be made by the chief pursuant to this chapter shall be 298  
made in compliance with Chapter 119. of the Revised Code, except 299  
that personal service may be used in lieu of service by mail. 300  
Every order issuing, denying, or modifying a permit under this 301  
chapter and described as such shall be considered an adjudication 302  
order for purposes of Chapter 119. of the Revised Code. 303

Where notice to the owners is required by this chapter, the 304  
notice shall be given as prescribed by a rule adopted by the chief 305  
to govern the giving of notices. ~~Such~~ The rule shall provide for 306  
notice by publication except in those cases where other types of 307  
notice are necessary in order to meet the requirements of the law. 308

The chief or the chief's authorized representative may at any 309  
time enter upon lands, public or private, for the purpose of 310  
administration or enforcement of this chapter, the rules adopted 311  
or orders made thereunder, or terms or conditions of permits or 312  
registration certificates issued thereunder and may examine and 313  
copy records pertaining to the drilling, conversion, or operation 314  
of a well for injection of fluids and logs required by division 315  
(C) of section 1509.223 of the Revised Code. No person shall 316  
prevent or hinder the chief or the chief's authorized 317  
representative in the performance of official duties. If entry is 318  
prevented or hindered, the chief or the chief's authorized 319  
representative may apply for, and the court of common pleas may 320  
issue, an appropriate inspection warrant necessary to achieve the 321  
purposes of this chapter within the court's territorial 322

jurisdiction. 323

The chief may issue orders to enforce this chapter, rules 324  
adopted thereunder, and terms or conditions of permits issued 325  
thereunder. Any such order shall be considered an adjudication 326  
order for the purposes of Chapter 119. of the Revised Code. No 327  
person shall violate any order of the chief issued under this 328  
chapter. No person shall violate a term or condition of a permit 329  
or registration certificate issued under this chapter. 330

Orders of the chief denying, suspending, or revoking a 331  
registration certificate; approving or denying approval of an 332  
application for revision of a registered transporter's plan for 333  
disposal; or to implement, administer, or enforce division (A) of 334  
section 1509.224 and sections 1509.22, 1509.222, 1509.223, 335  
1509.225, and 1509.226 of the Revised Code pertaining to the 336  
transportation of brine by vehicle and the disposal of brine so 337  
transported are not adjudication orders for purposes of Chapter 338  
119. of the Revised Code. The chief shall issue such orders under 339  
division (A) or (B) of section 1509.224 of the Revised Code, as 340  
appropriate. 341

~~As used in this section, "urbanized area" means an area where 342  
a well or production facilities of a well are located within a 343  
municipal corporation or within a township that has an 344  
unincorporated population of more than five thousand in the most 345  
recent federal decennial census prior to the issuance of the 346  
permit for the well or production facilities. 347~~

**Sec. 1509.04.** The chief of the division of mineral resources 348  
management, or the chief's authorized representatives, shall 349  
enforce this chapter and the rules, terms and conditions of 350  
permits and registration certificates, and orders adopted or 351  
issued pursuant thereto, except that any "peace officer," as 352  
defined in section 2935.01 of the Revised Code, may arrest for 353

violations of this chapter involving transportation of brine by 354  
vehicle. The 355

The chief or the chief's authorized representative may issue 356  
a citation to an owner for a violation of this chapter or rules 357  
adopted under it, terms and conditions of a permit issued under 358  
it, a registration certificate that is required under this 359  
chapter, or orders issued under this chapter. A citation may be in 360  
the form of a compliance notice or administrative order. 361

The chief may issue an order to initiate an enforcement 362  
action for a material and substantial violation. In addition, the 363  
chief may issue a suspension order for failure to comply with an 364  
enforcement action for a material and substantial violation or 365  
other violation. 366

The chief may order the immediate suspension of drilling, 367  
operating, or plugging activities that are related to a material 368  
and substantial violation and suspend and revoke an unused permit 369  
after finding that an owner is causing, engaging in, or 370  
maintaining a condition or activity that the chief determines 371  
presents an imminent danger to the health or safety of the public 372  
or that results in or is likely to result in immediate substantial 373  
damage to the natural resources of this state. The chief may issue 374  
such an order without prior notification if reasonable attempts to 375  
notify the owner have failed or if the owner is currently in 376  
material breach of a prior enforcement action, but in such an 377  
event notification shall be given as soon thereafter as practical. 378

Not later than five days after the issuance of a suspension 379  
order, the chief shall provide the owner an opportunity to be 380  
heard and to present evidence that the condition or activity does 381  
not present an imminent danger to the public health or safety or 382  
is not likely to result in immediate substantial damage to natural 383  
resources. If the chief, after considering evidence presented by 384  
the owner, determines that the activities do not present such a 385

threat, the chief shall revoke the suspension order. The owner may 386  
appeal a suspension order to the court of common pleas of the 387  
county in which the activity that is the subject of the order is 388  
located. 389

The chief also may issue a bond forfeiture order pursuant to 390  
section 1509.071 of the Revised Code. 391

The chief may notify drilling contractors, transporters, 392  
service companies, or other similar entities of the compliance 393  
status of an owner. 394

If the owner fails to comply with a prior enforcement action, 395  
the chief may issue a suspension order without prior notification, 396  
but in such an event the chief shall give notice as soon 397  
thereafter as practical. Not later than five calendar days after 398  
the issuance of an order, the chief shall provide the owner an 399  
opportunity to be heard and to present evidence that required 400  
records, reports, or logs have been submitted. If the chief, after 401  
considering the evidence presented by the owner, determines that 402  
the reporting requirements have been satisfied, the chief shall 403  
revoke the suspension order. The owner may appeal a suspension 404  
order to the court of common pleas of the county in which the 405  
activity that is the subject of the suspension order is located. 406

The prosecuting attorney of the county or the attorney 407  
general, upon the request of the chief, may apply to the court of 408  
common pleas in the county in which any of the provisions of this 409  
chapter or any rules, terms or conditions of a permit or 410  
registration certificate, or orders adopted or issued pursuant to 411  
this chapter are being violated for a temporary restraining order, 412  
preliminary injunction, or permanent injunction restraining any 413  
person from such violation. 414

The chief may enter into compliance agreements. 415

**Sec. 1509.05.** No person shall drill a new well, drill an existing well any deeper, reopen a well, convert a well to any use other than its original purpose, or plug back a well to a source of supply different from the existing pool, without having a permit to do so issued by the chief of the division of mineral resources management, and until the original permit or a photostatic copy thereof is posted or displayed in a conspicuous and easily accessible place at the well site, with the name, current address, and telephone number of the permit holder and the telephone numbers for fire and emergency medical services maintained on the posted permit or copy. The permit or a copy shall be continuously displayed in ~~such~~ that manner at all times during the work authorized by the permit.

~~Such~~ A permit shall be issued by the chief in accordance with this chapter ~~and~~. A permit issued under this section for a well that is or is to be located in an urbanized area shall be valid for twelve months, and all other permits issued under this section shall be valid for twenty-four months.

**Sec. 1509.06.** (A) An application for a permit to drill a new well, drill an existing well deeper, reopen a well, convert a well to any use other than its original purpose, or plug back a well to a different source of supply, including associated production operations, shall be filed with the chief of the division of mineral resources management upon such form as the chief prescribes and shall contain each of the following that is applicable:

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

(2) The signature of the owner or the owner's authorized agent. When an authorized agent signs an application, it shall be

accompanied by a certified copy of the appointment as such agent. 446

(3) The names and addresses of all persons holding the 447  
royalty interest in the tract upon which the well is located or is 448  
to be drilled or within a proposed drilling unit; 449

(4) The location of the tract or drilling unit on which the 450  
well is located or is to be drilled identified by section or lot 451  
number, city, village, township, and county; 452

(5) Designation of the well by name and number; 453

(6) The geological formation to be tested or used and the 454  
proposed total depth of the well; 455

(7) The type of drilling equipment to be used; 456

(8) If the well is for the injection of a liquid, identity of 457  
the geological formation to be used as the injection zone and the 458  
composition of the liquid to be injected; 459

(9) For an application for a permit to drill a new well 460  
within an urbanized area, a sworn statement that the applicant has 461  
provided notice by regular mail of the application to the owner of 462  
each ~~occupied dwelling unit~~ parcel of real property that is 463  
located within five hundred feet of the surface location of the 464  
well ~~if the surface location will be less than five hundred feet~~ 465  
~~from the boundary of the drilling unit and more than fifteen~~ 466  
~~occupied dwelling units are located less than five hundred feet~~ 467  
~~from the surface location of the well, excluding any dwelling that~~ 468  
~~is located on real property all or any portion of which is~~ 469  
included in the drilling unit. In addition, the notice shall 470  
contain a statement that informs an owner of real property who is 471  
required to receive the notice under division (A)(9) of this 472  
section that within five days of receipt of the notice, the owner 473  
is required to provide notice under section 1509.60 of the Revised 474  
Code to each residence in an occupied dwelling that is located on 475  
the owner's parcel of real property. The notice shall contain a 476

statement that an application has been filed with the division of 477  
mineral resources management, identify the name of the applicant 478  
and the proposed well location, include the name and address of 479  
the division, and contain a statement that comments regarding the 480  
application may be sent to the division. The notice may be 481  
provided by hand delivery or regular mail. The identity of the 482  
owners of ~~occupied dwelling units~~ parcels of real property shall 483  
be determined using the tax records of the municipal corporation 484  
or county in which ~~the dwelling unit~~ a parcel of real property is 485  
located as of the date of the notice. 486

(10) A plan for restoration of the land surface disturbed by 487  
drilling operations. The plan shall provide for compliance with 488  
the restoration requirements of division (A) of section 1509.072 489  
of the Revised Code and any rules adopted by the chief pertaining 490  
to that restoration. 491

(11) A description by name or number of the county, township, 492  
and municipal corporation roads, streets, and highways that the 493  
applicant anticipates will be used for access to and egress from 494  
the well site; 495

(12) Such other relevant information as the chief prescribes 496  
by rule. 497

Each application shall be accompanied by a map, on a scale 498  
not smaller than four hundred feet to the inch, prepared by an 499  
Ohio registered surveyor, showing the location of the well and 500  
containing such other data as may be prescribed by the chief. If 501  
the well is or is to be located within the excavations and 502  
workings of a mine, the map also shall include the location of the 503  
mine, the name of the mine, and the name of the person operating 504  
the mine. 505

(B) The chief shall cause a copy of the weekly circular 506  
prepared by the division to be provided to the county engineer of 507

each county that contains active or proposed drilling activity. 508  
The weekly circular shall contain, in the manner prescribed by the 509  
chief, the names of all applicants for permits, the location of 510  
each well or proposed well, the information required by division 511  
(A)(11) of this section, and any additional information the chief 512  
prescribes. In addition, the chief promptly shall transfer an 513  
electronic copy or facsimile, or if those methods are not 514  
available to a municipal corporation or township, a copy via 515  
regular mail, of a drilling permit application to the clerk of the 516  
legislative authority of the municipal corporation or to the clerk 517  
of the township in which the well or proposed well is or is to be 518  
located if the legislative authority of the municipal corporation 519  
or the board of township trustees has asked to receive copies of 520  
such applications and the appropriate clerk has provided the chief 521  
an accurate, current electronic mailing address or facsimile 522  
number, as applicable. 523

(C) The (1) Except as provided in division (C)(2) of this 524  
section, the chief shall not issue a permit for at least ten days 525  
after the date of filing of the application for the permit unless, 526  
upon reasonable cause shown, the chief waives that period or a 527  
request for expedited review is filed under this section. However, 528  
the chief shall issue a permit within twenty-one days of the 529  
filing of the application unless the chief denies the application 530  
by order. 531

(2) If the location of a well or proposed well will be or is 532  
within an urbanized area, the chief shall not issue a permit for 533  
at least eighteen days after the date of filing of the application 534  
for the permit unless, upon reasonable cause shown, the chief 535  
waives that period or the chief at the chief's discretion grants a 536  
request for an expedited review. However, the chief shall issue a 537  
permit for a well or proposed well within an urbanized area within 538  
thirty days of the filing of the application unless the chief 539

denies the application by order. 540

(D) An applicant may file a request with the chief for 541  
expedited review of a permit application if the well is not or is 542  
not to be located in a gas storage reservoir or reservoir 543  
protective area, as "reservoir protective area" is defined in 544  
section 1571.01 of the Revised Code. If the well is or is to be 545  
located in a coal bearing township, the application shall be 546  
accompanied by the affidavit of the landowner prescribed in 547  
section 1509.08 of the Revised Code. 548

In addition to a complete application for a permit that meets 549  
the requirements of this section and the permit fee prescribed by 550  
this section, a request for expedited review shall be accompanied 551  
by a separate nonrefundable filing fee of ~~five~~ two hundred fifty 552  
dollars. Upon the filing of a request for expedited review, the 553  
chief shall cause the county engineer of the county in which the 554  
well is or is to be located to be notified of the filing of the 555  
permit application and the request for expedited review by 556  
telephone or other means that in the judgment of the chief will 557  
provide timely notice of the application and request. The chief 558  
shall issue a permit within seven days of the filing of the 559  
request unless the chief denies the application by order. 560  
Notwithstanding the provisions of this section governing expedited 561  
review of permit applications, the chief may refuse to accept 562  
requests for expedited review if, in the chief's judgment, the 563  
acceptance of the requests would prevent the issuance, within 564  
twenty-one days of their filing, of permits for which applications 565  
are pending. 566

(E) A well shall be drilled and operated in accordance with 567  
the plans, sworn statements, and other information submitted in 568  
the approved application. 569

(F) The chief shall issue an order denying a permit if the 570  
chief finds that there is a substantial risk that the operation 571

will result in violations of this chapter or rules adopted under 572  
it that will present an imminent danger to public health or safety 573  
or damage to the environment, provided that where the chief finds 574  
that terms or conditions to the permit can reasonably be expected 575  
to prevent such violations, the chief shall issue the permit 576  
subject to those terms or conditions, including, if applicable, 577  
terms and conditions regarding subjects identified in rules 578  
adopted under section 1509.03 of the Revised Code. The issuance of 579  
a permit shall not be considered an order of the chief. 580

(G) Each application for a permit required by section 1509.05 581  
of the Revised Code, except an application to plug back an 582  
existing well that is required by that section and an application 583  
for a well drilled or reopened for purposes of section 1509.22 of 584  
the Revised Code, also shall be accompanied by a nonrefundable fee 585  
as follows: 586

(1) ~~Two~~ Five hundred ~~fifty~~ dollars for a permit to conduct 587  
activities in a township with a population of fewer than ~~five~~ ten 588  
thousand; 589

~~(2) Five hundred dollars for a permit to conduct activities~~ 590  
~~in a township with a population of five thousand or more, but~~ 591  
~~fewer than ten thousand;~~ 592

~~(3)~~ Seven hundred fifty dollars for a permit to conduct 593  
activities in a township with a population of ten thousand or 594  
more, but fewer than fifteen thousand; 595

~~(4)~~ (3) One thousand dollars for a permit to conduct 596  
activities in either of the following: 597

(a) A township with a population of fifteen thousand or more; 598

(b) A municipal corporation regardless of population. 599

(4) If the application is for a permit that requires 600  
mandatory pooling, an additional five thousand dollars. 601

For purposes of calculating fee amounts, populations shall be 602  
determined using the most recent federal decennial census. 603

Each application for the revision or reissuance of a permit 604  
shall be accompanied by a nonrefundable fee of two hundred fifty 605  
dollars. 606

~~(H) The chief may order the immediate suspension of drilling, 607  
operating, or plugging activities after finding that any person is 608  
causing, engaging in, or maintaining a condition or activity that 609  
in the chief's judgment presents an imminent danger to public 610  
health or safety or results in or is likely to result in immediate 611  
substantial damage to natural resources or for nonpayment of a fee 612  
required by this section. The chief may order the immediate 613  
suspension of the drilling or reopening of a well in a coal 614  
bearing township after determining that the drilling or reopening 615  
activities present an imminent and substantial threat to public 616  
health or safety or to miners' health or safety. Before issuing 617  
any such order, the chief shall notify the owner in such manner as 618  
in the chief's judgment would provide reasonable notification that 619  
the chief intends to issue a suspension order. The chief may issue 620  
such an order without prior notification if reasonable attempts to 621  
notify the owner have failed, but in such an event notification 622  
shall be given as soon thereafter as practical. Within five 623  
calendar days after the issuance of the order, the chief shall 624  
provide the owner an opportunity to be heard and to present 625  
evidence that the condition or activity is not likely to result in 626  
immediate substantial damage to natural resources or does not 627  
present an imminent danger to public health or safety or to 628  
miners' health or safety, if applicable. In the case of activities 629  
in a coal bearing township, if the chief, after considering 630  
evidence presented by the owner, determines that the activities do 631  
not present such a threat, the chief shall revoke the suspension 632  
order. Notwithstanding any provision of this chapter, the owner 633~~

~~may appeal a suspension order directly to the court of common pleas of the county in which the activity is located or, if in a coal bearing township, to the reclamation commission under section 1513.13 of the Revised Code~~ A permittee or a permittee's authorized representative shall notify an inspector from the division of mineral resources management at least twenty-four hours, or another time period agreed to by the chief's authorized representative, prior to the commencement of drilling, reopening, converting, well stimulation, or plugback operations.

Sec. 1509.062. (A)(1) The owner of a well that has not been completed, a well that has not produced within one year after completion, or an existing well that has no reported production for two consecutive reporting periods as reported in accordance with section 1509.11 of the Revised Code shall plug the well in accordance with section 1509.12 of the Revised Code, obtain temporary inactive well status for the well in accordance with this section, or perform another activity regarding the well that is approved by the chief of the division of mineral resources management.

(2) If a well has a reported annual production that is less than one hundred thousand cubic feet of natural gas or fifteen barrels of crude oil, or a combination thereof, the chief may require the owner of the well to submit an application for temporary inactive well status under this section for the well.

(B) In order for the owner of a well to submit an application for temporary inactive well status for the well under this division, the owner and the well shall be in compliance with this chapter and rules adopted under it, any terms and conditions of the permit for the well, and applicable orders issued by the chief. An application for temporary inactive status for a well shall be submitted to the chief on a form prescribed and provided

by the chief and shall contain all of the following: 665

(1) The owner's name and address and, if the owner is a 666  
corporation, the name and address of the corporation's statutory 667  
agent; 668

(2) The signature of the owner or of the owner's authorized 669  
agent. When an authorized agent signs an application, the 670  
application shall be accompanied by a certified copy of the 671  
appointment as such agent. 672

(3) The permit number assigned to the well. If the well has 673  
not been assigned a permit number, the chief shall assign a permit 674  
number to the well. 675

(4) A map, on a scale not smaller than four hundred feet to 676  
the inch, that shows the location of the well and the tank 677  
battery, that includes the latitude and longitude of the well, and 678  
that contains all other data that are required by the chief; 679

(5) A demonstration that the well is of future utility and 680  
that the applicant has a viable plan to utilize the well within a 681  
reasonable period of time; 682

(6) A demonstration that the well poses no threat to the 683  
health or safety of persons, property, or the environment; 684

(7) Any other relevant information that the chief prescribes 685  
by rule. 686

The chief may waive any of the requirements established in 687  
divisions (B)(1) to (6) of this section if the division of mineral 688  
resources management possesses a current copy of the information 689  
or document that is required in the applicable division. 690

(C) Upon receipt of an application for temporary inactive 691  
well status, the chief shall review the application and shall 692  
either deny the application by issuing an order or approve the 693  
application. The chief shall approve the application only if the 694

chief determines that the well that is the subject of the 695  
application poses no threat to the health or safety of persons, 696  
property, or the environment. If the chief approves the 697  
application, the chief shall notify the applicant of the chief's 698  
approval. Upon receipt of the chief's approval, the owner shall 699  
shut in the well and empty all liquids and gases from all storage 700  
tanks, pipelines, and other equipment associated with the well. In 701  
addition, the owner shall maintain the well, other equipment 702  
associated with the well, and the surface location of the well in 703  
a manner that prevents hazards to the health and safety of people 704  
and the environment. The owner shall inspect the well at least 705  
every six months and submit to the chief within fourteen days 706  
after the inspection a record of inspection on a form prescribed 707  
and provided by the chief. 708

(D) Not later than thirty days prior to the expiration of 709  
temporary inactive well status or a renewal of temporary inactive 710  
well status approved by the chief for a well, the owner of the 711  
well may submit to the chief an application for renewal of the 712  
temporary inactive well status on a form prescribed and provided 713  
by the chief. The application shall include a detailed plan that 714  
describes the ultimate disposition of the well, the time frames 715  
for that disposition, and any other information that the chief 716  
determines is necessary. The chief shall either deny an 717  
application by order or approve the application. If the chief 718  
approves the application, the chief shall notify the owner of the 719  
well of the chief's approval. 720

(E) An application for temporary inactive well status shall 721  
be accompanied by a nonrefundable fee of one hundred dollars. An 722  
application for a renewal of temporary inactive well status shall 723  
be accompanied by a nonrefundable fee of two hundred fifty dollars 724  
for the first renewal and five hundred dollars for each subsequent 725  
renewal. 726

(F) After a third renewal, the chief may require an owner to provide a surety bond in an amount not to exceed ten thousand dollars for each of the owner's wells that has been approved by the chief for temporary inactive well status.

(G) Temporary inactive well status approved by the chief expires one year after the date of approval of the application for temporary inactive well status or production from the well commences, whichever occurs sooner. In addition, a renewal of a temporary inactive well status expires one year after the expiration date of the initial temporary inactive well status or one year after the expiration date of the previous renewal of the temporary inactive well status, as applicable, or production from the well commences, whichever occurs sooner.

(H) The owner of a well that has been approved by the chief for temporary inactive well status may commence production from the well at any time. Not later than sixty days after the commencement of production from such a well, the owner shall notify the chief of the commencement of production.

(I) This chapter and rules adopted under it, any terms and conditions of the permit for a well, and applicable orders issued by the chief apply to a well that has been approved by the chief for temporary inactive well status or renewal of that status.

**Sec. 1509.07.** An owner of any well, except an exempt Mississippi well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized to do business in this state in an amount of not less than ~~three hundred thousand~~ one million dollars bodily injury coverage and ~~three hundred thousand dollars~~ property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the owner's wells in this state. However, if any well is located within an urbanized area,

the owner shall obtain liability insurance coverage in an amount 758  
of not less than three million dollars for bodily injury coverage 759  
and property damage coverage to pay damages for injury to persons 760  
or damage to property caused by the drilling, operation, or 761  
plugging of all of the owner's wells in this state. The owner 762  
shall maintain ~~that~~ the coverage until all the owner's wells are 763  
plugged and abandoned ~~as required by law~~ or are transferred to an 764  
owner who has obtained insurance as required under this section 765  
and who is not under a notice of material and substantial 766  
violation or under a suspension order. The owner shall provide 767  
proof of liability insurance coverage to the chief of the division 768  
of mineral resources management upon request. Upon failure of the 769  
owner to provide that proof when requested, the chief may order 770  
the suspension of any outstanding permits and operations of the 771  
owner until the owner provides proof of the required insurance 772  
coverage. 773

Except as otherwise provided in this section, an owner of any 774  
well, before being issued a permit under section 1509.06 of the 775  
Revised Code or before operating or producing from a well, shall 776  
execute and file with the division of mineral resources management 777  
a surety bond conditioned on compliance with the restoration 778  
requirements of section 1509.072, the plugging requirements of 779  
section 1509.12, the permit provisions of section 1509.13 of the 780  
Revised Code, and all rules and orders of the chief relating 781  
thereto, in an amount set by rule of the chief. 782

The owner may deposit with the chief, instead of a surety 783  
bond, cash in an amount equal to the surety bond as prescribed 784  
pursuant to this section or negotiable certificates of deposit or 785  
irrevocable letters of credit, issued by any bank organized or 786  
transacting business in this state or by any savings and loan 787  
association as defined in section 1151.01 of the Revised Code, 788  
having a cash value equal to or greater than the amount of the 789

surety bond as prescribed pursuant to this section. Cash or 790  
certificates of deposit shall be deposited upon the same terms as 791  
those upon which surety bonds may be deposited. If certificates of 792  
deposit are deposited with the chief instead of a surety bond, the 793  
chief shall require the bank or savings and loan association that 794  
issued any such certificate to pledge securities of a cash value 795  
equal to the amount of the certificate that is in excess of the 796  
amount insured by any of the agencies and instrumentalities 797  
created under the "Federal Deposit Insurance Act," 64 Stat. 873 798  
(1950), 12 U.S.C. 1811, as amended, and regulations adopted under 799  
it, including at least the federal deposit insurance corporation, 800  
bank insurance fund, and savings association insurance fund. The 801  
securities shall be security for the repayment of the certificate 802  
of deposit. 803

Immediately upon a deposit of cash, certificates of deposit, 804  
or letters of credit with the chief, the chief shall deliver them 805  
to the treasurer of state who shall hold them in trust for the 806  
purposes for which they have been deposited. 807

Instead of a surety bond, the chief may accept proof of 808  
financial responsibility consisting of a sworn financial statement 809  
showing a net financial worth within this state equal to twice the 810  
amount of the bond for which it substitutes and, as may be 811  
required by the chief, a list of producing properties of the owner 812  
within this state or other evidence showing ability and intent to 813  
comply with the law and rules concerning restoration and plugging 814  
that may be required by rule of the chief. The owner of an ~~exempt~~ 815  
~~domestic or exempt~~ Mississippi well is not required to file 816  
scheduled updates of the financial documents, but shall file 817  
updates of those documents if requested to do so by the chief. The 818  
owner of a ~~nonexempt domestic or nonexempt~~ Mississippi well 819  
shall file updates of the financial documents in accordance with a 820  
schedule established by rule of the chief. The chief, upon 821

determining that an owner for whom the chief has accepted proof of 822  
financial responsibility instead of bond cannot demonstrate 823  
financial responsibility, shall order that the owner execute and 824  
file a bond or deposit cash, certificates of deposit, or 825  
irrevocable letters of credit as required by this section for the 826  
wells specified in the order within ten days of receipt of the 827  
order. If the order is not complied with, all wells of the owner 828  
that are specified in the order and for which no bond is filed or 829  
cash, certificates of deposit, or letters of credit are deposited 830  
shall be plugged. No owner shall fail or refuse to plug such a 831  
well. Each day on which such a well remains unplugged thereafter 832  
constitutes a separate offense. 833

The surety bond provided for in this section shall be 834  
executed by a surety company authorized to do business in this 835  
state. 836

The chief shall not approve any bond until it is personally 837  
signed and acknowledged by both principal and surety, or as to 838  
either by the principal's or surety's attorney in fact, with a 839  
certified copy of the power of attorney attached thereto. The 840  
chief shall not approve a bond unless there is attached a 841  
certificate of the superintendent of insurance that the company is 842  
authorized to transact a fidelity and surety business in this 843  
state. 844

All bonds shall be given in a form to be prescribed by the 845  
chief and shall run to the state as obligee. 846

An owner of an exempt Mississippian well or an exempt 847  
domestic well, in lieu of filing a surety bond, cash in an amount 848  
equal to the surety bond, certificates of deposit, irrevocable 849  
letters of credit, or a sworn financial statement, may file a 850  
one-time fee of fifty dollars, which shall be deposited in the oil 851  
and gas well plugging fund created in section 1509.071 of the 852  
Revised Code. 853

An owner, operator, producer, or other person shall not 854  
operate a well or produce from a well at any time if the owner, 855  
operator, producer, or other person has not satisfied the 856  
requirements established in this section. 857

**Sec. 1509.071.** (A) When the chief of the division of mineral 858  
resources management finds that an owner has failed to comply with 859  
the restoration requirements of section 1509.072, plugging 860  
requirements of section 1509.12, or permit provisions of section 861  
1509.13 of the Revised Code, or rules and orders relating thereto, 862  
the chief shall make a finding of that fact and declare any surety 863  
bond filed to ensure compliance with those sections and rules 864  
forfeited in the amount set by rule of the chief. The chief 865  
thereupon shall certify the total forfeiture to the attorney 866  
general, who shall proceed to collect the amount of the 867  
forfeiture. In addition, the chief may require an owner, operator, 868  
producer, or other person who forfeited a surety bond to post a 869  
new surety bond in the amount of fifteen thousand dollars for a 870  
single well, thirty thousand dollars for two wells, or fifty 871  
thousand dollars for three or more wells. 872

In lieu of total forfeiture, the surety or owner, at ~~its~~ the 873  
surety's or owner's option, may cause the well to be properly 874  
plugged and abandoned and the area properly restored or pay to the 875  
treasurer of state the cost of plugging and abandonment. 876

(B) All moneys collected because of forfeitures of bonds as 877  
provided in this section shall be deposited in the state treasury 878  
to the credit of the oil and gas well fund created in section 879  
1509.02 of the Revised Code. ~~The fund~~ 880

The chief annually shall be expended by the chief spend not 881  
less than fourteen per cent of the revenue credited to the fund 882  
during the previous fiscal year for the following purposes in 883  
addition to the other purposes specified in that section: 884

(1) In accordance with division (D) of this section, to plug 885  
idle and orphaned wells or to restore the land surface properly as 886  
required in section 1509.072 of the Revised Code ~~for which the~~ 887  
~~bonds have been forfeited, for abandoned wells for which no funds~~ 888  
~~are available to plug the wells in accordance with this chapter,~~ 889  
or to use abandoned wells for the injection of oil or gas 890  
production wastes; 891

(2) In accordance with division (E) of this section, to 892  
correct conditions that the chief reasonably has determined are 893  
causing imminent health or safety risks at an idle and orphaned 894  
well or a well for which the owner cannot be contacted in order to 895  
initiate a corrective action within a reasonable period of time as 896  
determined by the chief. 897

Expenditures from the fund shall be made only for lawful 898  
purposes. In addition, expenditures from the fund shall not be 899  
made to purchase real property or to remove a dwelling in order to 900  
access a well. 901

(C)(1) Upon determining that the owner of a well has failed 902  
to properly plug and abandon it or to properly restore the land 903  
surface at the well site in compliance with the applicable 904  
requirements of this chapter and applicable rules adopted and 905  
orders issued under it or that a well is an abandoned well for 906  
which no funds are available to plug the well in accordance with 907  
this chapter, the chief shall do all of the following: 908

(a) Determine from the records in the office of the county 909  
recorder of the county in which the well is located the identity 910  
of the owner of the land on which the well is located, the 911  
identity of the owner of the oil or gas lease under which the well 912  
was drilled or the identity of each person owning an interest in 913  
the lease, and the identities of the persons having legal title 914  
to, or a lien upon, any of the equipment appurtenant to the well; 915

(b) Mail notice to the owner of the land on which the well is 916  
located informing the landowner that the well is to be plugged. If 917  
the owner of the oil or gas lease under which the well was drilled 918  
is different from the owner of the well or if any persons other 919  
than the owner of the well own interests in the lease, the chief 920  
also shall mail notice that the well is to be plugged to the owner 921  
of the lease or to each person owning an interest in the lease, as 922  
appropriate. 923

(c) Mail notice to each person having legal title to, or a 924  
lien upon, any equipment appurtenant to the well, informing the 925  
person that the well is to be plugged and offering the person the 926  
opportunity to plug the well and restore the land surface at the 927  
well site at the person's own expense in order to avoid forfeiture 928  
of the equipment to this state. 929

(2) If none of the persons described in division (C)(1)(c) of 930  
this section plugs the well within sixty days after the mailing of 931  
the notice required by that division, all equipment appurtenant to 932  
the well is hereby declared to be forfeited to this state without 933  
compensation and without the necessity for any action by the state 934  
for use to defray the cost of plugging and abandoning the well and 935  
restoring the land surface at the well site. 936

(D) Expenditures from the fund for the purpose of division 937  
(B)(1) of this section shall be made in accordance with either of 938  
the following: 939

(1) The expenditures may be made pursuant to contracts 940  
entered into by the chief with persons who agree to furnish all of 941  
the materials, equipment, work, and labor as specified and 942  
provided in such a contract for activities associated with the 943  
restoration or plugging of a well as determined by the chief. The 944  
activities may include excavation to uncover a well, geophysical 945  
methods to locate a buried well when clear evidence of leakage 946  
from the well exists, cleanout of wellbores to remove material 947

from a failed plugging of a well, plugging operations, 948  
installation of vault and vent systems, including associated 949  
engineering certifications and permits, restoration of property, 950  
and repair of damage to property that is caused by such 951  
activities. Expenditures shall not be used for salaries, 952  
maintenance, equipment, or other administrative purposes, except 953  
for costs directly attributed to the plugging of an idle and 954  
orphaned well. Agents or employees of persons contracting with the 955  
chief for ~~the a restoration, or plugging, and injection projects~~ 956  
project may enter upon any land, public or private, on which the 957  
well is located for the purpose of performing the work. Prior to 958  
such entry, the chief shall give to the following persons written 959  
notice of the existence of a contract for a project to restore, or 960  
~~plug, or inject oil or gas production wastes into~~ a well, the 961  
names of the persons with whom the contract is made, and the date 962  
that the project will commence: the owner of the well, the owner 963  
of the land upon which the well is located, the owner or agents of 964  
adjoining land, and, if the well is located in the same township 965  
as or in a township adjacent to the excavations and workings of a 966  
mine and the owner or lessee of that mine has provided written 967  
notice identifying those townships to the chief at any time during 968  
the immediately preceding three years, the owner or lessee of the 969  
mine. 970

(2)(a) The owner of the land on which a well is located who 971  
has received notice under division (C)(1)(b) of this section may 972  
plug the well and be reimbursed by the division for the reasonable 973  
cost of plugging the well. In order to plug the well, the 974  
landowner shall submit an application to the chief on a form 975  
prescribed by the chief and approved by the technical advisory 976  
council on oil and gas created in section 1509.38 of the Revised 977  
Code. The application, at a minimum, shall require the landowner 978  
to provide the same information as is required to be included in 979  
the application for a permit to plug and abandon under section 980

1509.13 of the Revised Code. The application shall be accompanied 981  
by a copy of a proposed contract to plug the well prepared by a 982  
contractor regularly engaged in the business of plugging oil and 983  
gas wells. The proposed contract shall require the contractor to 984  
furnish all of the materials, equipment, work, and labor necessary 985  
to plug the well properly and shall specify the price for doing 986  
the work, including a credit for the equipment appurtenant to the 987  
well that was forfeited to the state through the operation of 988  
division (C)(2) of this section. Expenditures under division 989  
(D)(2)(a) of this section shall be consistent with the 990  
expenditures for activities described in division (D)(1) of this 991  
section. The application also shall be accompanied by the permit 992  
fee required by section 1509.13 of the Revised Code unless the 993  
chief, in the chief's discretion, waives payment of the permit 994  
fee. The application constitutes an application for a permit to 995  
plug and abandon the well for the purposes of section 1509.13 of 996  
the Revised Code. 997

(b) Within thirty days after receiving an application and 998  
accompanying proposed contract under division (D)(2)(a) of this 999  
section, the chief shall determine whether the plugging would 1000  
comply with the applicable requirements of this chapter and 1001  
applicable rules adopted and orders issued under it and whether 1002  
the cost of the plugging under the proposed contract is 1003  
reasonable. If the chief determines that the proposed plugging 1004  
would comply with those requirements and that the proposed cost of 1005  
the plugging is reasonable, the chief shall notify the landowner 1006  
of that determination and issue to the landowner a permit to plug 1007  
and abandon the well under section 1509.13 of the Revised Code. 1008  
Upon approval of the application and proposed contract, the chief 1009  
shall transfer ownership of the equipment appurtenant to the well 1010  
to the landowner. The chief may disapprove an application 1011  
submitted under division (D)(2)(a) of this section if the chief 1012  
determines that the proposed plugging would not comply with the 1013

applicable requirements of this chapter and applicable rules 1014  
adopted and orders issued under it, that the cost of the plugging 1015  
under the proposed contract is unreasonable, or that the proposed 1016  
contract is not a bona fide, arms length contract. 1017

(c) After receiving the chief's notice of the approval of the 1018  
application and permit to plug and abandon a well under division 1019  
(D)(2)(b) of this section, the landowner shall enter into the 1020  
proposed contract to plug the well. ~~The plugging shall be 1021  
completed within one hundred eight days after the landowner 1022  
receives the notice of approval and permit. 1023~~

(d) Upon determining that the plugging ~~has been completed 1024  
within the time required by division (D)(2)(c) of this section and 1025~~  
has been completed in compliance with the applicable requirements 1026  
of this chapter and applicable rules adopted and orders issued 1027  
under it, the chief shall reimburse the landowner for the cost of 1028  
the plugging as set forth in the proposed contract approved by the 1029  
chief. The reimbursement shall be paid from the oil and gas well 1030  
fund. ~~If the chief determines that the plugging was not completed 1031  
within the required time or was not completed in accordance with 1032~~  
the applicable requirements, the chief shall not reimburse the 1033  
landowner for the cost of the plugging, and the landowner or the 1034  
contractor, as applicable, promptly shall transfer back to this 1035  
state title to and possession of the equipment appurtenant to the 1036  
well that previously was transferred to the landowner under 1037  
division (D)(2)(b) of this section. If any such equipment was 1038  
removed from the well during the plugging and sold, the landowner 1039  
shall pay to the chief the proceeds from the sale of the 1040  
equipment, and the chief promptly shall pay the moneys so received 1041  
to the treasurer of state for deposit into the oil and gas well 1042  
fund. 1043

The chief may establish an annual limit on the number of 1044  
wells that may be plugged under division (D)(2) of this section or 1045

an annual limit on the expenditures to be made under that 1046  
division. 1047

As used in division (D)(2) of this section, "plug" and 1048  
"plugging" include the plugging of the well and the restoration of 1049  
the land surface disturbed by the plugging. 1050

(E) Expenditures from the oil and gas well fund for the 1051  
purpose of division (B)(2) of this section may be made pursuant to 1052  
contracts entered into by the chief with persons who agree to 1053  
furnish all of the materials, equipment, work, and labor as 1054  
specified and provided in such a contract. The competitive bidding 1055  
requirements of Chapter 153. of the Revised Code do not apply if 1056  
the chief reasonably determines that correction of the applicable 1057  
health or safety risk requires immediate action. The chief, 1058  
designated representatives of the chief, and agents or employees 1059  
of persons contracting with the chief under this division may 1060  
enter upon any land, public or private, for the purpose of 1061  
performing the work. 1062

(F) Contracts entered into by the chief under this section 1063  
are not subject to either of the following: 1064

(1) Chapter 4115. of the Revised Code; 1065

(2) Section 153.54 of the Revised Code, except that the 1066  
contractor shall obtain and provide to the chief as a bid guaranty 1067  
a surety bond or letter of credit in an amount equal to ten per 1068  
cent of the amount of the contract. 1069

(G) The owner of land on which a well is located who has 1070  
received notice under division (C)(1)(b) of this section, in lieu 1071  
of plugging the well in accordance with division (D)(2) of this 1072  
section, may cause ownership of the well to be transferred to an 1073  
owner who is lawfully doing business in this state and who has met 1074  
the financial responsibility requirements established under 1075  
section 1509.07 of the Revised Code, subject to the approval of 1076

the chief. The transfer of ownership also shall be subject to the 1077  
landowner's filing the appropriate forms required under ~~this~~ 1078  
~~chapter~~ section 1509.31 of the Revised Code and providing to the 1079  
chief sufficient information to demonstrate the landowner's or 1080  
owner's right to produce a formation or formations. That 1081  
information may include a deed, a lease, or other documentation of 1082  
ownership or property rights. 1083

The chief shall approve or disapprove the transfer of 1084  
ownership of the well. If the chief approves the transfer, the 1085  
owner is responsible for operating the well in accordance with 1086  
this chapter and rules adopted under it, including, without 1087  
limitation, all of the following: 1088

(1) Filing an application with the chief under section 1089  
1509.06 of the Revised Code if the owner intends to drill deeper 1090  
or produce a formation that is not listed in the records of the 1091  
division for that well; 1092

(2) Taking title to and possession of the equipment 1093  
appurtenant to the well that has been identified by the chief as 1094  
having been abandoned by the former owner; 1095

(3) Complying with all applicable requirements that are 1096  
necessary to drill deeper, plug the well, or plug back the well. 1097

(H) The chief shall issue an order that requires the owner of 1098  
a well to pay the actual documented costs of a corrective action 1099  
that is described in division (B)(2) of this section concerning 1100  
the well. The chief shall transmit the money so recovered to the 1101  
treasurer of state who shall deposit the money in the state 1102  
treasury to the credit of the oil and gas well fund. 1103

**Sec. 1509.072.** No oil or gas well owner or agent of an oil or 1104  
gas well owner shall fail to restore the land surface within the 1105  
area disturbed in siting, drilling, completing, and producing the 1106

well as required in this section. 1107

(A) Within ~~five months~~ fourteen days after the date upon 1108  
which the ~~surface~~ drilling of a well is ~~commenced~~ completed to 1109  
total depth in an urbanized area and within two months after the 1110  
date upon which the drilling of a well is completed in all other 1111  
areas, the owner or the owner's agent, in accordance with the 1112  
restoration plan filed under division (A)(10) of section 1509.06 1113  
of the Revised Code, shall fill all the pits for containing brine, 1114  
and other waste substances resulting, obtained, or produced in 1115  
connection with exploration or drilling for, ~~or production of,~~ oil 1116  
or gas, ~~or oil~~ that are not required by other state or federal law 1117  
or regulation, and remove all ~~concrete bases,~~ drilling supplies, 1118  
and drilling equipment. ~~Within nine~~ Unless the chief of the 1119  
division of mineral resources management approves a longer time 1120  
period, within three months after the date upon which the surface 1121  
drilling of a well is commenced in an urbanized area and within 1122  
six months after the date upon which the surface drilling of a 1123  
well is commenced in all other areas, the owner or the owner's 1124  
agent shall grade or terrace and plant, seed, or sod the area 1125  
disturbed that is not required in production of the well where 1126  
necessary to bind the soil and prevent substantial erosion and 1127  
sedimentation. If the chief ~~of the division of mineral resources~~ 1128  
~~management~~ finds that a pit used for containing brine, other waste 1129  
substances, or oil is in violation of section 1509.22 of the 1130  
Revised Code or rules adopted or orders issued under it, the chief 1131  
may require the pit to be emptied and closed before expiration of 1132  
the ~~five-month~~ fourteen-day or three-month restoration period. 1133

(B) Within three months after a well that has produced oil or 1134  
gas is plugged in an urbanized area and within six months after a 1135  
well that has produced oil or gas is plugged in all other areas, 1136  
or after the plugging of a dry hole, unless the chief approves a 1137  
longer time period, the owner or the owner's agent shall remove 1138

all production and storage structures, supplies, and equipment, 1139  
and any oil, salt water, and debris, and fill any remaining 1140  
excavations. Within that period the owner or the owner's agent 1141  
shall grade or terrace and plant, seed, or sod the area disturbed 1142  
where necessary to bind the soil and prevent substantial erosion 1143  
and sedimentation. 1144

The owner shall be released from responsibility to perform 1145  
any or all restoration requirements of this section on any part or 1146  
all of the area disturbed upon the filing of a request for a 1147  
waiver with and obtaining the written approval of the chief, which 1148  
request shall be signed by the surface owner to certify the 1149  
approval of the surface owner of the release sought. The chief 1150  
shall approve the request unless the chief finds upon inspection 1151  
that the waiver would be likely to result in substantial damage to 1152  
adjoining property, substantial contamination of surface or 1153  
underground water, or substantial erosion or sedimentation. 1154

The chief, by order, may shorten the time periods provided 1155  
for under division (A) or (B) of this section if failure to 1156  
shorten the periods would be likely to result in damage to public 1157  
health or the waters or natural resources of the state. 1158

The chief, upon written application by an owner or an owner's 1159  
agent showing reasonable cause, may extend the period within which 1160  
restoration shall be completed under divisions (A) and (B) of this 1161  
section, but not to exceed a further six-month period, except 1162  
under extraordinarily adverse weather conditions or when essential 1163  
equipment, fuel, or labor is unavailable to the owner or the 1164  
owner's agent. 1165

If the chief refuses to approve a request for waiver or 1166  
extension, the chief shall do so by order. 1167

Sec. 1509.073. A person that is issued a permit under this 1168  
chapter to drill a new well or drill an existing well deeper in an 1169

urbanized area shall establish fluid drilling conditions prior to 1170  
penetration of the Onondaga limestone and continue to use fluid 1171  
drilling until total depth of the well is achieved unless the 1172  
chief of the division of mineral resources management authorizes 1173  
such drilling without using fluid. 1174

**Sec. 1509.10.** (A) Any person drilling within the state shall, 1175  
within ~~thirty~~ sixty days after the completion of ~~the well drilling~~ 1176  
operations to the proposed total depth or after a determination 1177  
that a well is a dry or lost hole, file with the division of 1178  
mineral resources management all wireline electric logs and an 1179  
accurate ~~log designating well completion record on a form that is~~ 1180  
approved by the chief of the division of mineral resources 1181  
management that designates: 1182

~~(A)~~(1) The purpose for which the well was drilled; 1183

~~(B)~~(2) The character, depth, and thickness of geological 1184  
~~formations~~ units encountered, including ~~fresh water~~, coal seams, 1185  
mineral beds, associated fluids such as fresh water, brine, and 1186  
crude oil and, natural gas bearing formations, and sour gas, if 1187  
such seams, beds, or fluids are known; 1188

~~(C)~~(3) The dates on which drilling operations were commenced 1189  
and completed; 1190

(4) The types of drilling tools used and the name of the 1191  
person that drilled the well; 1192

(5) The length in feet of the various sizes of casing and 1193  
tubing used in drilling the well, the amount removed after 1194  
completion, the type and setting depth of each packer, ~~and~~ all 1195  
other data relating to ~~mudding~~ cementing in the annular space 1196  
behind such casing or tubing, and data indicating completion as a 1197  
dry, gas, oil, combination oil and gas, brine injection, or 1198  
artificial brine well or a stratigraphic test; 1199

(D)(6) The number of perforations in the casing and the intervals of the perforations; 1200  
1201

(7) The elevation above mean sea level of the point from which the depth measurements were made, stating also the height of the point above ground level at the well, the total depth of the well, and the deepest geological unit that was penetrated in the drilling of the well; 1202  
1203  
1204  
1205  
1206

(8) If applicable, the type, volume, and concentration of acid, and the date on which acid was used in acidizing the well; 1207  
1208

(9) If applicable, the type and volume of fluid used to stimulate the reservoir of the well, the reservoir breakdown pressure, the method used for the containment of fluids recovered from the fracturing of the well, the methods used for the containment of fluids when pulled from the wellbore from swabbing the well, the average pumping rate of the well, and the name of the person that performed the well stimulation. In addition, the owner shall include a copy of the log from the stimulation of the well, a copy of the invoice for each of the procedures and methods described in division (A)(9) of this section that were used on a well, and a copy of the pumping pressure and rate graphs. However, the owner may redact from the copy of each invoice that is required to be included under division (A)(9) of this section the costs of and charges for the procedures and methods described in division (A)(9) of this section that were used on a well. 1209  
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(10) The name of the company that performed the logging of the well and the types of wireline electric logs performed on the well. 1224  
1225  
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The log well completion record shall be submitted in duplicate. The first copy shall be retained as a permanent record in the files of the division, and the second copy shall be transmitted by the chief of the division of mineral resources 1227  
1228  
1229  
1230

management to the division of geological survey. 1231

Any (B)(1) Not later than sixty days after the completion of 1232  
the drilling operations to the proposed total depth, the owner 1233  
shall file all wireline electric log, or radioactivity log, or 1234  
other geophysical log, if made in connection with the well shall 1235  
be filed logs with the division of mineral resources management 1236  
and the chief shall transmit such logs electronically, if 1237  
available, to the division of geological survey. Such logs may be 1238  
retained by the owner for a period of not more than six months, or 1239  
such additional time as may be granted by the chief in writing, 1240  
after the completion of the well substantially to the depth shown 1241  
in the application required by section 1509.06 of the Revised 1242  
Code. 1243

(2) If a well is not completed within sixty days after the 1244  
completion of drilling operations, the owner shall file with the 1245  
division a supplemental well completion record that includes all 1246  
of the information required under this section within sixty days 1247  
after the completion of the well. 1248

(C) Upon request in writing by the chief of the division of 1249  
geological survey prior to the beginning of drilling of the well, 1250  
the person drilling the well shall make available a complete set 1251  
of cuttings accurately identified as to depth. 1252

(D) The form of the ~~log~~ well completion record required by 1253  
this section shall be one that has been approved by the chief of 1254  
the division of mineral resources management and the chief of the 1255  
division of geological survey. The filing of a log as required by 1256  
this section fulfills the requirement of filing a log with the 1257  
chief of the division of geological survey in section 1505.04 of 1258  
the Revised Code. 1259

**Sec. 1509.11.** The owner of any well producing or capable of 1260  
producing oil or gas shall file with the chief of the division of 1261

mineral resources management, on or before the ~~first~~ thirty-first 1262  
day of March, a statement of production of oil, gas, and brine for 1263  
the last preceding calendar year in such form as the chief may 1264  
prescribe. An owner that has more than one hundred wells in this 1265  
state shall submit electronically the statement of production in a 1266  
format that is approved by the chief. The chief shall include on 1267  
the form, at the minimum, a request for the submittal of the 1268  
information that a person who is regulated under this chapter is 1269  
required to submit under the "Emergency Planning and Community 1270  
Right-To-Know Act of 1986," 100 Stat. 1728, 42 U.S.C.A. 11001, and 1271  
regulations adopted under it, and that the division does not 1272  
obtain through other reporting mechanisms. 1273

**Sec. 1509.12.** No owner of any well knowingly shall construct 1274  
a well, or permit defective casing or tubing in ~~such a~~ well to 1275  
leak fluids or ~~gas~~ gases, that may cause damage to other permeable 1276  
strata, underground sources of drinking water, or the surface of 1277  
the land or that threatens the public health and safety. Upon 1278  
~~notice from the discovery that the casing or tubing in a well is~~ 1279  
defective or that a well was not adequately constructed, the owner 1280  
of the well shall notify the chief of the division of mineral 1281  
resources management within twenty-four hours of the discovery, 1282  
~~such and the~~ owner shall immediately repair ~~such the~~ tubing or 1283  
casing, correct the construction inadequacies, or plug and abandon 1284  
~~such the~~ well. 1285

~~Unless written permission is granted by the chief, any well~~ 1286  
~~that is or becomes incapable of producing oil or gas in commercial~~ 1287  
~~quantities shall be plugged, but no well shall be required to be~~ 1288  
~~plugged under this section that is being used to produce oil or~~ 1289  
~~gas for domestic purposes, or that is being lawfully used for a~~ 1290  
~~purpose other than production of oil or gas.~~ When the chief finds 1291  
that a well should be plugged, the chief shall notify the owner to 1292  
that effect by order in writing and shall specify in ~~such the~~ 1293

order a reasonable time within which to comply. No owner shall 1294  
fail or refuse to plug a well within the time specified in the 1295  
order. Each day on which such a well remains unplugged thereafter 1296  
constitutes a separate offense. 1297

Where the plugging method prescribed by rules adopted 1298  
pursuant to section 1509.15 of the Revised Code cannot be applied 1299  
or if applied would be ineffective in carrying out the protection 1300  
that the law is meant to give, the chief, ~~by order~~, may designate 1301  
a different method of plugging. The abandonment report shall show 1302  
the manner in which the well was plugged. 1303

In case of oil or gas wells abandoned prior to September 1, 1304  
~~1951~~ 1978, the board of county commissioners of the county in 1305  
which ~~such~~ the wells are located may submit to the electors of the 1306  
county the question of establishing a special fund, by ~~special~~  
general levy, by general bond issue, or out of current funds, 1308  
which shall be approved by a majority of the electors voting upon 1309  
~~such~~ that question for the purpose of plugging ~~such~~ the wells. The 1310  
fund shall be administered by the board and the plugging of oil 1311  
and gas wells shall be under the supervision of the chief, and the 1312  
board shall let contracts for ~~such~~ that purpose, provided that 1313  
~~such~~ the fund shall not be used for the purpose of plugging oil 1314  
and gas wells that were abandoned subsequent to September 1, ~~1951~~  
1978. 1316

**Sec. 1509.13. (A)** No person shall plug and abandon a well 1317  
without having a permit to do so issued by the chief of the 1318  
division of mineral resources management. The permit shall be 1319  
issued by the chief in accordance with this chapter, ~~and the chief~~  
~~may establish by rule~~ shall be valid for a period of ~~time~~  
twenty-four months from the date of issue ~~during which permits~~  
~~will be valid~~. Application by the owner for a permit to plug and 1323  
abandon shall be filed as many days in advance as will be 1324

necessary for a mineral resources inspector or, if the well is 1325  
located in a coal bearing township, both a deputy mine inspector 1326  
and a mineral resources inspector to be present at the plugging. 1327  
The application shall be filed with the chief upon a form that the 1328  
chief prescribes and shall contain the following information: 1329

~~(A)~~(1) The name and address of the owner; 1330

~~(B)~~(2) The signature of the owner or the owner's authorized 1331  
agent. When an authorized agent signs an application, it shall be 1332  
accompanied by a certified copy of the appointment as that agent. 1333

~~(C)~~(3) The location of the well identified by section or lot 1334  
number, city, village, township, and county; 1335

~~(D)~~(4) Designation of well by name and number; 1336

~~(E)~~(5) The total depth of the well to be plugged; 1337

~~(F)~~(6) The date and amount of last production from the well; 1338

~~(G)~~(7) Other data that the chief may require. 1339

If oil or gas has been produced from the well, the 1340  
application shall be accompanied by a fee of two hundred fifty 1341  
dollars. If a ~~new dry~~ well has been drilled in accordance with law 1342  
and the permit is still valid, the permit holder may receive 1343  
approval to plug the well from a mineral resources inspector ~~or,~~ 1344  
~~if the well is located in a coal bearing township, both a deputy~~ 1345  
~~mine inspector and a mineral resources inspector~~ so that the well 1346  
can be plugged and abandoned without undue delay. Unless waived by 1347  
a mineral resources inspector, the owner of a well or the owner's 1348  
authorized representative shall notify a mineral resources 1349  
inspector at least twenty-four hours prior to the commencement of 1350  
the plugging of a well. No well shall be plugged and abandoned 1351  
without a mineral resources inspector present unless permission 1352  
has been granted by the chief. The owner of ~~the~~ a well that has 1353  
produced oil or gas shall give written notice at the same time to 1354

the owner of the land upon which the well is located, ~~the owners~~ 1355  
~~or agents of adjoining land, adjoining well owners or agents, and,~~ 1356  
~~if~~ and to all lessors that receive gas from the well pursuant to a 1357  
lease agreement. If the well penetrates or passes within one 1358  
hundred feet of the excavations and workings of a mine, the owner 1359  
of the well shall give written notice to the owner or lessee of 1360  
that mine, of the well owner's intention to abandon the well and 1361  
of the time when the well owner will be prepared to commence 1362  
plugging it. 1363

(B) An applicant may file a request with the chief for 1364  
expedited review of an application for a permit to plug and 1365  
abandon a well. The chief may refuse to accept a request for 1366  
expedited review if, in the chief's judgment, acceptance of the 1367  
request will prevent the issuance, within twenty-one days of 1368  
filing, of permits for which applications filed under section 1369  
1509.06 of the Revised Code are pending. In addition to a complete 1370  
application for a permit that meets the requirements of this 1371  
section and the permit fee prescribed by this section, if 1372  
applicable, a request shall be accompanied by a nonrefundable 1373  
filing fee of ~~two~~ five hundred ~~fifty~~ dollars unless the chief has 1374  
ordered the applicant to plug and abandon the well. When a request 1375  
for expedited review is filed, the chief shall immediately begin 1376  
to process the application and shall issue a permit within seven 1377  
days of the filing of the request unless the chief, by order, 1378  
denies the application. 1379

(C) This section does not apply to a well plugged or 1380  
abandoned in compliance with section 1571.05 of the Revised Code. 1381

**Sec. 1509.14.** Any person who abandons a well, when written 1382  
permission has been granted by the chief of the division of 1383  
mineral resources management to abandon and plug the well without 1384  
an inspector being present to supervise the plugging, shall make a 1385

written report of the abandonment to the chief. The report shall 1386  
be submitted not later than thirty days after the date of 1387  
abandonment and shall include all of the following: 1388

(A) The date of abandonment; 1389

(B) The name of the owner or operator of the well at the time 1390  
of abandonment and the post-office address of the owner or 1391  
operator; 1392

(C) The location of the well as to township and county and 1393  
the name of the owner of the surface upon which the well is 1394  
drilled, with the address thereof; 1395

(D) The date of the permit to drill; 1396

(E) The date when drilled; 1397

(F) The depth of the well; 1398

(G) The depth of the top of the formation to which the well 1399  
was drilled; 1400

(H) The depth of each seam of coal drilled through, if known; 1401

(I) A detailed report as to how the well was plugged, giving 1402  
in particular the manner in which the coal and various formations 1403  
were plugged, and the date of the plugging of the well, including 1404  
the names of those who witnessed the plugging of the well. 1405

The report shall be signed by the owner or operator, or the 1406  
agent of the owner or operator, who abandons and plugs the well 1407  
and verified by the oath of the party so signing. For the purposes 1408  
of this section, the mineral resources inspectors may take 1409  
acknowledgments and administer oaths to the parties signing the 1410  
report. 1411

~~Sec. 1509.17. Any person who drills a well shall, before 1412  
drilling into the principal or major producing formation therein, 1413  
encase such well with good and sufficient wrought iron or steel 1414~~

~~easing so as to exclude all surface, fresh, or salt water from any 1415  
part of such well penetrating the oil or gas bearing sand or rock 1416  
or fresh water strata. The method of placing such casing shall be 1417  
approved by the chief of the division of mineral resources 1418  
management and shall be in accord with the most approved method 1419  
used in the operation of such type of well. The chief may, in lieu 1420  
of the casing method outlined in this section, accept adequate 1421  
mudding methods with prepared clay in the annular space behind 1422  
such casing in sufficient quantities to shut off all gas or oil 1423  
and that will exclude all surface, fresh, or salt water from any 1424  
part of such well penetrating the oil, gas, or mineral bearing 1425  
formation, or fresh water strata. 1426~~

~~Written approval from the chief is required in each case. In 1427  
the operation of a gas well, it is permissible, with the written 1428  
consent of the chief, to withdraw all casing in such well, leaving 1429  
only the tubing and the packer therein, provided that such well is 1430  
filled with prepared clay from the top of such packer to the 1431  
surface, as each succeeding string of casing in such well is 1432  
withdrawn. 1433~~

(A) A well shall be constructed in a manner that is approved 1434  
by the chief of the division of mineral resources management as 1435  
specified in the permit using materials that comply with industry 1436  
standards for the type and depth of the well and the anticipated 1437  
fluid pressures that are associated with the well. In addition, a 1438  
well shall be constructed using sufficient steel or conductor 1439  
casing in a manner that supports unconsolidated sediments, that 1440  
protects and isolates all underground sources of drinking water as 1441  
defined by the Safe Drinking Water Act, and that provides a base 1442  
for a blowout preventer or other well control equipment that is 1443  
necessary to control formation pressures and fluids during the 1444  
drilling of the well and other operations to complete the well. 1445  
Using steel production casing with sufficient cement, an oil and 1446

gas reservoir shall be isolated during well stimulation and during 1447  
the productive life of the well. In addition, sour gas zones and 1448  
gas bearing zones that have sufficient pressure and volume to 1449  
over-pressurize the surface production casing annulus resulting in 1450  
annular overpressurization shall be isolated using approved 1451  
cementing, casing, and well construction practices. However, 1452  
isolating an oil and gas reservoir shall not exclude open-hole 1453  
completion. A well shall not be perforated for purposes of well 1454  
stimulation in any zone that is located around casing that 1455  
protects underground sources of drinking water without written 1456  
authorization from the chief in accordance with division (D) of 1457  
this section. When the well penetrates the excavations of a mine, 1458  
the casing shall remain intact as provided in section 1509.18 of 1459  
the Revised Code and be plugged and abandoned in accordance with 1460  
section 1509.15 of the Revised Code. 1461

(B) The chief may adopt rules in accordance with Chapter 119. 1462  
of the Revised Code that are consistent with division (A) of this 1463  
section and that establish standards for constructing a well, for 1464  
evaluating the quality of well construction materials, and for 1465  
completing remedial cementing. In addition, the standards 1466  
established in the rules shall consider local geology and various 1467  
drilling conditions and shall require the use of reasonable 1468  
methods that are based on sound engineering principles. 1469

(C) An owner or an owner's authorized representative shall 1470  
notify a mineral resources inspector each time that the owner or 1471  
the authorized representative notifies a person to perform the 1472  
cementing of the conductor casing, the surface casing, or the 1473  
production casing. In addition, not later than sixty days after 1474  
the completion of the cementing of the production casing, an owner 1475  
shall submit to the chief a copy of the cement tickets for each 1476  
cemented string of casing and a copy of all logs that were used to 1477  
evaluate the quality of the cementing. 1478

(D) The chief shall grant an exemption from this section and rules adopted under it for a well if the chief determines that a cement bond log confirms zonal isolation and there is a minimum of five hundred feet between the uppermost perforation of the casing and the lowest depth of an underground source of drinking water.

**Sec. 1509.18.** Any person who drills a well within the limits of a mining operation shall give consideration for the safety of the personnel working in ~~such~~ the mine, and, if possible, shall locate ~~such~~ the well so as to penetrate a pillar.

If a well is to be drilled within the limits of a mining operation that may penetrate the excavation of a mine, the hole shall be reduced approximately fifteen feet above the roof of the mine. If roof conditions at the mine warrant, the hole shall be reduced in the rock formation immediately above ~~such~~ the mine, and a string of casing placed upon the shoulder so as to shut off all water, then drilling shall be continued to a point approximately thirty feet below the floor of the mine and another string of casing set. Both strings of casing shall be approximately the same diameter as the diameter of the hole.

If no water is encountered between the bottom of the drive pipe and the approximate casing shoulder above the roof of ~~such~~ the mine, in lieu of the casing method outlined above, it is permissible to use the following casing method: the hole shall be drilled thirty feet below the floor of the mine and a string of casing shall be extended from the surface to a point thirty feet below the floor of the mine with a packer of sufficient size attached to ~~such~~ the string of casing. ~~Such~~ The packer shall be placed so that it will be below all water and will be located in the rock formation immediately above ~~such~~ the mine and shall prevent water or destructive matter from entering therein. Then the annular space above ~~such~~ the packer between the casing and

well wall shall be filled with prepared clay a minimum distance of 1510  
fifty feet. 1511

If a well is drilled within the limits of a mining operation 1512  
and does not penetrate the excavations of a mine, the hole shall 1513  
be reduced thirty feet below the coal or mineral that is being 1514  
mined and a string of casing placed at this point. The annular 1515  
space behind ~~such~~ the casing shall be filled with neat cement from 1516  
the casing seat to a point not less than fifty feet above ~~such~~ the 1517  
seam of coal or mineral that is being mined. The packer method, 1518  
outlined in this section, is also permissible in this type of 1519  
well. 1520

It is permissible to attach a release coupling or a right and 1521  
left nipple to the string of casing that extends through the mine, 1522  
but ~~such~~ the release coupling or right and left nipple shall be 1523  
placed in such a manner that it is above the packer or at least 1524  
twenty feet above the coal or mineral that is being mined. 1525

In wells penetrating the excavation of a mine, the casing 1526  
shall be enclosed, if possible, with a column extending from the 1527  
floor to the roof of ~~such~~ the mine, built of brick or other 1528  
suitable material, subject to the approval of the chief of the 1529  
division of mineral resources management. If the chief finds the 1530  
method prescribed in this section unsafe, inadequate, or not 1531  
suitable, the chief shall require ~~such~~ the method to be altered in 1532  
such a manner that it will be safe. 1533

The chief may order the immediate suspension of the drilling 1534  
or reopening of a well in a coal bearing township after 1535  
determining that the drilling or reopening activities present an 1536  
imminent and substantial threat to public health or safety or to a 1537  
miner's health or safety. Before issuing such an order, the chief 1538  
shall notify the owner in any manner that the chief determines 1539  
would provide reasonable notification of the chief's intent to 1540  
issue a suspension order. However, the chief may order the 1541

immediate suspension of the drilling or reopening of a well in a coal bearing township without prior notification if the chief has made reasonable attempts to notify the owner and the attempts have failed. If the chief orders the immediate suspension of such drilling or reopening, the chief shall provide the owner notice of the order as soon as practical.

Not later than five days after the issuance of an order to immediately suspend the drilling or reopening of a well in a coal bearing township, the chief shall provide the owner an opportunity to be heard and to present evidence that the drilling or reopening activities will not likely result in an imminent and substantial threat to public health or safety or to a miner's health or safety, as applicable. If the chief, after considering all evidence presented by the owner, determines that the activities do not present such a threat, the chief shall revoke the suspension order.

Notwithstanding any other provision of this chapter, an owner may appeal a suspension order issued under this section to the reclamation commission in accordance with section 1513.13 of the Revised Code.

**Sec. 1509.19.** An owner who elects to stimulate a well shall stimulate the well in a manner that will not endanger underground sources of drinking water. Not later than twenty-four hours before commencing the stimulation of a well, the owner or the owner's authorized representative shall notify a mineral resources inspector. If during the stimulation of a well damage to the production casing or cement occurs and results in the circulation of fluids from the annulus of the surface production casing, the owner shall immediately terminate the stimulation of the well and notify the chief of the division of mineral resources management. If the chief determines that the casing and the cement may be

remediated in a manner that isolates the oil and gas bearing zones 1573  
of the well, the chief may authorize the completion of the 1574  
stimulation of the well. If the chief determines that the 1575  
stimulation of a well resulted in irreparable damage to the well, 1576  
the chief shall order that the well be plugged and abandoned 1577  
within thirty days of the issuance of the order. 1578

For purposes of determining the integrity of the remediation 1579  
of the casing or cement of a well that was damaged during the 1580  
stimulation of the well, the chief may require the owner of the 1581  
well to submit cement evaluation logs, temperature surveys, 1582  
pressure tests, or a combination of such logs, surveys, and tests. 1583

**Sec. 1509.20.** All owners, lessees, or their agents, drilling 1584  
for or producing crude oil or natural gas, shall use every 1585  
reasonable precaution in accordance with the most approved methods 1586  
of operation to stop and prevent waste of oil or gas, or both. Any 1587  
well productive of natural gas in quantity sufficient to justify 1588  
utilization shall be utilized or shut in within ten days after 1589  
completion. 1590

The owner of any well producing both oil and gas may burn 1591  
such gas in flares when it is necessary to protect the health and 1592  
safety of the public or when the gas is lawfully produced and 1593  
there is no economic market at the well for the escaping gas. 1594

**Sec. 1509.21.** No person shall, without first having obtained 1595  
a permit from the chief of the division of mineral resources 1596  
management, conduct secondary or additional recovery operations, 1597  
including any underground injection of fluids or carbon dioxide 1598  
for the secondary or tertiary recovery of oil or natural gas or 1599  
for the storage of hydrocarbons that are liquid at standard 1600  
temperature or pressure, unless a rule of the chief expressly 1601  
authorizes such operations without a permit. ~~Such~~ The permit shall 1602

be in addition to any permit required by section 1509.05 of the Revised Code. Secondary or additional recovery operations shall be conducted in accordance with rules and orders of the chief and any terms or conditions of the permit authorizing such operations. In addition, the chief may authorize tests to evaluate whether fluids or carbon dioxide may be injected in a reservoir and to determine the maximum allowable injection pressure. The tests shall be conducted in accordance with methods prescribed in rules of the chief or conditions of the permit. Rules adopted under this section shall include provisions regarding applications for and the issuance of permits; the terms and conditions of permits; entry to conduct inspections and to examine records to ascertain compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder; the provision and maintenance of information through monitoring, recordkeeping, and reporting; and other provisions in furtherance of the goals of this section and the Safe Drinking Water Act. To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit for the underground injection of fluids for the secondary or tertiary recovery of oil or natural gas or for the storage of hydrocarbons that are liquid at standard temperature and pressure, unless the chief concludes that the applicant has demonstrated that the injection will not result in the presence of any contaminant in underground water that supplies or can be reasonably expected to supply any public water system, such that the presence of any such contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons. Rules, orders, and terms or conditions of permits adopted or issued under this section shall be construed to be no more stringent than required for compliance with the Safe Drinking Water Act, unless essential to ensure that underground sources of drinking water will not be endangered.

Sec. 1509.22. (A) Except when acting in accordance with 1636  
section 1509.226 of the Revised Code, no person shall place or 1637  
cause to be placed brine, crude oil, natural gas, or other fluids 1638  
associated with the exploration or development of oil and gas 1639  
resources in surface or ground water or in or on the land in such 1640  
quantities or in such manner as actually causes or could 1641  
reasonably be anticipated to cause either of the following: 1642

(1) Water used for consumption by humans or domestic animals 1643  
to exceed the standards of the Safe Drinking Water Act; 1644

(2) Damage or injury to public health or safety or the 1645  
environment. 1646

(B) No person shall store or dispose of brine in violation of 1647  
a plan approved under division (A) of section 1509.222 or section 1648  
1509.226 of the Revised Code, in violation of a resolution 1649  
submitted under section 1509.226 of the Revised Code, or in 1650  
violation of rules or orders applicable to those plans or 1651  
resolutions. 1652

(C) The chief of the division of mineral resources management 1653  
shall adopt rules and issue orders regarding storage and disposal 1654  
of brine and other waste substances; however, the storage and 1655  
disposal of brine and other waste substances and the chief's rules 1656  
relating to storage and disposal are subject to all of the 1657  
following standards: 1658

(1) Brine from any well except an exempt Mississippian well 1659  
shall be disposed of only by injection into an underground 1660  
formation, including annular disposal if approved by rule of the 1661  
chief, which injection shall be subject to division (D) of this 1662  
section; by surface application in accordance with section 1663  
1509.226 of the Revised Code; in association with a method of 1664  
enhanced recovery as provided in section 1509.21 of the Revised 1665  
Code; or by other methods approved by the chief for testing or 1666

implementing a new technology or method of disposal. Brine from 1667  
exempt Mississippian wells shall not be discharged directly into 1668  
the waters of the state. 1669

(2) Muds, cuttings, and other waste substances shall not be 1670  
disposed of in violation of any rule~~+~~. 1671

(3) Pits ~~may~~ or steel tanks shall be used as authorized by 1672  
the chief for containing brine and other waste substances 1673  
resulting from, obtained from, or produced in connection with 1674  
drilling, ~~fracturing~~ well stimulation, reworking, reconditioning, 1675  
plugging back, or plugging operations, ~~but the~~. The pits and steel 1676  
tanks shall be constructed and maintained to prevent the escape of 1677  
brine and other waste substances. A 1678

(4) A dike or pit may be used for spill prevention and 1679  
control. A dike or pit so used shall be constructed and maintained 1680  
to prevent the escape of brine and crude oil, and the reservoir 1681  
within such a dike or pit shall be kept reasonably free of brine, 1682  
crude oil, and other waste substances. 1683

~~(4)~~(5) Earthen impoundments constructed pursuant to the 1684  
division's specifications may be used for the temporary storage of 1685  
~~brine and other waste substances in association with a saltwater~~ 1686  
~~injection well, an enhanced recovery project, or a solution mining~~ 1687  
~~project~~; fluids used in the stimulation of a well. 1688

~~(5)~~(6) No pit, earthen impoundment, or dike shall be used for 1689  
the temporary storage of brine or other substances except in 1690  
accordance with divisions (C)(3) ~~and (4)~~ to (5) of this section~~+~~. 1691

~~(6)~~(7) No pit or dike shall be used for the ultimate disposal 1692  
of brine or other liquid waste substances. 1693

(D) No person, without first having obtained a permit from 1694  
the chief, shall inject brine or other waste substances resulting 1695  
from, obtained from, or produced in connection with oil or gas 1696  
drilling, exploration, or production into an underground formation 1697

unless a rule of the chief expressly authorizes the injection 1698  
without a permit. The permit shall be in addition to any permit 1699  
required by section 1509.05 of the Revised Code, and the permit 1700  
application shall be accompanied by a permit fee of one ~~hundred~~ 1701  
thousand dollars. The chief shall adopt rules in accordance with 1702  
Chapter 119. of the Revised Code regarding the injection into 1703  
wells of brine and other waste substances resulting from, obtained 1704  
from, or produced in connection with oil or gas drilling, 1705  
exploration, or production. The rules may authorize tests to 1706  
evaluate whether fluids or carbon dioxide may be injected in a 1707  
reservoir and to determine the maximum allowable injection 1708  
pressure, which shall be conducted in accordance with methods 1709  
prescribed in the rules or in accordance with conditions of the 1710  
permit. In addition, the rules shall include provisions regarding 1711  
applications for and issuance of the permits required by this 1712  
division; entry to conduct inspections and to examine and copy 1713  
records to ascertain compliance with this division and rules, 1714  
orders, and terms and conditions of permits adopted or issued 1715  
under it; the provision and maintenance of information through 1716  
monitoring, recordkeeping, and reporting; and other provisions in 1717  
furtherance of the goals of this section and the Safe Drinking 1718  
Water Act. To implement the goals of the Safe Drinking Water Act, 1719  
the chief shall not issue a permit for the injection of brine or 1720  
other waste substances resulting from, obtained from, or produced 1721  
in connection with oil or gas drilling, exploration, or production 1722  
unless the chief concludes that the applicant has demonstrated 1723  
that the injection will not result in the presence of any 1724  
contaminant in ground water that supplies or can reasonably be 1725  
expected to supply any public water system, such that the presence 1726  
of the contaminant may result in the system's not complying with 1727  
any national primary drinking water regulation or may otherwise 1728  
adversely affect the health of persons. This division and rules, 1729  
orders, and terms and conditions of permits adopted or issued 1730

under it shall be construed to be no more stringent than required 1731  
for compliance with the Safe Drinking Water Act unless essential 1732  
to ensure that underground sources of drinking water will not be 1733  
endangered. 1734

(E) The owner holding a permit, or an assignee or transferee 1735  
who has assumed the obligations and liabilities imposed by this 1736  
chapter and any rules adopted or orders issued under it pursuant 1737  
to section 1509.31 of the Revised Code, and the operator of a well 1738  
shall be liable for a violation of this section or any rules 1739  
adopted or orders or terms or conditions of a permit issued under 1740  
it. 1741

(F) An owner shall replace the water supply of the holder of 1742  
an interest in real property who obtains all or part of the 1743  
holder's supply of water for domestic, agricultural, industrial, 1744  
or other legitimate use from an underground or surface source 1745  
where the supply has been substantially disrupted by 1746  
contamination, diminution, or interruption proximately resulting 1747  
from the owner's oil or gas operation, or the owner may elect to 1748  
compensate the holder of the interest in real property for the 1749  
difference between the fair market value of the interest before 1750  
the damage occurred to the water supply and the fair market value 1751  
after the damage occurred if the cost of replacing the water 1752  
supply exceeds this difference in fair market values. However, 1753  
during the pendency of any order issued under this division, the 1754  
owner shall obtain for the holder or shall reimburse the holder 1755  
for the reasonable cost of obtaining a water supply from the time 1756  
of the contamination, diminution, or interruption by the operation 1757  
until the owner has complied with an order of the chief for 1758  
compliance with this division or such an order has been revoked or 1759  
otherwise becomes not effective. If the owner elects to pay the 1760  
difference in fair market values, but the owner and the holder 1761  
have not agreed on the difference within thirty days after the 1762

chief issues an order for compliance with this division, within 1763  
ten days after the expiration of that thirty-day period, the owner 1764  
and the chief each shall appoint an appraiser to determine the 1765  
difference in fair market values, except that the holder of the 1766  
interest in real property may elect to appoint and compensate the 1767  
holder's own appraiser, in which case the chief shall not appoint 1768  
an appraiser. The two appraisers appointed shall appoint a third 1769  
appraiser, and within thirty days after the appointment of the 1770  
third appraiser, the three appraisers shall hold a hearing to 1771  
determine the difference in fair market values. Within ten days 1772  
after the hearing, the appraisers shall make their determination 1773  
by majority vote and issue their final determination of the 1774  
difference in fair market values. The chief shall accept a 1775  
determination of the difference in fair market values made by 1776  
agreement of the owner and holder or by appraisers under this 1777  
division and shall make and dissolve orders accordingly. This 1778  
division does not affect in any way the right of any person to 1779  
enforce or protect, under applicable law, the person's interest in 1780  
water resources affected by an oil or gas operation. 1781

(G) In any action brought by the state for a violation of 1782  
division (A) of this section involving any well at which annular 1783  
disposal is used, there shall be a rebuttable presumption 1784  
available to the state that the annular disposal caused the 1785  
violation if the well is located within a one-quarter-mile radius 1786  
of the site of the violation. 1787

**Sec. 1509.221.** (A) No person, without first having obtained a 1788  
permit from the chief of the division of mineral resources 1789  
management, shall drill a well or inject a substance into a well 1790  
for the exploration for or extraction of minerals or energy, other 1791  
than oil or natural gas, including, but not limited to, the mining 1792  
of sulfur by the Frasch process, the solution mining of minerals, 1793  
the in situ combustion of fossil fuel, or the recovery of 1794

geothermal energy to produce electric power, unless a rule of the 1795  
chief expressly authorizes the activity without a permit. The 1796  
permit shall be in addition to any permit required by section 1797  
1509.05 of the Revised Code. The chief shall adopt rules in 1798  
accordance with Chapter 119. of the Revised Code governing the 1799  
issuance of permits under this section. The rules shall include 1800  
provisions regarding the matters the applicant for a permit shall 1801  
demonstrate to establish eligibility for a permit; the form and 1802  
content of applications for permits; the terms and conditions of 1803  
permits; entry to conduct inspections and to examine and copy 1804  
records to ascertain compliance with this section and rules, 1805  
orders, and terms and conditions of permits adopted or issued 1806  
thereunder; provision and maintenance of information through 1807  
monitoring, recordkeeping, and reporting; and other provisions in 1808  
furtherance of the goals of this section and the Safe Drinking 1809  
Water Act. To implement the goals of the Safe Drinking Water Act, 1810  
the chief shall not issue a permit under this section, unless the 1811  
chief concludes that the applicant has demonstrated that the 1812  
drilling, injection of a substance, and extraction of minerals or 1813  
energy will not result in the presence of any contaminant in 1814  
underground water that supplies or can reasonably be expected to 1815  
supply any public water system, such that the presence of the 1816  
contaminant may result in the system's not complying with any 1817  
national primary drinking water regulation or may otherwise 1818  
adversely affect the health of persons. The chief may issue, 1819  
without a prior adjudication hearing, orders requiring compliance 1820  
with this section and rules, orders, and terms and conditions of 1821  
permits adopted or issued thereunder. This section and rules, 1822  
orders, and terms and conditions of permits adopted or issued 1823  
thereunder shall be construed to be no more stringent than 1824  
required for compliance with the Safe Drinking Water Act, unless 1825  
essential to ensure that underground sources of drinking water 1826  
will not be endangered. 1827

(B)(1) There is levied on the owner of an injection well who 1828  
has been issued a permit under division (D) of section 1509.22 of 1829  
the Revised Code the following fees: 1830

(a) Five cents per barrel of each substance that is delivered 1831  
to a well to be injected in the well when the substance is 1832  
produced within the division of mineral resources management 1833  
regulatory district in which the well is located or within an 1834  
adjoining mineral resources management regulatory district; 1835

(b) Twenty cents per barrel of each substance that is 1836  
delivered to a well to be injected in the well when the substance 1837  
is not produced within the division of mineral resources 1838  
management regulatory district in which the well is located or 1839  
within an adjoining mineral resources management regulatory 1840  
district. 1841

(2) The maximum number of barrels of substance per injection 1842  
well in a calendar year on which a fee may be levied under 1843  
division (B) of this section is five hundred thousand. If in a 1844  
calendar year the owner of an injection well receives more than 1845  
five hundred thousand barrels of substance to be injected in the 1846  
owner's well and if the owner receives at least one substance that 1847  
is produced within the division's regulatory district in which the 1848  
well is located or within an adjoining regulatory district and at 1849  
least one substance that is not produced within the division's 1850  
regulatory district in which the well is located or within an 1851  
adjoining regulatory district, the fee shall be calculated first 1852  
on all of the barrels of substance that are not produced within 1853  
the division's regulatory district in which the well is located or 1854  
within an adjoining district at the rate established in division 1855  
(B)(2) of this section. The fee then shall be calculated on the 1856  
barrels of substance that are produced within the division's 1857  
regulatory district in which the well is located or within an 1858  
adjoining district at the rate established in division (B)(1) of 1859

this section until the maximum number of barrels established in 1860  
division (B)(2) of this section has been attained. 1861

(3) The owner of an injection well who is issued a permit 1862  
under division (D) of section 1509.22 of the Revised Code shall 1863  
collect the fee levied by division (B) of this section on behalf 1864  
of the division of mineral resources management and forward the 1865  
fee to the division. The chief shall transmit all money received 1866  
under division (B) of this section to the treasurer of state who 1867  
shall deposit the money in the state treasury to the credit of the 1868  
oil and gas well fund created in section 1509.02 of the Revised 1869  
Code. The owner of an injection well who collects the fee levied 1870  
by this division may retain up to three per cent of the amount 1871  
that is collected. 1872

(4) The chief shall adopt rules in accordance with Chapter 1873  
119. of the Revised Code establishing requirements and procedures 1874  
for collection of the fee levied by division (B) of this section. 1875

(C) In an action under section 1509.04 or 1509.33 of the 1876  
Revised Code to enforce this section, the court shall grant 1877  
preliminary and permanent injunctive relief and impose a civil 1878  
penalty upon the showing that the person against whom the action 1879  
is brought has violated, is violating, or will violate this 1880  
section or rules, orders, or terms or conditions of permits 1881  
adopted or issued thereunder. The court shall not require, prior 1882  
to granting such preliminary and permanent injunctive relief or 1883  
imposing a civil penalty, proof that the violation was, is, or 1884  
will be the result of intentional conduct or negligence. In any 1885  
such action, any person may intervene as a plaintiff upon the 1886  
demonstration that the person has an interest that is or may be 1887  
adversely affected by the activity for which injunctive relief or 1888  
a civil penalty is sought. 1889

**Sec. 1509.222.** (A)(1) Except as provided in section 1509.226 1890

of the Revised Code, no person shall transport brine by vehicle in 1891  
this state unless the business entity that employs the person 1892  
first registers with and obtains a registration certificate and 1893  
identification number from the chief of the division of ~~oil and~~ 1894  
gas mineral resources management. 1895

(2) No more than one registration certificate shall be 1896  
required of any business entity. Registration certificates issued 1897  
under this section are not transferable. An applicant shall file 1898  
an application with the chief, containing such information in such 1899  
form as the chief prescribes, but including a plan for disposal 1900  
that provides for compliance with the requirements of this chapter 1901  
and rules of the chief pertaining to the transportation of brine 1902  
by vehicle and the disposal of brine so transported and that lists 1903  
all disposal sites that the applicant intends to use, the bond 1904  
required by section 1509.225 of the Revised Code, and a 1905  
certificate issued by an insurance company authorized to do 1906  
business in this state certifying that the applicant has in force 1907  
a liability insurance policy in an amount not less than three 1908  
hundred thousand dollars bodily injury coverage and three hundred 1909  
thousand dollars property damage coverage to pay damages for 1910  
injury to persons or property caused by the collecting, handling, 1911  
transportation, or disposal of brine. The policy shall be 1912  
maintained in effect during the term of the registration 1913  
certificate. The policy or policies providing the coverage shall 1914  
require the insurance company to give notice to the chief if the 1915  
policy or policies lapse for any reason. Upon such termination of 1916  
the policy, the chief may suspend the registration certificate 1917  
until proper insurance coverage is obtained. Each application for 1918  
a registration certificate shall be accompanied by a nonrefundable 1919  
fee of five hundred dollars. 1920

(3) If a business entity that has been issued a registration 1921  
certificate under this section changes its name due to a business 1922

reorganization or merger, the business entity shall revise the 1923  
bond or certificates of deposit required by section 1509.225 of 1924  
the Revised Code and obtain a new certificate from an insurance 1925  
company in accordance with division (A)(2) of this section to 1926  
reflect the change in the name of the business entity. 1927

(B) The chief shall issue an order denying an application for 1928  
a registration certificate if the chief finds that either of the 1929  
following applies: 1930

(1) The applicant, at the time of applying for the 1931  
registration certificate, has been found liable by a final 1932  
nonappealable order of a court of competent jurisdiction for 1933  
damage to streets, roads, highways, bridges, culverts, or 1934  
drainways pursuant to section 4513.34 or 5577.12 of the Revised 1935  
Code until the applicant provides the chief with evidence of 1936  
compliance with the order. 1937

(2) The applicant's plan for disposal does not provide for 1938  
compliance with the requirements of this chapter and rules of the 1939  
chief pertaining to the transportation of brine by vehicle and the 1940  
disposal of brine so transported. 1941

(C) No applicant shall attempt to circumvent division (B) of 1942  
this section by applying for a registration certificate under a 1943  
different name or business organization name, by transferring 1944  
responsibility to another person or entity, or by any similar act. 1945

(D) A registered transporter shall apply to revise a disposal 1946  
plan under procedures that the chief shall prescribe by rule. 1947  
However, at a minimum, an application for a revision shall list 1948  
all sources and disposal sites of brine currently transported. The 1949  
chief shall deny any application for a revision of a plan under 1950  
this division if the chief finds that the proposed revised plan 1951  
does not provide for compliance with the requirements of this 1952  
chapter and rules of the chief pertaining to the transportation of 1953

brine by vehicle and the disposal of brine so transported. 1954

Approvals and denials of revisions shall be by order of the chief. 1955

(E) The chief may adopt rules, issue orders, and attach terms 1956  
and conditions to registration certificates as may be necessary to 1957  
administer, implement, and enforce sections 1509.222 to 1509.226 1958  
of the Revised Code for protection of public health or safety or 1959  
conservation of natural resources. 1960

**Sec. 1509.225.** (A) Before being issued a registration 1961  
certificate under section 1509.222 of the Revised Code, an 1962  
applicant shall execute and file with the division of mineral 1963  
resources management a surety bond for fifteen thousand dollars to 1964  
provide compensation for damage and injury resulting from 1965  
transporters' violations of sections 1509.22, 1509.222, and 1966  
1509.223 of the Revised Code, all rules and orders of the chief of 1967  
the division of mineral resource management relating thereto, and 1968  
all terms and conditions of the registration certificate imposed 1969  
thereunder. The applicant may deposit with the chief, in lieu of a 1970  
surety bond, cash in an amount equal to the surety bond as 1971  
prescribed in this section, or negotiable certificates of deposit 1972  
issued by any bank organized or transacting business in this 1973  
state, or certificates of deposit issued by any building and loan 1974  
association as defined in section 1151.01 of the Revised Code, 1975  
having a cash value equal to or greater than the amount of the 1976  
surety bond as prescribed in this section. Cash or certificates of 1977  
deposit shall be deposited upon the same terms as those upon which 1978  
surety bonds may be deposited. If certificates of deposit are 1979  
deposited with the chief in lieu of a surety bond, the chief shall 1980  
require the bank or building and loan association that issued any 1981  
such certificate to pledge securities of a cash value equal to the 1982  
amount of the certificate that is in excess of the amount insured 1983  
by any of the agencies and instrumentalities created under the 1984  
"Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1985

1811, as amended, and regulations adopted under it, including at 1986  
least the federal deposit insurance corporation, bank insurance 1987  
fund, and savings association insurance fund. 1988

Such securities shall be security for the repayment of the 1989  
certificate of deposit. Immediately upon a deposit of cash or 1990  
certificates with the chief, the chief shall deliver it to the 1991  
treasurer of state who shall hold it in trust for the purposes for 1992  
which it has been deposited. 1993

(B) The surety bond provided for in this section shall be 1994  
executed by a surety company authorized to do business in this 1995  
state. The chief shall not approve any bond until it is personally 1996  
signed and acknowledged by both principal and surety, or as to 1997  
either by an attorney in fact, with a certified copy of the power 1998  
of attorney attached thereto. The chief shall not approve ~~such~~ the 1999  
bond unless there is attached a certificate of the superintendent 2000  
of insurance that the company is authorized to transact a fidelity 2001  
and surety business in this state. All bonds shall be given in a 2002  
form to be prescribed by the chief. 2003

(C) If a registered transporter is found liable for a 2004  
violation of section 1509.22, 1509.222, or 1509.223 of the Revised 2005  
Code or a rule, order, or term or condition of a certificate 2006  
involving, in any case, damage or injury to persons or property, 2007  
or both, the court may order the forfeiture of any portion of the 2008  
bond, cash, or other securities required by this section in full 2009  
or partial payment of damages to the person to whom the damages 2010  
are due. The treasurer of state and the chief shall deliver the 2011  
bond or any cash or other securities deposited in lieu of bond, as 2012  
specified in the court's order, to the person to whom the damages 2013  
are due; however, execution against the bond, cash, or other 2014  
securities, if necessary, is the responsibility of the person to 2015  
whom the damages are due. The chief shall not release the bond, 2016  
cash, or securities required by this section except by court order 2017

or until ~~two years after the date on which a~~ the registration is 2018  
terminated. 2019

**Sec. 1509.226.** (A) If a board of county commissioners, a 2020  
board of township trustees, or the legislative authority of a 2021  
municipal corporation wishes to permit the surface application of 2022  
brine to roads, streets, highways, and other similar land surfaces 2023  
it owns or has the right to control for control of dust or ice, it 2024  
may adopt a resolution permitting such application as provided in 2025  
this section. If a board or legislative authority does not adopt 2026  
such a resolution, then no such surface application of brine is 2027  
permitted on such roads, streets, highways, and other similar 2028  
surfaces. If a board or legislative authority votes on a proposed 2029  
resolution to permit such surface application of brine, but the 2030  
resolution fails to receive the affirmative vote of a majority of 2031  
the board or legislative authority, the board or legislative 2032  
authority shall not adopt such a resolution for one year following 2033  
the date on which the vote was taken. A board or legislative 2034  
authority shall hold at least one public hearing on any proposal 2035  
to permit surface application of brine under this division and may 2036  
hold additional hearings. The board or legislative authority shall 2037  
publish notice of the time and place of each such public hearing 2038  
in a newspaper of general circulation in the political subdivision 2039  
at least five days before the day on which the hearing is to be 2040  
held. 2041

(B) If a board or legislative authority adopts a resolution 2042  
permitting the surface application of brine to roads, streets, 2043  
highways, and other similar land surfaces under division (A) of 2044  
this section, the board or legislative authority shall, within 2045  
thirty days after the adoption of the resolution, prepare and 2046  
submit to the chief of the division of mineral resources 2047  
management a copy of the resolution. Any department, agency, or 2048  
instrumentality of this state or the United States that wishes to 2049

permit the surface application of brine to roads, streets, 2050  
highways, and other similar land surfaces it owns or has a right 2051  
to control shall prepare and submit guidelines for such 2052  
application, but need not adopt a resolution under division (A) of 2053  
this section permitting such surface application. 2054

All resolutions and guidelines shall be subject to the 2055  
following standards: 2056

(1) Brine shall not be applied: 2057

(a) To a water-saturated surface; 2058

(b) Directly to vegetation near or adjacent to surfaces being 2059  
treated; 2060

(c) Within twelve feet of structures crossing bodies of water 2061  
or crossing drainage ditches; 2062

(d) Between sundown and sunrise, except for ice control. 2063

(2) The discharge of brine through the spreader bar shall 2064  
stop when the application stops. 2065

(3) The applicator vehicle shall be moving at least five 2066  
miles per hour at all times while the brine is being applied. 2067

(4) The maximum spreader bar nozzle opening shall be 2068  
three-quarters of an inch in diameter. 2069

(5) The maximum uniform application rate of brine shall be 2070  
three thousand gallons per mile on a twelve-foot-wide road or 2071  
three gallons per sixty square feet on unpaved lots. 2072

(6) The applicator vehicle discharge valve shall be closed 2073  
between the brine collection point and the specific surfaces that 2074  
have been approved for brine application. 2075

(7) Any valves that provide for tank draining other than 2076  
through the spreader bar shall be closed during the brine 2077  
application and transport. 2078

(8) The angle of discharge from the applicator vehicle 2079  
spreader bar shall not be greater than sixty degrees from the 2080  
perpendicular to the unpaved surface. 2081

(9) Only the last twenty-five per cent of an applicator 2082  
vehicle's contents shall be allowed to have a pressure greater 2083  
than atmospheric pressure; therefore, the first seventy-five per 2084  
cent of the applicator vehicle's contents shall be discharged 2085  
under atmospheric pressure. 2086

(10) Only brine that is produced from a well shall be allowed 2087  
to be spread on a road. Fluids from the drilling of a well, 2088  
flowback from the stimulation of a well, and other fluids used to 2089  
treat a well shall not be spread on a road. 2090

If a resolution or guidelines contain only the standards 2091  
listed in division (B)(1) to ~~(9)~~(10) of this section, without 2092  
addition or qualification, the resolution or guidelines shall be 2093  
deemed effective when submitted to the chief without further 2094  
action by the chief. All other resolutions and guidelines shall 2095  
comply with and be no less stringent than this chapter, rules 2096  
concerning surface application that the chief shall adopt under 2097  
division (C) of section 1509.22 of the Revised Code, and other 2098  
rules of the chief. Within fifteen days after receiving such other 2099  
resolutions and guidelines, the chief shall review them for 2100  
compliance with the law and rules and disapprove them if they do 2101  
not comply. 2102

The board, legislative authority, or department, agency, or 2103  
instrumentality may revise and resubmit any resolutions or 2104  
guidelines that the chief disapproves after each disapproval, and 2105  
the chief shall again review and approve or disapprove them within 2106  
fifteen days after receiving them. The board, legislative 2107  
authority, or department, agency, or instrumentality may amend any 2108  
resolutions or guidelines previously approved by the chief and 2109  
submit them, as amended, to the chief. The chief shall receive, 2110

review, and approve or disapprove the amended resolutions or 2111  
guidelines on the same basis and in the same time as original 2112  
resolutions or guidelines. The board, legislative authority, or 2113  
department, agency, or instrumentality shall not implement amended 2114  
resolutions or guidelines until they are approved by the chief 2115  
under this division. 2116

(C) Any person, other than a political subdivision required 2117  
to adopt a resolution under division (A) of this section or a 2118  
department, agency, or instrumentality of this state or the United 2119  
States, who owns or has a legal right or obligation to maintain a 2120  
road, street, highway, or other similar land surface may file with 2121  
the board of county commissioners a written plan for the 2122  
application of brine to the road, street, highway, or other 2123  
surface. The board need not approve any such plans, but if it 2124  
approves a plan, the plan shall comply with this chapter, rules 2125  
adopted thereunder, and the board's resolutions, if any. 2126  
Disapproved plans may be revised and resubmitted for the board's 2127  
approval. Approved plans may also be revised and submitted to the 2128  
board. A plan or revised plan shall do all of the following: 2129

(1) Identify the sources of brine to be used under the plan; 2130

(2) Identify by name, address, and registration certificate, 2131  
if applicable, any transporters of the brine; 2132

(3) Specifically identify the places to which the brine will 2133  
be applied; 2134

(4) Specifically describe the method, rate, and frequency of 2135  
application. 2136

(D) The board may attach terms and conditions to approval of 2137  
a plan, or revised plan, and may revoke approval for any violation 2138  
of this chapter, rules adopted thereunder, resolutions adopted by 2139  
the board, or terms or conditions attached by the board. The board 2140  
shall conduct at least one public hearing before approving a plan 2141

or revised plan, publishing notice of the time and place of each 2142  
such public hearing in a newspaper of general circulation in the 2143  
county at least five days before the day on which the hearing is 2144  
to be held. The board shall record the filings of all plans and 2145  
revised plans in its journal. The board shall approve, disapprove, 2146  
or revoke approval of a plan or revised plan by the adoption of a 2147  
resolution. Upon approval of a plan or revised plan, the board 2148  
shall send a copy of the plan to the chief. Upon revoking approval 2149  
of a plan or revised plan, the board shall notify the chief of the 2150  
revocation. 2151

(E) No person shall: 2152

(1) Apply brine to a water-saturated surface; 2153

(2) Apply brine directly to vegetation adjacent to the 2154  
surface of roads, streets, highways, and other surfaces to which 2155  
brine may be applied. 2156

(F) Each political subdivision that adopts a resolution under 2157  
divisions (A) and (B) of this section, each department, agency, or 2158  
instrumentality of this state or the United States that submits 2159  
guidelines under division (B) of this section, and each person who 2160  
files a plan under divisions (C) and (D) of this section shall, on 2161  
or before the fifteenth day of April of each year, file a report 2162  
with the chief concerning brine applied within the person's or 2163  
governmental entity's jurisdiction, including the quantities 2164  
transported and the sources and application points during the last 2165  
preceding calendar year and such other information in such form as 2166  
the chief requires. 2167

(G) Any political subdivision or department, agency, or 2168  
instrumentality of this state or the United States that applies 2169  
brine under this section may do so with its own personnel, 2170  
vehicles, and equipment without registration under or compliance 2171  
with section 1509.222 or 1509.223 of the Revised Code and without 2172

the necessity for filing the surety bond or other security 2173  
required by section 1509.225 of the Revised Code. However, each 2174  
such entity shall legibly identify vehicles used to apply brine 2175  
with reflective paint in letters no less than four inches in 2176  
height, indicating the word "brine" and that the vehicle is a 2177  
vehicle of the political subdivision, department, agency, or 2178  
instrumentality. Except as stated in this division, such entities 2179  
shall transport brine in accordance with sections 1509.22 to 2180  
1509.226 of the Revised Code. 2181

(H) A surface application plan filed for approval under 2182  
division (C) of this section shall be accompanied by a 2183  
nonrefundable fee of fifty dollars, which shall be credited to the 2184  
general fund of the county. An approved plan is valid for one year 2185  
from the date of its approval unless it is revoked before that 2186  
time. An approved revised plan is valid for the remainder of the 2187  
term of the plan it supersedes unless it is revoked before that 2188  
time. Any person who has filed such a plan or revised plan and had 2189  
it approved may renew it by refileing it in accordance with 2190  
divisions (C) and (D) of this section within thirty days before 2191  
any anniversary of the date on which the original plan was 2192  
approved. The board shall notify the chief of renewals and 2193  
nonrenewals of plans. Even if a renewed plan is approved under 2194  
those divisions, the plan is not effective until notice is 2195  
received by the chief, and until notice is received, the chief 2196  
shall enforce this chapter and rules adopted thereunder with 2197  
regard to the affected roads, streets, highways, and other similar 2198  
land surfaces as if the plan had not been renewed. 2199

(I) A resolution adopted under division (A) of this section 2200  
by a board or legislative authority shall be effective for one 2201  
year following the date of its adoption and from month to month 2202  
thereafter until the board or legislative authority, by 2203  
resolution, terminates the authority granted in the original 2204

resolution. The termination shall be effective not less than seven 2205  
days after enactment of the resolution, and a copy of the 2206  
resolution shall be sent to the chief. 2207

**Sec. 1509.23.** (A) Rules of the chief of the division of 2208  
mineral resources management may specify practices to be followed 2209  
in the drilling and treatment of wells ~~and~~, production of oil and 2210  
gas, and plugging of wells for protection of public health or 2211  
safety or to prevent damage to natural resources, including 2212  
specification of the following: 2213

(1) Appropriate devices; 2214

(2) Minimum distances that wells and other excavations, 2215  
structures, and equipment shall be located from water wells, 2216  
streets, roads, highways, rivers, lakes, streams, ponds, other 2217  
bodies of water, railroad tracks, public or private recreational 2218  
areas, zoning districts, and buildings or other structures. Rules 2219  
adopted under division (A)(2) of this section shall not conflict 2220  
with section 1509.021 of the Revised Code. 2221

(3) Other methods of operation; 2222

(4) Procedures, methods, and equipment and other requirements 2223  
for equipment to prevent and contain discharges of oil and brine 2224  
from oil production facilities and oil drilling and workover 2225  
facilities consistent with and equivalent in scope, content, and 2226  
coverage to section 311(j)(1)(c) of the "Federal Water Pollution 2227  
Control Act Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, 2228  
as amended, and regulations adopted under it. In addition, the 2229  
rules may specify procedures, methods, and equipment and other 2230  
requirements for equipment to prevent and contain surface and 2231  
subsurface discharges of fluids, condensates, and gases. 2232

(5) Notifications. 2233

(B) The chief, in consultation with the emergency response 2234

commission created in section 3750.02 of the Revised Code, shall 2235  
adopt rules in accordance with Chapter 119. of the Revised Code 2236  
that specify the information that shall be included in an 2237  
electronic database that the chief shall create and host. The 2238  
information shall be that which the chief considers to be 2239  
appropriate for the purpose of responding to emergency situations 2240  
that pose a threat to public health or safety or the environment. 2241  
At the minimum, the information shall include that which a person 2242  
who is regulated under this chapter is required to submit under 2243  
the "Emergency Planning and Community Right-To-Know Act of 1986," 2244  
100 Stat. 1728, 42 U.S.C.A. 11001, and regulations adopted under 2245  
it. 2246

In addition, the rules shall specify whether and to what 2247  
extent the database and the information that it contains will be 2248  
made accessible to the public. The rules shall ensure that the 2249  
database will be made available via the internet or a system of 2250  
computer disks to the emergency response commission and to every 2251  
local emergency planning committee and fire department in this 2252  
state. 2253

**Sec. 1509.24. (A)** The chief of the division of mineral 2254  
resources management, with the approval of the technical advisory 2255  
council on oil and gas created in section 1509.38 of the Revised 2256  
Code, may adopt, amend, or rescind rules relative to minimum 2257  
acreage requirements for drilling units and minimum distances from 2258  
which a new well may be drilled or an existing well deepened, 2259  
plugged back, or reopened to a source of supply different from the 2260  
existing pool from boundaries of tracts, drilling units, and other 2261  
wells for the purpose of conserving oil and gas reserves. ~~Rules~~ 2262  
The rules relative to minimum acreage requirements for drilling 2263  
units shall require a drilling unit to be compact and composed of 2264  
contiguous land. 2265

(B) Rules adopted under this section and special orders made 2266  
under section 1509.25 of the Revised Code shall apply only to new 2267  
wells to be drilled or existing wells to be deepened, plugged 2268  
back, or reopened to a source of supply different from the 2269  
existing pool for the purpose of extracting oil or gas in their 2270  
natural state. 2271

**Sec. 1509.27.** If a tract of land is of insufficient size or 2272  
shape to meet the requirements for drilling a well thereon as 2273  
provided in section 1509.24 or 1509.25 of the Revised Code, 2274  
whichever is applicable, and the owner of the tract who also is 2275  
the owner of the mineral interest has been unable to form a 2276  
drilling unit under agreement as provided in section 1509.26 of 2277  
the Revised Code, on a just and equitable basis, ~~the~~ such an owner 2278  
~~of such tract~~ may make application to the division of mineral 2279  
resources management for a mandatory pooling order. 2280

~~Such~~ The application shall include ~~such data and~~ information 2281  
as shall be reasonably required by the chief of the division of 2282  
mineral resources management and shall be accompanied by an 2283  
application for a permit as required by section 1509.05 of the 2284  
Revised Code. The chief shall notify all owners of land within the 2285  
area proposed to be included within the ~~order~~ drilling unit of the 2286  
filing of ~~such~~ the application and of their right to a hearing ~~if~~ 2287  
~~requested~~. After the hearing or after the expiration of thirty 2288  
days from the date notice of application was mailed to such 2289  
owners, the chief, if satisfied that the application is proper in 2290  
form and that mandatory pooling is necessary to protect 2291  
correlative rights ~~or~~ and to provide effective development, use, 2292  
~~or~~ and conservation of oil and gas, shall issue a drilling permit 2293  
and a mandatory pooling order complying with the requirements for 2294  
drilling a well as provided in section 1509.24 or 1509.25 of the 2295  
Revised Code, whichever is applicable, ~~which~~. The mandatory 2296  
pooling order shall: 2297

(A) Designate the boundaries of the drilling unit within which the well shall be drilled;	2298 2299
(B) Designate the proposed <del>drilling</del> <u>production</u> site;	2300
(C) Describe each separately owned tract or part thereof pooled by the order;	2301 2302
(D) Allocate on a surface acreage basis a pro rata portion of the production to the owner of each tract; <u>pooled by the order.</u> <u>The pro rata portion shall be in the same proportion that the percentage of the owner's acreage is to the state minimum acreage requirements established in rules adopted under this chapter for a drilling unit unless the applicant demonstrates to the chief using geological evidence that the geologic structure containing the oil or gas is larger than the minimum acreage requirement in which case the pro rata portion shall be in the same proportion that the percentage of the owner's acreage is to the geologic structure.</u>	2303 2304 2305 2306 2307 2308 2309 2310 2311 2312
(E) Specify the basis upon which each owner <u>of a tract pooled by the order</u> shall share all reasonable costs and expenses of drilling and producing <u>if the owner elects to participate in the drilling and operation of the well;</u>	2313 2314 2315 2316
(F) Designate the person to whom the permit shall be issued.	2317
<u>A person shall not submit more than five applications for mandatory pooling orders per year under this section unless otherwise approved by the chief.</u>	2318 2319 2320
<u>No surface operations or disturbances to the surface of the land shall occur on a tract pooled by an order without the written consent of or a written agreement with the owner of the tract that approves the operations or disturbances. In addition, the chief shall adopt rules in accordance with Chapter 119. of the Revised Code that establish setback requirements for surface facilities of a well that are located near property that is subject to a mandatory pooling order. Those rules shall not conflict with</u>	2321 2322 2323 2324 2325 2326 2327 2328

spacing requirements for the surface facilities of a well and 2329  
shall not prevent the development of the drilling unit. 2330

If an owner of a tract pooled by the order does not elect to 2331  
participate in the risk and cost of the drilling and operation,~~or~~ 2332  
~~operation,~~ of a well, the owner ~~may elect to~~ shall be designated 2333  
as a nonparticipating owner in the drilling and operation,~~or~~ 2334  
~~operation,~~ of the well, on a limited or carried basis ~~upon~~ and is 2335  
subject to terms and conditions determined by the chief to be just 2336  
and reasonable. In addition, if an owner is designated as a 2337  
nonparticipating owner, the owner is not liable for actions or 2338  
conditions associated with the drilling or operation of the well. 2339  
If ~~one or more of the participating owners bear~~ applicant bears 2340  
the costs of drilling, equipping, ~~or~~ and operating a well for the 2341  
benefit of a nonparticipating owner, as provided for in the 2342  
pooling order, then ~~such participating owner or owners~~ the 2343  
applicant shall be entitled to the share of production from the 2344  
drilling unit accruing to the interest of ~~such that~~ 2345  
nonparticipating owner, exclusive of the nonparticipating owner's 2346  
proportionate share of the royalty interest if the fee holder has 2347  
~~leased the fee holder's land to others, otherwise, one eighth of~~ 2348  
~~the fee holder's share of the production,~~ until there has been 2349  
received the share of costs charged to ~~such that~~ nonparticipating 2350  
owner plus such additional percentage of the share of costs as the 2351  
chief shall determine. The total amount receivable hereunder shall 2352  
in no event exceed ~~double~~ two hundred per cent of the share of 2353  
costs charged to ~~such that~~ nonparticipating owner. After receipt 2354  
of that share of costs by such an applicant, a nonparticipating 2355  
owner shall receive a proportionate share of the working interest 2356  
in the well in addition to a proportionate share of the royalty 2357  
interest, if any. 2358

If there is a dispute as to costs of drilling, equipping, or 2359  
operating a well, the chief shall determine ~~such~~ those costs. 2360

~~In instances where a well is completed prior to the pooling of interests in a drilling unit under this section, the sharing of production and adjustment of the original costs of drilling, equipping, and completing the well shall be from the effective date of the mandatory pooling order.~~ 2361-2365

~~From and after the date of a pooling order, all operation, including the commencement of drilling or the operating of or production from a well upon any tract or portion of the drilling unit, shall be deemed for all purposes the conduct of such operations upon and production from any lease or contract for lands any portion of which is included in the drilling unit.~~ 2366-2371

**Sec. 1509.31.** (A) Whenever the entire interest of an oil and gas lease is assigned or otherwise transferred, the assignor or transferor shall notify the holders of the royalty interests, and, if a well or wells exist on the lease, the division of mineral resources management, of the name and address of the assignee or transferee by certified mail, return receipt requested, not later than thirty days after the date of the assignment or transfer. When notice of any such assignment or transfer is required to be provided to the division, it shall be provided on a form prescribed and provided by the division and verified by both the assignor or transferor and by the assignee or transferee and shall be accompanied by a nonrefundable fee of one hundred dollars for each well. The notice form applicable to assignments or transfers of a well to the owner of the surface estate of the tract on which the well is located shall contain a statement informing the landowner that the well may require periodic servicing to maintain its productivity; that, upon assignment or transfer of the well to the landowner, the landowner becomes responsible for compliance with the requirements of this chapter and rules adopted under it, including, without limitation, the proper disposal of brine obtained from the well, the plugging of the well when it becomes 2372-2392

incapable of producing oil or gas, and the restoration of the well 2393  
site; and that, upon assignment or transfer of the well to the 2394  
landowner, the landowner becomes responsible for the costs of 2395  
compliance with the requirements of this chapter and rules adopted 2396  
under it and the costs for operating and servicing the well. 2397

(B) When the entire interest of a well is proposed to be 2398  
assigned or otherwise transferred to the landowner for use as an 2399  
exempt domestic well, the owner who has been issued a permit under 2400  
this chapter for the well shall submit to the chief an application 2401  
for the assignment or transfer that contains all documents that 2402  
the chief requires and a nonrefundable fee of one hundred dollars. 2403  
The application for such an assignment or transfer shall be 2404  
prescribed and provided by the chief. The chief may approve the 2405  
application if the application is accompanied by a release of all 2406  
of the oil and gas leases that are included in the applicable 2407  
formation of the drilling unit, the release is in a form such that 2408  
the well ownership merges with the fee simple interest of the 2409  
surface tract, and the release is in a form that may be recorded. 2410  
However, if the owner of the well does not release the oil and gas 2411  
leases associated with the well that is proposed to be assigned or 2412  
otherwise transferred or if the fee simple tract that results from 2413  
the merger of the well ownership with the fee simple interest of 2414  
the surface tract is less than five acres, the proposed exempt 2415  
domestic well owner shall post a five thousand dollar bond with 2416  
the division of mineral resources management prior to the 2417  
assignment or transfer of the well to ensure that the well will be 2418  
properly plugged. The chief, for good cause, may modify the 2419  
requirements of this section governing the assignment or transfer 2420  
of the interests of a well to the landowner. Upon the assignment 2421  
or transfer of the well, the owner of an exempt domestic well is 2422  
subject to the severance tax levied under section 5749.02 of the 2423  
Revised Code and all applicable fees established in this chapter. 2424

(C) The owner holding a permit under section 1509.05 of the Revised Code is responsible for all obligations and liabilities imposed by this chapter and any rules, orders, and terms and conditions of a permit adopted or issued under it, and no assignment or transfer by the owner relieves the owner of the obligations and liabilities until and unless the assignee or transferee files with the division the information described in divisions (A)(1), (2), (3), (4), (5), (10), (11), and (12) of section 1509.06 of the Revised Code; obtains liability insurance coverage required by section 1509.07 of the Revised Code, except when none is required by that section; and executes and files a surety bond, negotiable certificates of deposit or irrevocable letters of credit, or cash, as described in that section. Instead of a bond, but only upon acceptance by the chief of the division of mineral resources management, the assignee or transferee may file proof of financial responsibility, described in section 1509.07 of the Revised Code. Section 1509.071 of the Revised Code applies to the surety bond, cash, and negotiable certificates of deposit and irrevocable letters of credit described in this section. Unless the chief approves a modification, each assignee or transferee shall operate in accordance with the plans and information filed by the permit holder pursuant to section 1509.06 of the Revised Code.

(D) If a mortgaged property that is being foreclosed is subject to an oil or gas lease, pipeline agreement, or other instrument related to the production or sale of oil or natural gas and the lease, agreement, or other instrument was recorded subsequent to the mortgage, and if the lease, agreement, or other instrument is not in default, the oil or gas lease, pipeline agreement, or other instrument, as applicable, has priority over all other liens, claims, or encumbrances on the property so that the oil or gas lease, pipeline agreement, or other instrument is not terminated or extinguished upon the foreclosure sale of the

mortgaged property. If the owner of the mortgaged property was 2458  
entitled to oil and gas royalties before the foreclosure sale, the 2459  
oil or gas royalties shall be paid to the purchaser of the 2460  
foreclosed property. 2461

**Sec. 1509.34.** (A) If an owner fails to pay the fees imposed 2462  
by this chapter or the taxes levied on the severance of oil and 2463  
gas under section 5749.02 of the Revised Code, or if the chief of 2464  
the division of mineral resources management incurs costs under 2465  
division (E) of section 1509.071 of the Revised Code to correct 2466  
conditions associated with the owner's well that the chief 2467  
reasonably has determined are causing imminent health or safety 2468  
risks, the division of mineral resources management shall have a 2469  
priority lien against that owner's interest in the applicable well 2470  
in front of all other creditors for the amount of any such unpaid 2471  
fees and taxes and costs incurred. The chief shall file a 2472  
statement in the office of the county recorder of the county in 2473  
which the applicable well is located of the amount of the unpaid 2474  
fees and taxes and costs incurred as described in this division. 2475  
The statement shall constitute a lien on the owner's interest in 2476  
the well as of the date of the filing. The lien shall remain in 2477  
force so long as any portion of the lien remains unpaid or until 2478  
the chief issues a certificate of release of the lien. If the 2479  
chief issues a certificate of release of the lien, the chief shall 2480  
file the certificate of release in the office of the applicable 2481  
county recorder. 2482

(B) The chief promptly shall issue a certificate of release 2483  
of a lien under either of the following circumstances: 2484

(1) Upon the repayment in full of the amount of unpaid fees 2485  
imposed by this chapter or taxes levied on the severance of oil 2486  
and gas under section 5749.02 of the Revised Code or costs 2487  
incurred by the chief under division (E) of section 1509.071 of 2488

the Revised Code to correct conditions associated with the owner's 2489  
well that the chief reasonably has determined are causing imminent 2490  
health or safety risks; 2491

(2) Any other circumstance that the chief determines to be in 2492  
the best interests of the state. 2493

(C) The chief may modify the amount of a lien under this 2494  
section. If the chief modifies a lien, the chief shall file a 2495  
statement in the office of the county recorder of the applicable 2496  
county of the new amount of the lien. 2497

(D) An owner regarding which the division has recorded a lien 2498  
against the owner's interest in a well in accordance with this 2499  
section shall not transfer a well, lease, or mineral rights to 2500  
another owner or person until the chief issues a certificate of 2501  
release for each lien against the owner's interest in the well. 2502

(E) All money from the collection of liens under this section 2503  
shall be deposited in the state treasury to the credit of the oil 2504  
and gas well fund created in section 1509.02 of the Revised Code. 2505

**Sec. 1509.35.** (A) There is hereby created an oil and gas 2506  
commission consisting of five members appointed by the governor. 2507  
Terms of office shall be for five years, commencing on the 2508  
fifteenth day of October and ending on the fourteenth day of 2509  
October, except that the terms of the first five members of the 2510  
board shall be for one, two, three, four, and five years, 2511  
respectively, as designated by the governor at the time of the 2512  
appointment. Each member shall hold office from the date of 2513  
appointment until the end of the term for which the member was 2514  
appointed. Any member appointed to fill a vacancy occurring prior 2515  
to the expiration of the term for which the member's predecessor 2516  
was appointed shall hold office for the remainder of ~~such~~ that 2517  
term. Any member shall continue in office subsequent to the 2518  
expiration date of the member's term until a successor takes 2519

office, or until a period of sixty days has elapsed, whichever 2520  
occurs first. Each vacancy occurring on the commission shall be 2521  
filled by appointment within sixty days after the vacancy occurs. 2522  
One of the appointees to the commission shall be a person who, by 2523  
reason of the person's previous vocation, employment, or 2524  
affiliations, can be classed as a representative of a major 2525  
petroleum company. One of the appointees to the commission shall 2526  
be a person who, by reason of the person's previous vocation, 2527  
employment, or affiliations, can be classed as a representative of 2528  
the public. One of the appointees to the commission shall be a 2529  
person who, by reason of the person's previous training and 2530  
experience, can be classed as a representative of independent 2531  
petroleum operators. One of the appointees to the commission shall 2532  
be a person who, by reason of the person's previous training and 2533  
experience, can be classed as one learned and experienced in oil 2534  
and gas law. One of the appointees to the commission shall be a 2535  
person who, by reason of the person's previous training and 2536  
experience, can be classed as one learned and experienced in 2537  
geology or petroleum engineering. Not more than three members 2538  
shall be members of the same political party. This division does 2539  
not apply to temporary members appointed under division (C) of 2540  
this section. 2541

(B) Three members constitute a quorum and no action of the 2542  
commission is valid unless it has the concurrence of at least a 2543  
majority of the members voting on that action. The commission 2544  
shall keep a record of its proceedings. 2545

(C) If the chairperson of the commission determines that a 2546  
quorum cannot be obtained for the purpose of considering a matter 2547  
that will be before the commission because of vacancies or recusal 2548  
of its members, the chairperson may contact the technical advisory 2549  
council on oil and gas created in section 1509.38 of the Revised 2550  
Code and request a list of members of the council who may serve as 2551

temporary members of the commission. Using the list provided by 2552  
the council, the chairperson may appoint temporary members to the 2553  
commission. The appointment of temporary members shall be for only 2554  
the matter for which a quorum cannot be obtained. The number of 2555  
temporary members appointed by the chairperson shall not exceed 2556  
the number that is necessary to obtain a quorum for the matter. A 2557  
temporary member of the commission has the same authority, rights, 2558  
and obligations as a member of the commission, including the right 2559  
to compensation and other expenses as provided in this section. 2560  
The authority, rights, and obligations of a temporary member cease 2561  
when the temporary member's service on the commission ends. 2562

(D) Each member shall be paid an amount fixed pursuant to 2563  
division (J) of section 124.15 of the Revised Code per diem when 2564  
actually engaged in the performance of work as a member and when 2565  
engaged in travel necessary in connection with ~~such~~ that work. In 2566  
addition to such compensation each member shall be reimbursed for 2567  
all traveling, hotel, and other expenses necessarily incurred in 2568  
the performance of work as a member. 2569

(E) The commission shall select from among its members a 2570  
chairperson, a vice-chairperson, and a secretary. These officers 2571  
shall serve for terms of one year. 2572

(F) The governor may remove any member of the commission from 2573  
office for inefficiency, neglect of duty, malfeasance, 2574  
misfeasance, or nonfeasance. 2575

(G) The commission, in accordance with Chapter 119. of the 2576  
Revised Code, shall adopt rules to govern its procedure. 2577

**Sec. 1509.36.** Any person claiming to be ~~aggrieved or~~ 2578  
~~adversely~~ directly affected by an order by the chief of the 2579  
division of mineral resources management may appeal to the oil and 2580  
gas commission for an order vacating or modifying ~~such~~ the order. 2581

The person so appealing to the commission shall be known as 2582  
appellant and the chief shall be known as appellee. Appellant and 2583  
appellee shall be deemed to be parties to the appeal. 2584

The appeal shall be in writing and shall set forth the order 2585  
complained of and the grounds upon which the appeal is based. The 2586  
appeal shall be filed with the commission within thirty days after 2587  
the date upon which the appellant received notice by ~~registered~~ 2588  
certified mail of the making and, for all other persons claiming 2589  
to be directly affected by the order, within thirty days after the 2590  
date of the order complained of. Notice of the filing of the 2591  
appeal shall be filed with the chief within three days after the 2592  
appeal is filed with the commission. 2593

Upon the filing of the appeal the commission promptly shall 2594  
fix the time and place at which the hearing on the appeal will be 2595  
held, and shall give the appellant and the chief at least ten 2596  
days' written notice thereof by mail. The commission may postpone 2597  
or continue any hearing upon its own motion or upon application of 2598  
the appellant or of the chief. 2599

The filing of an appeal provided for in this section does not 2600  
automatically suspend or stay execution of the order appealed 2601  
from, but upon application by the appellant the commission may 2602  
suspend or stay ~~such~~ the execution pending determination of the 2603  
appeal upon such terms as the commission considers proper. 2604

Either party to the appeal or any interested person who, 2605  
pursuant to commission rules has been granted permission to 2606  
appear, may submit such evidence as the commission considers 2607  
admissible. 2608

For the purpose of conducting a hearing on an appeal, the 2609  
commission may require the attendance of witnesses and the 2610  
production of books, records, and papers, and it may, and at the 2611  
request of any party it shall, issue subpoenas for witnesses or 2612

subpoenas duces tecum to compel the production of any books, 2613  
records, or papers, directed to the sheriffs of the counties where 2614  
~~such~~ the witnesses are found. The subpoenas shall be served and 2615  
returned in the same manner as subpoenas in criminal cases are 2616  
served and returned. The fees of sheriffs shall be the same as 2617  
those allowed by the court of common pleas in criminal cases. 2618  
Witnesses shall be paid the fees and mileage provided for under 2619  
section 119.094 of the Revised Code. Such fees and mileage 2620  
expenses incurred at the request of appellant shall be paid in 2621  
advance by the appellant, and the remainder of ~~such~~ those expenses 2622  
shall be paid out of funds appropriated for the expenses of the 2623  
division of mineral resources management. 2624

In case of disobedience or neglect of any subpoena served on 2625  
any person, or the refusal of any witness to testify to any matter 2626  
regarding which the witness may be lawfully interrogated, the 2627  
court of common pleas of the county in which ~~such~~ the 2628  
disobedience, neglect, or refusal occurs, or any judge thereof, on 2629  
application of the commission or any member thereof, shall compel 2630  
obedience by attachment proceedings for contempt as in the case of 2631  
disobedience of the requirements of a subpoena issued from ~~such~~ 2632  
that court or a refusal to testify therein. Witnesses at such 2633  
hearings shall testify under oath, and any member of the 2634  
commission may administer oaths or affirmations to persons who so 2635  
testify. 2636

At the request of any party to the appeal, a stenographic 2637  
record of the testimony and other evidence submitted shall be 2638  
taken by an official court shorthand reporter at the expense of 2639  
the party making the request therefor. ~~Such~~ The record shall 2640  
include all of the testimony and other evidence and the rulings on 2641  
the admissibility thereof presented at the hearing. The commission 2642  
shall pass upon the admissibility of evidence, but any party may 2643  
at the time object to the admission of any evidence and except to 2644

the rulings of the commission thereon, and if the commission 2645  
refuses to admit evidence the party offering same may make a 2646  
proffer thereof, and such proffer shall be made a part of the 2647  
record of ~~such~~ the hearing. 2648

If upon completion of the hearing the commission finds that 2649  
the order appealed from was lawful and reasonable, it shall make a 2650  
written order affirming the order appealed from; if the commission 2651  
finds that the order was unreasonable or unlawful, it shall make a 2652  
written order vacating the order appealed from and making the 2653  
order that it finds the chief should have made. Every order made 2654  
by the commission shall contain a written finding by the 2655  
commission of the facts upon which the order is based. 2656

Notice of the making of the order shall be given forthwith to 2657  
each party to the appeal by mailing a certified copy thereof to 2658  
each such party by certified mail. 2659

The order of the commission is final unless vacated by the 2660  
court of common pleas of Franklin county in an appeal as provided 2661  
for in section 1509.37 of the Revised Code. Sections 1509.01 to 2662  
1509.37 of the Revised Code, providing for appeals relating to 2663  
orders by the chief or by the commission, or relating to rules 2664  
adopted by the chief, do not constitute the exclusive procedure 2665  
that any person who believes the person's rights to be unlawfully 2666  
affected by those sections or any official action taken thereunder 2667  
must pursue in order to protect and preserve those rights, nor do 2668  
those sections constitute a procedure that that person must pursue 2669  
before that person may lawfully appeal to the courts to protect 2670  
and preserve those rights. 2671

Sec. 1509.50. In addition to paying the applicable taxes 2672  
levied on the severance of oil and gas under section 5749.02 of 2673  
the Revised Code, an owner shall pay an oil and gas regulatory 2674  
cost recovery assessment of ten cents per barrel of oil or 2675

one-half cent per one thousand cubic feet of natural gas, as 2676  
applicable, that is sold from all of the owner's wells located in 2677  
this state. The owner shall collect from each person who has a 2678  
revenue interest in a well of the owner that person's pro rata 2679  
share of the assessment. 2680

The minimum amount of the assessment for every quarterly 2681  
period, which periods are specified in section 5749.06 of the 2682  
Revised Code, shall be either the amount of fifteen dollars 2683  
multiplied by the total number of the owner's wells or the amount 2684  
of the owner's severance taxes levied under section 5749.02 of the 2685  
Revised Code plus the oil and gas regulatory cost recovery 2686  
assessment imposed by this section, whichever is greater. An owner 2687  
shall pay the assessment at the time and using the procedures that 2688  
are established in section 5749.06 of the Revised Code for the 2689  
collection of the taxes levied on the severance of oil and gas 2690  
under section 5749.02 of the Revised Code. All money collected 2691  
pursuant to this section shall be deposited in the state treasury 2692  
to the credit of the oil and gas well fund created in section 2693  
1509.02 of the Revised Code. 2694

The oil and gas regulatory cost recovery assessment imposed 2695  
by this section shall be treated the same and equivalent for all 2696  
purposes as the taxes levied on the severance of oil and gas under 2697  
section 5749.02 of the Revised Code. However, the assessment 2698  
imposed by this section is not a tax under Chapter 5749. of the 2699  
Revised Code. 2700

**Sec. 1509.60.** If the owner of a parcel of real property 2701  
receives a notice concerning the filing of an application for a 2702  
permit to drill a new well within an urbanized area as required by 2703  
division (A)(9) of section 1509.06 of the Revised Code, the owner 2704  
shall provide to each residence in an occupied dwelling that is 2705  
located on the owner's parcel of real property, if any, a copy of 2706

that notice within five days of receipt of the notice. 2707

Sec. 1509.61. (A) The legislative authority of a political 2708  
subdivision shall conduct a public meeting concerning a proposed 2709  
lease agreement for the development of oil and gas resources on 2710  
land that is located in an urbanized area and that is owned by the 2711  
political subdivision prior to entering into the lease agreement. 2712  
The public meeting shall be conducted in a public venue in the 2713  
municipal corporation or township in which the proposed well is to 2714  
be located. The public meeting shall not occur at the same meeting 2715  
at which the legislative authority of the political subdivision 2716  
votes to enter into a proposed lease, if applicable. 2717

The legislative authority of the political subdivision shall 2718  
send notice not later than ten days prior to the date of the 2719  
public meeting to the owner of each parcel of real property that 2720  
is located within five hundred feet of the surface location of the 2721  
property that is the subject of the proposed lease agreement. The 2722  
notice shall contain a statement that the legislative authority of 2723  
the political subdivision is considering entering into an oil or 2724  
gas lease agreement, and provide the location, date, and time of 2725  
the public meeting. In addition, the statement shall contain a 2726  
statement that informs an owner of real property who is required 2727  
to receive notice of the public meeting under this division that, 2728  
within five days of receipt of the notice, the owner is required 2729  
to provide notice under division (C) of this section to each 2730  
residence in an occupied dwelling that is located on the owner's 2731  
parcel of real property. 2732

(B) The legislative authority of a political subdivision that 2733  
is required to provide notice under division (A) of this section 2734  
shall provide the notice in accordance with requirements 2735  
established by the legislative authority governing public meetings 2736  
that are held by the legislative authority. 2737

(C) If the owner of a parcel of real property receives a 2738  
notice under division (A) of this section, the owner shall provide 2739  
to each residence in an occupied dwelling that is located on the 2740  
owner's parcel of real property, if any, a copy of that notice 2741  
within five days of receipt of the notice. 2742

**Sec. 1565.07.** The superintendent in charge of a mine shall 2743  
direct the mine foreperson in such manner as is necessary to 2744  
secure compliance with this chapter and Chapters 1561., 1563., and 2745  
1567. and ~~sections~~ section 1509.18 ~~and 1509.19~~ of the Revised 2746  
Code. The superintendent may act as mine foreperson, but if the 2747  
superintendent does so act regularly, the superintendent shall 2748  
obtain a certificate from the chief of the division of mineral 2749  
resources management in the same manner as the certification of 2750  
mine foreperson is obtained. 2751

A person designated as a superintendent of an underground 2752  
coal mine after January 1, 1977, shall, within six months after 2753  
being so designated, demonstrate to the chief that the person has 2754  
knowledge of the mining laws of this state governing the operation 2755  
of underground coal mines either by presenting evidence that the 2756  
person has passed a mine foreperson examination given by the chief 2757  
or an examination given by the chief concerning the laws of this 2758  
state governing the operation of underground coal mines. 2759

No person shall refuse or neglect to comply with this 2760  
section. 2761

**Sec. 1565.13.** In case of an injury to person or property, 2762  
occasioned by a violation of this chapter and Chapters 1561., 2763  
1563., and 1567., and ~~sections~~ section 1509.18 ~~and 1509.19~~ of the 2764  
Revised Code, or any failure to comply with ~~such~~ those chapters or 2765  
~~sections~~ that section, by any operator of a mine, a right of 2766  
action shall accrue to the person injured, for any direct damage 2767

he the person injured has sustained thereby. In case of loss of 2768  
life by reason of such failure or neglect, a right of action shall 2769  
accrue to the widow, and children, or if there are none, then to 2770  
the parents and next of kin, of the person whose death was so 2771  
caused, for like recovery of damages for the injury they have 2772  
sustained. Any operator of a mine who has complied with Chapter 2773  
4123. of the Revised Code, is exempt as provided in section 2774  
4123.74 of the Revised Code, and not liable for damages at common 2775  
law or by statute for injury or death of any employee. 2776

**Sec. 1571.05.** (A) Whenever any part of a gas storage 2777  
reservoir or any part of its protective area underlies any part of 2778  
a coal mine, or is, or within nine months is expected or intended 2779  
to be, within two thousand linear feet of the boundary of a coal 2780  
mine that is operating in a coal seam any part of which extends 2781  
over any part of the storage reservoir or its protective area, the 2782  
operator of ~~such~~ the reservoir, if the reservoir operator or some 2783  
other reservoir operator has not theretofore done so, shall: 2784

(1) Use every known method that is reasonable under the 2785  
circumstance for discovering and locating all wells drilled within 2786  
the area of ~~such~~ the reservoir or its protective area that 2787  
underlie any part of ~~such~~ the coal mine or its protective area; 2788

(2) Plug or recondition all known wells drilled within the 2789  
area of ~~such~~ the reservoir or its protective area that underlie 2790  
any part of ~~such~~ the coal mine. 2791

(B) Whenever an operator of a gas storage reservoir is 2792  
notified by the operator of a coal mine, as provided in division 2793  
(B) of section 1571.03 of the Revised Code, that ~~such~~ the coal 2794  
mine operator believes that part of the boundary of ~~such~~ the mine 2795  
is within two thousand linear feet of a well that is drilled 2796  
through the horizon of ~~such~~ the coal mine and into or through the 2797  
storage stratum or strata of ~~such~~ the reservoir within the 2798

boundary of ~~such~~ the reservoir or within its protective area, ~~such~~ 2799  
~~the~~ reservoir operator shall plug or recondition ~~such~~ the well as 2800  
in this section prescribed, unless it is agreed in a conference or 2801  
is ordered by the chief of the division of mineral resources 2802  
management after a hearing, as provided in section 1571.10 of the 2803  
Revised Code, that the well referred to in the notice is not such 2804  
a well as is described in division (B) of section 1571.03 of the 2805  
Revised Code. 2806

Whenever an operator of a gas storage reservoir is notified 2807  
by the operator of a coal mine as provided in division (C) or (D) 2808  
of section 1571.03 of the Revised Code, that part of the boundary 2809  
of ~~such~~ the mine is, or within nine months is intended or expected 2810  
to be, within two thousand linear feet of a well that is drilled 2811  
through the horizon of ~~such~~ the mine and into or through the 2812  
storage stratum or strata of ~~such~~ the reservoir within the 2813  
boundary of ~~such~~ the reservoir or within its protective area, ~~such~~ 2814  
~~the~~ reservoir operator shall plug or recondition ~~such~~ the well as 2815  
in this section prescribed. 2816

Whenever the operator of a coal mine considers that the use 2817  
of a well such as in this section described, if used for injecting 2818  
gas into, or storing gas in, or removing gas from, a gas storage 2819  
reservoir, would be hazardous to the safety of persons or property 2820  
on or in the vicinity of the premises of ~~such~~ the coal mine or 2821  
~~such~~ the reservoir or well, the coal mine operator may file with 2822  
the division objections to the use of ~~such~~ the well for such 2823  
purposes, and a request that a conference be held as provided in 2824  
section 1571.10 of the Revised Code, to discuss and endeavor to 2825  
resolve by mutual agreement whether or not ~~such~~ the well shall or 2826  
shall not be used for such purposes, and whether or not ~~such~~ the 2827  
well shall be reconditioned, inactivated, or plugged. ~~Such~~ The 2828  
request shall set forth the mine operator's reasons for such 2829  
objections. If no approved agreement is reached in ~~such~~ the 2830

conference, the gas storage well inspector shall within ten days 2831  
after the termination of ~~such~~ the conference, file with the chief 2832  
a request that the chief hear and determine the matters considered 2833  
at the conference as provided in section 1571.10 of the Revised 2834  
Code. Upon conclusion of the hearing, the chief shall find and 2835  
determine whether or not the safety of persons or of the property 2836  
on or in the vicinity of the premises of ~~such~~ the coal mine, or 2837  
~~such~~ the reservoir, or ~~such~~ the well requires that ~~such~~ the well 2838  
be reconditioned, inactivated, or plugged, and shall make an order 2839  
consistent with ~~such~~ that determination, provided that the chief 2840  
shall not order a well plugged unless the chief first finds that 2841  
there is underground leakage of gas therefrom. 2842

The plugging or reconditioning of each well described in a 2843  
notice from a coal mine operator to a reservoir operator as 2844  
provided in division (B) of section 1571.03 of the Revised Code, 2845  
which must be plugged or reconditioned, shall be completed within 2846  
such time as the gas storage well inspector may fix in the case of 2847  
each such well. The plugging or reconditioning of each well 2848  
described in a notice from a coal mine operator to a reservoir 2849  
operator as provided in division (C) of section 1571.03 of the 2850  
Revised Code, which must be plugged or reconditioned, shall be 2851  
completed by the time ~~such~~ the well, by reason of the extension of 2852  
the boundary of ~~such~~ the coal mine, is within two thousand linear 2853  
feet of any part of the boundary of ~~such~~ the mine. The plugging or 2854  
reconditioning of each well described in a notice from a coal mine 2855  
operator to a reservoir operator, as provided in division (D) of 2856  
section 1571.03 of the Revised Code, which must be plugged or 2857  
reconditioned, shall be completed by the time ~~such~~ the well, by 2858  
reason of the opening of ~~such~~ the new mine, is within two thousand 2859  
linear feet of any part of the boundary of ~~such~~ the new mine. A 2860  
reservoir operator who is required to complete the plugging or 2861  
reconditioning of a well within a period of time fixed as in this 2862  
division prescribed, may prior to the end of ~~such~~ that period of 2863

time, notify the division and the mine operator from whom the 2864  
reservoir operator received a notice as provided in division (B), 2865  
(C), or (D) of section 1571.03 of the Revised Code, in writing by 2866  
registered mail, that the completion of the plugging or 2867  
reconditioning of the well referred to in ~~such~~ the notice will be 2868  
delayed beyond the end of the period of time fixed therefor as in 2869  
this section provided, and that the reservoir operator requests 2870  
that a conference be held for the purpose of endeavoring to reach 2871  
an agreement establishing a date subsequent to the end of ~~such~~ 2872  
that period of time, on or before which ~~such~~ the reservoir 2873  
operator may complete ~~such~~ the plugging or reconditioning without 2874  
incurring any penalties for failure to do so as provided in this 2875  
chapter. If such a reservoir operator sends to such a mine 2876  
operator and to the division a notice and request for a conference 2877  
as in this division provided, ~~such~~ the reservoir operator shall 2878  
not incur any penalties for failure to complete the plugging or 2879  
reconditioning of ~~such~~ the well within the period of time fixed as 2880  
in this division prescribed, unless ~~such~~ the reservoir operator 2881  
fails to complete the plugging or reconditioning of ~~such~~ the well 2882  
within the period of time fixed by an approved agreement reached 2883  
in ~~such~~ the conference, or fixed by an order by the chief upon a 2884  
hearing held in the matter in the event of failure to reach an 2885  
approved agreement in the conference. 2886

Whenever, in compliance with this division, a well is to be 2887  
plugged by a reservoir operator, ~~such~~ the operator shall give to 2888  
the division notice thereof, as many days in advance as will be 2889  
necessary for the gas storage well inspector or a deputy mine 2890  
inspector to be present at ~~such~~ the plugging. ~~Such~~ The 2891  
notification shall be made on blanks furnished by the division and 2892  
shall show the following information: 2893

- (1) Name and address of the applicant; 2894
- (2) The location of the well identified by section or lot 2895

number, city or village, and township and county;	2896
(3) The well name and number of each well to be plugged.	2897
(C) The operator shall give written notice at the same time	2898
to the owner of the land upon which the well is located, the	2899
owners or agents of the adjoining land, and adjoining well owners	2900
or agents of the operator's intention to abandon the well, and of	2901
the time when the operator will be prepared to commence plugging	2902
and filling the same. In addition to giving such notices, <del>such</del> <u>the</u>	2903
reservoir operator shall also at the same time send a copy of <del>such</del>	2904
<u>the</u> notice by registered mail to the coal mine operator, if any,	2905
who sent to the reservoir operator the notice as provided in	2906
division (B), (C), or (D) of section 1571.03 of the Revised Code,	2907
in order that <del>such</del> <u>the</u> coal mine operator or the coal mine	2908
operator's designated representative, may attend and observe the	2909
manner in which <del>such</del> <u>the</u> plugging of <del>such</del> <u>the</u> well is done.	2910
If the reservoir operator plugs <del>such</del> <u>the</u> well without an	2911
inspector from the division being present to supervise the	2912
plugging, the reservoir operator shall send to the division and to	2913
the coal mine operator a copy of the report of the plugging of	2914
<del>such</del> <u>the</u> well, including in <del>such</del> <u>the</u> report:	2915
(1) The date of abandonment;	2916
(2) The name of the owner or operator of <del>such</del> <u>the</u> well at the	2917
time of abandonment and the well owner's or operator's post office	2918
address;	2919
(3) The location of <del>such</del> <u>the</u> well as to township and county	2920
and the name of the owner of the surface upon which <del>such</del> <u>the</u> well	2921
is drilled, with the address thereof;	2922
(4) The date of the permit to drill;	2923
(5) The date when drilled;	2924
(6) Whether <del>such</del> <u>the</u> well has been mapped;	2925

(7) The depth of the well;	2926
(8) The depth of the top of the sand to which the well was drilled;	2927 2928
(9) The depth of each seam of coal drilled through;	2929
(10) A detailed report as to how <del>such</del> <u>the</u> well was plugged, giving in particular the manner in which the coal and various sands were plugged, and the date of the plugging of <del>such</del> <u>the</u> well, including therein the names of those who witnessed the plugging of the well.	2930 2931 2932 2933 2934
<del>Such</del> <u>The</u> report shall be signed by the operator or the operator's agent who plugged <del>such</del> <u>the</u> well and verified by the oath of the party so signing. For the purposes of this section, a deputy mine inspector may take acknowledgements and administer oaths to the parties signing <del>such</del> <u>the</u> report.	2935 2936 2937 2938 2939
Whenever, in compliance with this division, a well is to be reconditioned by a reservoir operator, <del>such</del> <u>the</u> operator shall give to the division notice thereof as many days before <del>such</del> <u>the</u> reconditioning is begun as will be necessary for the gas storage well inspector, or a deputy mine inspector, to be present at <del>such</del> <u>the</u> reconditioning. No well shall be reconditioned if an inspector of the division is not present unless permission to do so has been granted by the chief. The reservoir operator, at the time of giving notice to the division as in this section required, also shall send a copy of <del>such</del> <u>the</u> notice by registered mail to the coal mine operator, if any, who sent to the reservoir operator the notice as provided in division (B), (C), or (D) of section 1571.03 of the Revised Code, in order that <del>such</del> <u>the</u> coal mine operator or the coal mine operator's designated representative, may attend and observe the manner in which <del>such</del> <u>the</u> reconditioning of <del>such</del> <u>the</u> well is done.	2940 2941 2942 2943 2944 2945 2946 2947 2948 2949 2950 2951 2952 2953 2954 2955
If the reservoir operator reconditions <del>such</del> <u>the</u> well when no	2956

inspector of the division is present to supervise the 2957  
reconditioning, the reservoir operator shall make written report 2958  
to the division describing the manner in which ~~such~~ the 2959  
reconditioning was done, and shall send to the coal mine operator 2960  
a copy of ~~such~~ the report by registered mail. 2961

(D) Wells that are required by this section to be plugged 2962  
shall be plugged in the manner specified in sections 1509.13 to 2963  
~~1509.19~~ 1509.17 of the Revised Code, and the operator shall give 2964  
the notifications and reports required by divisions (B) and (C) of 2965  
this section. No such well shall be plugged or abandoned without 2966  
the written approval of the division, and no such well shall be 2967  
mudded, plugged, or abandoned without the gas storage well 2968  
inspector or a deputy mine inspector present unless written 2969  
permission has been granted by the chief or the gas storage well 2970  
inspector. If such a well has been plugged prior to the time 2971  
plugging thereof is required by this section, and, on the basis of 2972  
the data, information, and other evidence available it is 2973  
determined that ~~such~~ the plugging was done in the manner required 2974  
by this section, or was done in accordance with statutes 2975  
prescribing the manner of plugging wells in effect at the time 2976  
~~such~~ the plugging was done, and that there is no evidence of 2977  
leakage of gas from ~~such~~ the well either at or below the surface, 2978  
and that ~~such~~ the plugging is sufficiently effective to prevent 2979  
the leakage of gas from ~~such~~ the well, the obligations imposed 2980  
upon ~~such~~ the reservoir operator by this section as to plugging 2981  
the well, shall be considered fully satisfied. The operator of a 2982  
coal mine any part of the boundary of which is, or within nine 2983  
months is expected or intended to be, within two thousand linear 2984  
feet of ~~such~~ the well, may at any time raise a question as to 2985  
whether the plugging of ~~such~~ the well is sufficiently effective to 2986  
prevent the leakage of gas therefrom, and the issue so made shall 2987  
be determined by a conference or hearing as provided in section 2988  
1571.10 of the Revised Code. 2989

(E) Wells that are to be reconditioned as required by this section shall be, or shall be made to be:

(1) Cased in accordance with the statutes of this state in effect at the time ~~such~~ the wells were drilled, with ~~such~~ the casing being, or made to be, sufficiently effective in that there is no evidence of any leakage of gas therefrom;

(2) Equipped with a producing string and well head composed of new pipe, or pipe as good as new, and fittings designed to operate with safety and to contain the stored gas at maximum pressures contemplated.

When a well that is to be reconditioned as required by this section, ~~has~~ been reconditioned for use in the operation of ~~such~~ the reservoir prior to the time prescribed in this section, and on the basis of the data, information, and other evidence available it is determined that at the time ~~such~~ the well was so reconditioned the requirements prescribed in this division were met, and that there is no evidence of underground leakage of gas from ~~such~~ the well, and that ~~such~~ the reconditioning is sufficiently effective to prevent underground leakage from the well, the obligations imposed upon ~~such~~ the reservoir operator by this section as to reconditioning ~~such~~ the well shall be considered fully satisfied. Any operator of a coal mine any part of the boundary of which is, or within nine months is expected or intended to be, within two thousand linear feet of ~~such~~ the well, may at any time raise a question as to whether the reconditioning of ~~such~~ the well is sufficiently effective to prevent underground leakage of gas therefrom, and the issue so made shall be determined by a conference or hearing as provided in section 1571.10 of the Revised Code.

If the gas storage well inspector at any time finds that a well that is drilled through the horizon of a coal mine and into or through the storage stratum or strata of a reservoir within the

boundary of ~~such~~ the reservoir or within its protective area, is 3022  
located within the boundary of ~~such~~ the coal mine or within two 3023  
thousand linear feet of ~~such~~ the mine boundary, and was drilled 3024  
prior to the time the statutes of this state required that wells 3025  
be cased, and that ~~such~~ the well fails to meet the casing and 3026  
equipping requirements prescribed in this division, the gas 3027  
storage well inspector shall promptly notify the operator of ~~such~~ 3028  
the reservoir thereof in writing, and ~~such~~ the reservoir operator 3029  
upon receipt of ~~such~~ the notice, shall promptly recondition ~~such~~ 3030  
the well in the manner prescribed in this division for 3031  
reconditioning wells, unless, in a conference or hearing as 3032  
provided in section 1571.10 of the Revised Code, a different 3033  
course of action is agreed upon or ordered. 3034

(F)(1) When a well within the boundary of a gas storage 3035  
reservoir or within ~~such~~ the reservoir's protective area 3036  
penetrates the storage stratum or strata of ~~such~~ the reservoir, 3037  
but does not penetrate the coal seam within the boundary of a coal 3038  
mine, the gas storage well inspector may, upon application of the 3039  
operator of ~~such~~ the storage reservoir, exempt ~~such~~ the well from 3040  
the requirements of this section. Either party affected by ~~such~~ 3041  
the action of the gas storage well inspector may request a 3042  
conference and hearing with respect to ~~such~~ the exemption. 3043

(2) When a well located within the boundary of a storage 3044  
reservoir or a reservoir's protective area is a producing well in 3045  
a stratum above or below the storage stratum, the obligations 3046  
imposed by this section shall not begin until ~~such~~ the well ceases 3047  
to be a producing well. 3048

(G) When retreat mining reaches a point in a coal mine when 3049  
the operator of ~~such~~ the mine expects that within ninety days 3050  
retreat work will be at the location of a pillar surrounding an 3051  
active storage reservoir well, the operator of ~~such~~ the mine shall 3052  
promptly send by registered mail notice to that effect to the 3053

operator of ~~such~~ the reservoir. Thereupon the operators may by 3054  
agreement determine whether it is necessary or advisable to 3055  
temporarily inactivate the well. If inactivated, the well shall 3056  
not be reactivated until a reasonable period of time has elapsed, 3057  
such period of time to be determined by agreement by the 3058  
operators. In the event that the parties cannot agree upon either 3059  
of the foregoing matters, ~~such~~ the question shall be submitted to 3060  
the gas storage well inspector for a conference in accordance with 3061  
section 1571.10 of the Revised Code. 3062

(H)(1) The provisions of this section that require the 3063  
plugging or reconditioning of wells shall not apply to such wells 3064  
as are used to inject gas into, store gas in, or remove gas from, 3065  
a gas storage reservoir when the sole purpose of ~~such~~ the 3066  
injection, storage, or removal, is testing. The operator of a gas 3067  
storage reservoir who injects gas into, stores gas in, or removes 3068  
gas from, a reservoir for the sole purpose of testing, shall be 3069  
subject to all other provisions of this chapter that are 3070  
applicable to operators of reservoirs. 3071

(2) If the injection of gas into, or storage of gas in, a gas 3072  
storage reservoir any part of which, or of the protective area of 3073  
which, is within the boundary of a coal mine, is begun after 3074  
September 9, 1957, and if ~~such~~ the injection or storage of gas is 3075  
for the sole purpose of testing, the operator of ~~such~~ the 3076  
reservoir shall send by registered mail to the operator of ~~such~~ 3077  
the coal mine and to the division at least sixty days' notice of 3078  
the date upon which ~~such~~ the testing will be begun. 3079

If at any time within the period of time during which testing 3080  
of a reservoir is in progress, any part of ~~such~~ the reservoir or 3081  
of its protective area comes within any part of the boundary of a 3082  
coal mine, the operator of ~~such~~ the reservoir shall promptly send 3083  
notice to that effect by registered mail to the operator of ~~such~~ 3084  
the mine and to the division. 3085

(3) Any coal mine operator who receives a notice as provided 3086  
for in division (H)(2) of this section, may within thirty days of 3087  
the receipt thereof, file with the division objections to ~~such~~ the 3088  
testing. The gas storage well inspector also may, within the time 3089  
within which a coal mine operator may file ~~such~~ an objection, 3090  
place in the files of the division objections to ~~such~~ the testing. 3091  
The reservoir operator shall comply throughout the period of the 3092  
testing operations with all conditions and requirements agreed 3093  
upon and approved in the conference on such objections conducted 3094  
as provided in section 1571.10 of the Revised Code, or in an order 3095  
made by the chief following a hearing in the matter as provided in 3096  
section 1571.10 of the Revised Code. If in complying with ~~such~~ the 3097  
agreement or order either the reservoir operator or the coal mine 3098  
operator encounters or discovers conditions that were not known to 3099  
exist at the time of ~~such~~ the conference or hearing and that 3100  
materially affect ~~such~~ the agreement or order, or the ability of 3101  
the reservoir operator to comply therewith, either operator may 3102  
apply for a rehearing or modification of the order. 3103

(I) In addition to complying with all other provisions of 3104  
this chapter and any lawful orders issued thereunder, the operator 3105  
of each gas storage reservoir shall keep all wells drilled into or 3106  
through the storage stratum or strata within the boundary of the 3107  
operator's reservoir or within the reservoir's protective area in 3108  
such condition, and operate the same in such manner, as to prevent 3109  
the escape of gas therefrom into any coal mine, and shall operate 3110  
and maintain ~~such~~ the storage reservoir and its facilities in such 3111  
manner and at such pressures as will prevent gas from escaping 3112  
from ~~such~~ the reservoir or its facilities into any coal mine. 3113

**Sec. 5749.06.** Each severer liable for the tax imposed by 3114  
section 5749.02 of the Revised Code shall make and file returns 3115  
with the tax commissioner in the prescribed form and as of the 3116  
prescribed times, computing and reflecting therein the tax as 3117

required by this chapter and the oil and gas regulatory cost 3118  
recovery assessment imposed by section 1509.50 of the Revised 3119  
Code. 3120

The returns shall be filed for every quarterly period, which 3121  
periods shall end on the thirty-first of March, the thirtieth day 3122  
of June, the thirtieth day of September, and the thirty-first day 3123  
of December of each year, as required by this section, unless a 3124  
different return period is prescribed for a taxpayer by the tax 3125  
commissioner. 3126

A separate return shall be filed for each calendar quarterly 3127  
period, or other period, or any part thereof, during which the 3128  
severer holds a license as provided by section 5749.04 of the 3129  
Revised Code, or is required to hold ~~such~~ the license, and ~~such~~ 3130  
the return shall be filed within forty-five days after the last 3131  
day of each such calendar month, or other period, or any part 3132  
thereof, for which ~~such~~ the return is required and shall include 3133  
remittance payable to the treasurer of state of the amount of tax 3134  
due. All such returns shall contain such information as the 3135  
commissioner may require to fairly administer the tax. 3136

All returns shall be signed by the severer, shall contain the 3137  
full and complete information requested, and shall be made under 3138  
penalty of perjury. 3139

If the commissioner believes that quarterly payments of tax 3140  
would result in a delay ~~which~~ that might jeopardize the collection 3141  
of such tax payments, the commissioner may order that such 3142  
payments be made weekly, or more frequently if necessary, such 3143  
payments to be made not later than seven days following the close 3144  
of the period for which the jeopardy payment is required. Such an 3145  
order shall be delivered to the taxpayer personally or by 3146  
certified mail and shall remain in effect until the commissioner 3147  
notifies the taxpayer to the contrary. 3148

Upon good cause the commissioner may extend the period for 3149  
filing any notice or return required to be filed under this 3150  
section, and may remit all or a part of penalties that may become 3151  
due under this chapter. 3152

Any tax not paid by the day the tax is due shall bear 3153  
interest computed at the rate per annum prescribed by section 3154  
5703.47 of the Revised Code on that amount of tax due from the day 3155  
that ~~such~~ the amount was originally required to be paid to the day 3156  
of actual payment or to the day an assessment was issued under 3157  
section 5749.07 or 5749.10 of the Revised Code, whichever occurs 3158  
first. 3159

The severer shall make all payments payable to the treasurer 3160  
of state. ~~All~~ Except for the amounts received from the oil and gas 3161  
regulatory cost recovery assessment imposed by section 1509.50 of 3162  
the Revised Code, all amounts that the tax commissioner receives 3163  
under this section shall be deemed to be revenue from taxes 3164  
imposed under this chapter. The tax commissioner shall immediately 3165  
forward to the treasurer of state all amounts received under this 3166  
section. 3167

**Section 2.** That existing sections 1509.01, 1509.02, 1509.03, 3168  
1509.04, 1509.05, 1509.06, 1509.07, 1509.071, 1509.072, 1509.10, 3169  
1509.11, 1509.12, 1509.13, 1509.14, 1509.17, 1509.18, 1509.20, 3170  
1509.21, 1509.22, 1509.221, 1509.222, 1509.225, 1509.226, 1509.23, 3171  
1509.24, 1509.27, 1509.31, 1509.35, 1509.36, 1565.07, 1565.13, 3172  
1571.05, and 5749.06 of the Revised Code are hereby repealed. 3173

**Section 3.** It is the intent of the General Assembly that the 3174  
gas storage well program that is administered by the Division of 3175  
Mineral Resources Management in the Department of Natural 3176  
Resources and that includes regulatory oversight of gas storage 3177  
wells and related facilities and site inspections of gas storage 3178

wells and related facilities will be funded by reasonable fees	3179
assessed on owners of gas storage wells.	3180