

As Introduced

**129th General Assembly
Regular Session
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S. B. No. 212

Senator Skindell

Cosponsors: Senators Grendell, Tavares, Brown

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A B I L L

To amend section 1509.74 and to enact sections 1
1509.031, 1509.191, 1509.192, 1509.227, and 2
6111.70 of the Revised Code to establish 3
requirements governing well stimulation, brine 4
disposal, and water that is used in the drilling 5
and operation of oil and gas wells on state land, 6
including a requirement that oil and gas 7
permittees pay a five per cent overriding royalty 8
for each well that is stimulated. 9

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

Section 1. That section 1509.74 be amended and sections 10
1509.031, 1509.191, 1509.192, 1509.227, and 6111.70 of the Revised 11
Code be enacted to read as follows: 12

Sec. 1509.031. The director of environmental protection or 13
the director's designee and the health commissioner of the health 14
district in which a well is located or the commissioner's designee 15
may enter at any time on lands, public or private, to sample and 16
analyze fluids used to stimulate a well. 17

Sec. 1509.191. Not later than ten days before an owner 18

commences drilling a well, the owner shall submit to the 19
environmental protection agency and to the board of health of the 20
health district in which the well is or is to be located a 21
complete listing of all of the chemicals and other substances that 22
will be used to stimulate the well. The list shall be submitted on 23
a form or in a manner prescribed by the chief of the division of 24
oil and gas resources management. 25

Sec. 1509.192. On and after the effective date of this 26
section, if well stimulation is used in a well, the person who has 27
been issued a permit under section 1509.05 of the Revised Code for 28
the well shall pay a five per cent overriding royalty to the 29
director of environmental protection who shall deposit the money 30
from the royalty in the state treasury to the credit of the clean 31
water restoration fund created in section 6111.70 of the Revised 32
Code. The director shall adopt rules in accordance with Chapter 33
119. of the Revised Code establishing procedures and requirements 34
that are necessary for the implementation of this section. 35

Sec. 1509.227. An owner that commences drilling of a well 36
shall submit to the chief of the division of oil and gas resources 37
management documentation identifying where and how the owner will 38
dispose of brine or other waste substances resulting from, 39
obtained from, or produced from oil and gas production at the 40
well. The chief shall establish appropriate procedures for the 41
purpose of implementing this section. 42

Sec. 1509.74. Not later than two hundred seventy days after 43
the effective date of this section September 30, 2011, the oil and 44
gas leasing commission shall adopt rules in accordance with 45
Chapter 119. of the Revised Code establishing all of the 46
following: 47

(A) The form of and the information to be included in 48

49 nominations that are submitted under section 1509.73 of the
50 Revised Code;

51 (B) Procedures for the submission of nominations to the
52 commission and the amount of nomination fees to be charged. The
53 rules shall require that if a person who has paid a nomination fee
54 does not enter into a lease regarding the parcel of land that the
55 person nominated, the fee shall be refunded to the person, and, if
56 applicable, the person that enters into the lease shall pay the
57 nomination fee. In addition, the rules shall provide that a state
58 agency is exempt from nomination fees and that a person who enters
59 into a lease regarding a parcel of land nominated by a state
60 agency shall pay the nomination fee.

61 (C) Factors that the commission may consider when determining
62 whether to approve or disapprove a nomination submitted under
63 section 1509.73 of the Revised Code;

64 (D) Procedures and requirements for the submission of bids
65 for a lease under section 1509.73 of the Revised Code;

66 (E) The amount of bid fees to be charged for the submission
67 of bids to enter into leases under section 1509.73 of the Revised
68 Code;

69 (F) A standard lease form that is consistent with the
70 practices of the oil and natural gas industries and that contains
71 at least a one-eighth landowner royalty, which standard lease form
72 shall be used by a state agency for leases entered into under
73 section 1509.73 of the Revised Code;

74 (G) A requirement that, prior to drilling a well in
75 accordance with a lease entered into under section 1509.73 of the
76 Revised Code and prior to conducting well stimulation of such a
77 well, the person who has entered into the lease conduct baseline
78 testing of surface water and ground water for quantity and quality
79 in the leased area;

(H) A requirement that a person who has entered into a lease 80
under section 1509.73 of the Revised Code recycle, capture, or 81
treat all water used by the person when drilling and operating a 82
well under the lease. The rules shall require the person to 83
document the quantity of water used and to submit periodic reports 84
identifying all chemicals used in well stimulation fluid during 85
the term of the lease. 86

(I) Any other procedures and requirements that the commission 87
determines necessary to implement sections 1509.70 to 1509.77 of 88
the Revised Code. 89

Sec. 6111.70. There is hereby created in the state treasury 90
the clean water restoration fund consisting of money credited to 91
the fund under section 1509.192 of the Revised Code. The director 92
of environmental protection shall use money in the fund to 93
remediate and repair any water well or ground water adversely 94
affected by hydraulic fracturing used in an oil or natural gas 95
well. 96

Section 2. That existing section 1509.74 of the Revised Code 97
is hereby repealed. 98