

As Introduced

**129th General Assembly
Regular Session
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S. B. No. 318

Senator Cafaro

Cosponsors: Senators Brown, Schiavoni, Skindell

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A B I L L

To amend sections 1345.01, 1345.02, 1345.07, 1509.02, 1
1509.021, 1509.06, 1509.19, 1509.22, 1509.23, and 2
1509.29, to enact sections 1509.231 and 1509.80, 3
and to repeal section 1509.27 of the Revised Code 4
to require wells in urbanized areas to comply with 5
zoning requirements, to revise the setback 6
distances of a well from an occupied dwelling, to 7
require the disclosure of all chemicals and 8
substances used in hydraulic fracturing, to 9
eliminate mandatory pooling, to apply the Consumer 10
Sales Practices Act to lease agreements for the 11
exploration for or development of oil and gas on 12
residential property, to require a surety bond for 13
an injection well, to make other changes in the 14
Oil and Gas Law, and to make appropriations to 15
support oil and gas training programs, including 16
employee training grants to oil or gas well 17
owners. 18

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

Section 1. That sections 1345.01, 1345.02, 1345.07, 1509.02, 19
1509.021, 1509.06, 1509.19, 1509.22, 1509.23, and 1509.29 be 20

amended and sections 1509.231 and 1509.80 of the Revised Code be 21
enacted to read as follows: 22

Sec. 1345.01. As used in sections 1345.01 to 1345.13 of the 23
Revised Code: 24

(A) "Consumer transaction" means a sale, lease, assignment, 25
award by chance, or other transfer of an item of goods, a service, 26
a franchise, or an intangible, to an individual for purposes that 27
are primarily personal, family, or household, or solicitation to 28
supply any of these things. "Consumer transaction" includes a 29
lease agreement for the exploration for or development of oil or 30
gas on residential property. "Consumer transaction" does not 31
include transactions between persons, defined in sections 4905.03 32
and 5725.01 of the Revised Code, and their customers, except for 33
transactions involving a loan made pursuant to sections 1321.35 to 34
1321.48 of the Revised Code and transactions in connection with 35
residential mortgages between loan officers, mortgage brokers, or 36
nonbank mortgage lenders and their customers; transactions between 37
certified public accountants or public accountants and their 38
clients; transactions between attorneys, physicians, or dentists 39
and their clients or patients; and transactions between 40
veterinarians and their patients that pertain to medical treatment 41
but not ancillary services. 42

(B) "Person" includes an individual, corporation, government, 43
governmental subdivision or agency, business trust, estate, trust, 44
partnership, association, cooperative, or other legal entity. 45

(C) "Supplier" means a seller, lessor, assignor, franchisor, 46
or other person engaged in the business of effecting or soliciting 47
consumer transactions, whether or not the person deals directly 48
with the consumer. "Supplier" includes any person who negotiates 49
and enters into a lease agreement as a lessee with an individual 50

for the exploration for or development of oil or gas on residential property owned by the individual. If the consumer transaction is in connection with a residential mortgage, "supplier" does not include an assignee or purchaser of the loan for value, except as otherwise provided in section 1345.091 of the Revised Code. For purposes of this division, in a consumer transaction in connection with a residential mortgage, "seller" means a loan officer, mortgage broker, or nonbank mortgage lender.

(D) "Consumer" means a person who engages in a consumer transaction with a supplier. "Consumer" includes an individual who enters into a lease agreement as a lessor with a supplier for the exploration for or development of oil or gas on residential property owned by the individual.

(E) "Knowledge" means actual awareness, but such actual awareness may be inferred where objective manifestations indicate that the individual involved acted with such awareness.

(F) "Natural gas service" means the sale of natural gas, exclusive of any distribution or ancillary service.

(G) "Public telecommunications service" means the transmission by electromagnetic or other means, other than by a telephone company as defined in section 4927.01 of the Revised Code, of signs, signals, writings, images, sounds, messages, or data originating in this state regardless of actual call routing. "Public telecommunications service" excludes a system, including its construction, maintenance, or operation, for the provision of telecommunications service, or any portion of such service, by any entity for the sole and exclusive use of that entity, its parent, a subsidiary, or an affiliated entity, and not for resale, directly or indirectly; the provision of terminal equipment used to originate telecommunications service; broadcast transmission by radio, television, or satellite broadcast stations regulated by the federal government; or cable television service.

(H)(1) "Loan officer" means an individual who for 83
compensation or gain, or in anticipation of compensation or gain, 84
takes or offers to take a residential mortgage loan application; 85
assists or offers to assist a buyer in obtaining or applying to 86
obtain a residential mortgage loan by, among other things, 87
advising on loan terms, including rates, fees, and other costs; 88
offers or negotiates terms of a residential mortgage loan; or 89
issues or offers to issue a commitment for a residential mortgage 90
loan. "Loan officer" also includes a loan originator as defined in 91
division (E)(1) of section 1322.01 of the Revised Code. 92

(2) "Loan officer" does not include an employee of a bank, 93
savings bank, savings and loan association, credit union, or 94
credit union service organization organized under the laws of this 95
state, another state, or the United States; an employee of a 96
subsidiary of such a bank, savings bank, savings and loan 97
association, or credit union; or an employee of an affiliate that 98
(a) controls, is controlled by, or is under common control with, 99
such a bank, savings bank, savings and loan association, or credit 100
union and (b) is subject to examination, supervision, and 101
regulation, including with respect to the affiliate's compliance 102
with applicable consumer protection requirements, by the board of 103
governors of the federal reserve system, the comptroller of the 104
currency, the office of thrift supervision, the federal deposit 105
insurance corporation, or the national credit union 106
administration. 107

(I) "Residential mortgage" or "mortgage" means an obligation 108
to pay a sum of money evidenced by a note and secured by a lien 109
upon real property located within this state containing two or 110
fewer residential units or on which two or fewer residential units 111
are to be constructed and includes such an obligation on a 112
residential condominium or cooperative unit. 113

(J)(1) "Mortgage broker" means any of the following: 114

(a) A person that holds that person out as being able to 115
assist a buyer in obtaining a mortgage and charges or receives 116
from either the buyer or lender money or other valuable 117
consideration readily convertible into money for providing this 118
assistance; 119

(b) A person that solicits financial and mortgage information 120
from the public, provides that information to a mortgage broker or 121
a person that makes residential mortgage loans, and charges or 122
receives from either of them money or other valuable consideration 123
readily convertible into money for providing the information; 124

(c) A person engaged in table-funding or warehouse-lending 125
mortgage loans that are residential mortgage loans. 126

(2) "Mortgage broker" does not include a bank, savings bank, 127
savings and loan association, credit union, or credit union 128
service organization organized under the laws of this state, 129
another state, or the United States; a subsidiary of such a bank, 130
savings bank, savings and loan association, or credit union; an 131
affiliate that (a) controls, is controlled by, or is under common 132
control with, such a bank, savings bank, savings and loan 133
association, or credit union and (b) is subject to examination, 134
supervision, and regulation, including with respect to the 135
affiliate's compliance with applicable consumer protection 136
requirements, by the board of governors of the federal reserve 137
system, the comptroller of the currency, the office of thrift 138
supervision, the federal deposit insurance corporation, or the 139
national credit union administration; or an employee of any such 140
entity. 141

(K) "Nonbank mortgage lender" means any person that engages 142
in a consumer transaction in connection with a residential 143
mortgage, except for a bank, savings bank, savings and loan 144
association, credit union, or credit union service organization 145
organized under the laws of this state, another state, or the 146

United States; a subsidiary of such a bank, savings bank, savings and loan association, or credit union; or an affiliate that (1) controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and (2) is subject to examination, supervision, and regulation, including with respect to the affiliate's compliance with applicable consumer protection requirements, by the board of governors of the federal reserve system, the comptroller of the currency, the office of thrift supervision, the federal deposit insurance corporation, or the national credit union administration.

(L) For purposes of divisions (H), (J), and (K) of this section:

(1) "Control" of another entity means ownership, control, or power to vote twenty-five per cent or more of the outstanding shares of any class of voting securities of the other entity, directly or indirectly or acting through one or more other persons.

(2) "Credit union service organization" means a CUSO as defined in 12 C.F.R. 702.2.

(M) "Residential property" means a parcel of property to which all of the following apply:

(1) The personal residence of an individual is located on the property.

(2) The individual referred to in division (M)(1) of this section owns the property.

(3) The primary purpose of the property is to provide a location for the personal residence of the individual referred to in division (M)(1) of this section.

Sec. 1345.02. (A) No supplier shall commit an unfair or

deceptive act or practice in connection with a consumer 177
transaction. Such an unfair or deceptive act or practice by a 178
supplier violates this section whether it occurs before, during, 179
or after the transaction. 180

(B) Without limiting the scope of division (A) of this 181
section, the act or practice of a supplier in representing any of 182
the following is deceptive: 183

(1) That the subject of a consumer transaction has 184
sponsorship, approval, performance characteristics, accessories, 185
uses, or benefits that it does not have; 186

(2) That the subject of a consumer transaction is of a 187
particular standard, quality, grade, style, prescription, or 188
model, if it is not; 189

(3) That the subject of a consumer transaction is new, or 190
unused, if it is not; 191

(4) That the subject of a consumer transaction is available 192
to the consumer for a reason that does not exist; 193

(5) That the subject of a consumer transaction has been 194
supplied in accordance with a previous representation, if it has 195
not, except that the act of a supplier in furnishing similar 196
merchandise of equal or greater value as a good faith substitute 197
does not violate this section; 198

(6) That the subject of a consumer transaction will be 199
supplied in greater quantity than the supplier intends; 200

(7) That replacement or repair is needed, if it is not; 201

(8) That a specific price advantage exists, if it does not; 202

(9) That the supplier has a sponsorship, approval, or 203
affiliation that the supplier does not have; 204

(10) That a consumer transaction involves or does not involve 205
a warranty, a disclaimer of warranties or other rights, remedies, 206

or obligations if the representation is false. 207

(C) In construing division (A) of this section, the court 208
shall give due consideration and great weight to federal trade 209
commission orders, trade regulation rules and guides, and the 210
federal courts' interpretations of subsection 45 (a)(1) of the 211
"Federal Trade Commission Act," 38 Stat. 717 (1914), 15 U.S.C.A. 212
41, as amended. 213

(D) No supplier shall offer to a consumer or represent that a 214
consumer will receive a rebate, discount, or other benefit as an 215
inducement for entering into a consumer transaction in return for 216
giving the supplier the names of prospective consumers, or 217
otherwise helping the supplier to enter into other consumer 218
transactions, if earning the benefit is contingent upon an event 219
occurring after the consumer enters into the transaction. 220

(E)(1) No supplier, in connection with a consumer transaction 221
involving natural gas service or public telecommunications service 222
to a consumer in this state, shall request or submit, or cause to 223
be requested or submitted, a change in the consumer's provider of 224
natural gas service or public telecommunications service, without 225
first obtaining, or causing to be obtained, the verified consent 226
of the consumer. For the purpose of this division and with respect 227
to public telecommunications service only, the procedures 228
necessary for verifying the consent of a consumer shall be those 229
prescribed by rule by the public utilities commission for public 230
telecommunications service under division (D) of section 4905.72 231
of the Revised Code. Also, for the purpose of this division, the 232
act, omission, or failure of any officer, agent, or other 233
individual, acting for or employed by another person, while acting 234
within the scope of that authority or employment, is the act or 235
failure of that other person. 236

(2) Consistent with the exclusion, under 47 C.F.R. 237
64.1100(a)(3), of commercial mobile radio service providers from 238

the verification requirements adopted in 47 C.F.R. 64.1100, 239
64.1150, 64.1160, 64.1170, 64.1180, and 64.1190 by the federal 240
communications commission, division (E)(1) of this section does 241
not apply to a provider of commercial mobile radio service insofar 242
as such provider is engaged in the provision of commercial mobile 243
radio service. However, when that exclusion no longer is in 244
effect, division (E)(1) of this section shall apply to such a 245
provider. 246

(3) The attorney general may initiate criminal proceedings 247
for a prosecution under division (C) of section 1345.99 of the 248
Revised Code by presenting evidence of criminal violations to the 249
prosecuting attorney of any county in which the offense may be 250
prosecuted. If the prosecuting attorney does not prosecute the 251
violations, or at the request of the prosecuting attorney, the 252
attorney general may proceed in the prosecution with all the 253
rights, privileges, and powers conferred by law on prosecuting 254
attorneys, including the power to appear before grand juries and 255
to interrogate witnesses before grand juries. 256

(F) Concerning a consumer transaction in connection with a 257
residential mortgage, and without limiting the scope of division 258
(A) or (B) of this section, the act of a supplier in doing either 259
of the following is deceptive: 260

(1) Knowingly failing to provide disclosures required under 261
state and federal law; 262

(2) Knowingly providing a disclosure that includes a material 263
misrepresentation. 264

(G) Without limiting the scope of division (A) or (B) of this 265
section, a consumer transaction involving a lease agreement for 266
the exploration for or development of oil or gas on residential 267
property is deceptive if the supplier has misrepresented the 268
financial return that the consumer can expect from the lease, the 269

supplier has misrepresented the prospect of a well producing oil 270
or gas, or the supplier has made any other representations that 271
are not accurate with regard to the lease. 272

Sec. 1345.07. (A) If the attorney general, by the attorney 273
general's own inquiries or as a result of complaints, has 274
reasonable cause to believe that a supplier has engaged or is 275
engaging in an act or practice that violates this chapter, and 276
that the action would be in the public interest, the attorney 277
general may bring any of the following: 278

(1) An action to obtain a declaratory judgment that the act 279
or practice violates section 1345.02, 1345.03, or 1345.031 of the 280
Revised Code; 281

(2)(a) An action, with notice as required by Civil Rule 65, 282
to obtain a temporary restraining order, preliminary injunction, 283
or permanent injunction to restrain the act or practice. If the 284
attorney general shows by a preponderance of the evidence that the 285
supplier has violated or is violating section 1345.02, 1345.03, or 286
1345.031 of the Revised Code, the court may issue a temporary 287
restraining order, preliminary injunction, or permanent injunction 288
to restrain and prevent the act or practice. 289

(b)(i) Except as provided in division (A)(2)(b)(ii) of this 290
section, on motion of the attorney general, or on its own motion, 291
the court may impose a civil penalty of not more than five 292
thousand dollars for each day of violation of a temporary 293
restraining order, preliminary injunction, or permanent injunction 294
issued under this section, if the supplier received notice of the 295
action. The civil penalties shall be paid as provided in division 296
(G) of this section. 297

(ii) If the court issues under this section a temporary 298
restraining order, preliminary injunction, or permanent injunction 299
to restrain and prevent an act or practice that is a violation of 300

section 1345.02 and division (A) of section 1349.81 of the Revised Code, on motion of the attorney general, or on its own motion, the court may impose a civil penalty of not less than five thousand dollars and not more than fifteen thousand dollars for each day of violation of the temporary restraining order, preliminary injunction, or permanent injunction, if the supplier received notice of the action. The civil penalties shall be paid as provided in division (G) of this section.

(c) Upon the commencement of an action under division (A)(2) of this section against a supplier who operates under a license, permit, certificate, commission, or other authorization issued by the supreme court or by a board, commission, department, division, or other agency of this state, the attorney general shall immediately notify the supreme court or agency that such an action has been commenced against the supplier.

(3) A class action under Civil Rule 23, as amended, on behalf of consumers who have engaged in consumer transactions in this state for damage caused by:

(a) An act or practice enumerated in division (B) ~~or~~, (D), or (G) of section 1345.02 of the Revised Code;

(b) Violation of a rule adopted under division (B)(2) of section 1345.05 of the Revised Code before the consumer transaction on which the action is based;

(c) An act or practice determined by a court of this state to violate section 1345.02, 1345.03, or 1345.031 of the Revised Code and committed after the decision containing the determination has been made available for public inspection under division (A)(3) of section 1345.05 of the Revised Code.

(B) On motion of the attorney general and without bond, in the attorney general's action under this section, the court may make appropriate orders, including appointment of a referee or a

receiver, for sequestration of assets, to reimburse consumers 332
found to have been damaged, to carry out a transaction in 333
accordance with a consumer's reasonable expectations, to strike or 334
limit the application of unconscionable clauses of contracts so as 335
to avoid an unconscionable result, or to grant other appropriate 336
relief. The court may assess the expenses of a referee or receiver 337
against the supplier. 338

(C) Any moneys or property recovered by the attorney general 339
in an action under this section that cannot with due diligence 340
within five years be restored by a referee to consumers shall be 341
unclaimed funds reportable under Chapter 169. of the Revised Code. 342

(D) In addition to the other remedies provided in this 343
section, if the violation is an act or practice that was declared 344
to be unfair, deceptive, or unconscionable by rule adopted 345
pursuant to division (B)(2) of section 1345.05 of the Revised Code 346
before the consumer transaction on which the action is based 347
occurred or an act or practice that was determined by a court of 348
this state to violate section 1345.02, 1345.03, or 1345.031 of the 349
Revised Code and committed after the decision containing the 350
court's determination was made available for public inspection 351
pursuant to division (A)(3) of section 1345.05 of the Revised 352
Code, the attorney general may request and the court may impose a 353
civil penalty of not more than twenty-five thousand dollars 354
against the supplier. The civil penalties shall be paid as 355
provided in division (G) of this section. 356

(E) No action may be brought by the attorney general under 357
this section to recover for a transaction more than two years 358
after the occurrence of a violation. 359

(F) If a court determines that provision has been made for 360
reimbursement or other appropriate corrective action, insofar as 361
practicable, with respect to all consumers damaged by a violation, 362
or in any other appropriate case, the attorney general, with court 363

approval, may terminate enforcement proceedings brought by the attorney general upon acceptance of an assurance from the supplier of voluntary compliance with Chapter 1345. of the Revised Code, with respect to the alleged violation. The assurance shall be filed with the court and entered as a consent judgment. Except as provided in division (A) of section 1345.10 of the Revised Code, a consent judgment is not evidence of prior violation of such chapter. Disregard of the terms of a consent judgment entered upon an assurance shall be treated as a violation of an injunction issued under this section.

(G) Civil penalties ordered pursuant to divisions (A) and (D) of this section shall be paid as follows: one-fourth of the amount to the treasurer of the county in which the action is brought and three-fourths to the consumer protection enforcement fund created by section 1345.51 of the Revised Code.

(H) The remedies available to the attorney general under this section are cumulative and concurrent, and the exercise of one remedy by the attorney general does not preclude or require the exercise of any other remedy. The attorney general is not required to use any procedure set forth in section 1345.06 of the Revised Code prior to the exercise of any remedy set forth in this section.

Sec. 1509.02. (A)(1) There is hereby created in the department of natural resources the division of oil and gas resources management, which shall be administered by the chief of the division of oil and gas resources management. The Except as provided in divisions (A)(2) and (3) of this section, the division has ~~sole and exclusive~~ authority to regulate the permitting, location, and spacing of oil and gas wells and production operations within the state, excepting only those activities regulated under federal laws for which oversight has been

delegated to the environmental protection agency and activities 395
regulated under sections 6111.02 to 6111.029 of the Revised Code. 396
~~The regulation of oil and gas activities is a matter of general 397
statewide interest that requires uniform statewide regulation, and 398
this chapter and rules adopted under it constitute a comprehensive 399
plan with respect to all aspects of the locating, drilling, well 400
stimulation, completing, and operating of oil and gas wells within 401
this state, including site construction and restoration, 402
permitting related to those activities, and the disposal of wastes 403
from those wells. Nothing 404~~

(2) On and after the effective date of this amendment, no 405
well shall be drilled in an urbanized area unless the well will 406
comply with the zoning requirements of the municipal corporation 407
or of the township, as applicable, in which the well will be 408
located. 409

(3) Nothing in this section affects the authority granted to 410
the director of transportation and local authorities in section 411
723.01 or 4513.34 of the Revised Code, provided that the authority 412
granted under those sections shall not be exercised in a manner 413
that discriminates against, unfairly impedes, or obstructs oil and 414
gas activities and operations regulated under this chapter. 415

(B) The chief shall not hold any other public office, nor 416
shall the chief be engaged in any occupation or business that 417
might interfere with or be inconsistent with the duties as chief. 418

(C) All moneys collected by the chief pursuant to sections 419
1509.06, 1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.221, 420
1509.222, 1509.34, and 1509.50 of the Revised Code, ninety per 421
cent of moneys received by the treasurer of state from the tax 422
levied in divisions (A)(5) and (6) of section 5749.02 of the 423
Revised Code, all civil penalties paid under section 1509.33 of 424
the Revised Code, and, notwithstanding any section of the Revised 425
Code relating to the distribution or crediting of fines for 426

violations of the Revised Code, all fines imposed under divisions 427
(A) and (B) of section 1509.99 of the Revised Code and fines 428
imposed under divisions (C) and (D) of section 1509.99 of the 429
Revised Code for all violations prosecuted by the attorney general 430
and for violations prosecuted by prosecuting attorneys that do not 431
involve the transportation of brine by vehicle shall be deposited 432
into the state treasury to the credit of the oil and gas well 433
fund, which is hereby created. Fines imposed under divisions (C) 434
and (D) of section 1509.99 of the Revised Code for violations 435
prosecuted by prosecuting attorneys that involve the 436
transportation of brine by vehicle and penalties associated with a 437
compliance agreement entered into pursuant to this chapter shall 438
be paid to the county treasury of the county where the violation 439
occurred. 440

The fund shall be used solely and exclusively for the 441
purposes enumerated in division (B) of section 1509.071 of the 442
Revised Code, for the expenses of the division associated with the 443
administration of this chapter and Chapter 1571. of the Revised 444
Code and rules adopted under them, for providing financial 445
assistance to boards of health for purposes of rules adopted under 446
division (C)(2) of section 1509.23 and of section 1509.231 of the 447
Revised Code, and for expenses that are critical and necessary for 448
the protection of human health and safety and the environment 449
related to oil and gas production in this state. The expenses of 450
the division in excess of the moneys available in the fund shall 451
be paid from general revenue fund appropriations to the 452
department. 453

~~Sec. 1509.021. On and after June 30, 2010, all of the 454~~
~~following apply: 455~~

~~(A) The surface location of a new well or a tank battery of a 456~~
~~well shall not be within one hundred fifty feet of an occupied 457~~

~~dwelling that is located in an urbanized area unless the owner of 458
the land on which the occupied dwelling is located consents in 459
writing to the surface location of the well or tank battery of a 460
well less than one hundred fifty feet from the occupied dwelling 461
and the chief of the division of oil and gas resources management 462
approves the written consent of that owner. However, the chief 463
shall not approve the written consent of such an owner when the 464
surface location of a new well or a tank battery of a well will be 465
within one hundred feet of an occupied dwelling that is located in 466
an urbanized area On and after the effective date of this 467
amendment, no well shall be drilled within one thousand feet of an 468
occupied dwelling. However, a well may be drilled within three 469
hundred feet of an occupied dwelling if the owner of the land on 470
which the dwelling is located voluntarily has entered into an oil 471
and gas lease agreement. 472~~

(B) The surface location of a new well shall not be within 473
one hundred fifty feet from the property line of a parcel of land 474
that is not in the drilling unit of the well if the parcel of land 475
is located in an urbanized area and directional drilling will be 476
used to drill the new well unless the owner of the parcel of land 477
consents in writing to the surface location of the well less than 478
one hundred fifty feet from the property line of the parcel of 479
land and the chief approves the written consent of that owner. 480
However, the chief shall not approve the written consent of such 481
an owner when the surface location of a new well will be less than 482
one hundred feet from the property line of the owner's parcel of 483
land that is not in the drilling unit of the well if the parcel of 484
land is located in an urbanized area and directional drilling will 485
be used. 486

~~(C) The surface location of a new well shall not be within 487
two hundred feet of an occupied dwelling that is located in an 488
urbanized area and that is located on land that has become part of 489~~

~~the drilling unit of the well pursuant to a mandatory pooling order issued under section 1509.27 of the Revised Code unless the owner of the land on which the occupied dwelling is located consents in writing to the surface location of the well at a distance that is less than two hundred feet from the occupied dwelling. However, if the owner of the land on which the occupied dwelling is located provides such written consent, the surface location of the well shall not be within one hundred feet of the occupied dwelling.~~

~~If an applicant cannot identify an owner of land or if an owner of land is not responsive to attempts by the applicant to contact the owner, the applicant may submit an affidavit to the chief attesting to such an unidentifiable owner or to such unresponsiveness of an owner and attempts by the applicant to contact the owner and include a written request to reduce the distance of the location of the well from the occupied dwelling to less than two hundred feet. If the chief receives such an affidavit and written request, the chief shall reduce the distance of the location of the well from the occupied dwelling to a distance of not less than one hundred feet.~~

~~(D)~~ Except as otherwise provided in division ~~(L)~~(K) of this section, the surface location of a new well shall not be within one hundred fifty feet of the property line of a parcel of land that is located in an urbanized area ~~and that has become part of the drilling unit of the well pursuant to a mandatory pooling order issued under section 1509.27 of the Revised Code unless the owner of the land consents in writing to the surface location of the well at a distance that is less than one hundred fifty feet from the owner's property line. However, if the owner of the land provides such written consent, the surface location of the well shall not be within seventy-five feet of the property line of the owner's parcel of land.~~

If an applicant cannot identify an owner of land or if an owner of land is not responsive to attempts by the applicant to contact the owner, the applicant may submit an affidavit to the chief attesting to such an unidentifiable owner or to such unresponsiveness of an owner and attempts by the applicant to contact the owner and include a written request to reduce the distance of the location of the well from the property line of the owner's parcel of land to less than one hundred fifty feet. If the chief receives such an affidavit and written request, the chief shall reduce the distance of the location of the well from the property line to a distance of not less than seventy-five feet.

~~(E)(D)~~ The surface location of a new tank battery of a well shall not be within one hundred fifty feet of an occupied dwelling that is located in an urbanized area ~~and that is located on land that has become part of the drilling unit of the well pursuant to a mandatory pooling order issued under section 1509.27 of the Revised Code~~ unless the owner of the land on which the occupied dwelling is located consents in writing to the location of the tank battery at a distance that is less than one hundred fifty feet from the occupied dwelling. However, if the owner of the land on which the occupied dwelling is located provides such written consent, the location of the tank battery shall not be within one hundred feet of the occupied dwelling.

If an applicant cannot identify an owner of land or if an owner of land is not responsive to attempts by the applicant to contact the owner, the applicant may submit an affidavit to the chief attesting to such an unidentifiable owner or to such unresponsiveness of an owner and attempts by the applicant to contact the owner and include a written request to reduce the distance of the location of the tank battery from the occupied dwelling to less than one hundred fifty feet. If the chief receives such an affidavit and written request, the chief shall

reduce the distance of the location of the tank battery from the 554
occupied dwelling to a distance of not less than one hundred feet. 555

~~(F)~~(E) Except as otherwise provided in division ~~(L)~~(K) of 556
this section, the location of a new tank battery of a well shall 557
not be within seventy-five feet of the property line of a parcel 558
of land that is located in an urbanized area ~~and that has become~~ 559
~~part of the drilling unit of the well pursuant to a mandatory~~ 560
~~pooling order issued under section 1509.27 of the Revised Code~~ 561
unless the owner of the land consents in writing to the location 562
of the tank battery at a distance that is less than seventy-five 563
feet from the owner's property line. However, if the owner of the 564
land provides such written consent, the location of the tank 565
battery shall not be within the property line of the owner's 566
parcel of land. 567

If an applicant cannot identify an owner of land or if an 568
owner of land is not responsive to attempts by the applicant to 569
contact the owner, the applicant may submit an affidavit to the 570
chief attesting to such an unidentifiable owner or to such 571
unresponsiveness of an owner and attempts by the applicant to 572
contact the owner and include a written request to reduce the 573
distance of the location of the tank battery from the property 574
line of the owner's parcel of land to less than seventy-five feet. 575
If the chief receives such an affidavit and written request, the 576
chief shall reduce the distance of the location of the tank 577
battery from the property line, provided that the tank battery 578
shall not be within the property line of the owner's parcel of 579
land. 580

~~(G)~~(F) For purposes of divisions (C) to ~~(F)~~(E) of this 581
section, written consent of an owner of land may be provided by 582
any of the following: 583

(1) A copy of an original lease agreement as recorded in the 584
office of the county recorder of the county in which the occupied 585

dwelling or property is located that expressly provides for the 586
reduction of the distance of the location of a well or a tank 587
battery, as applicable, from an occupied dwelling or a property 588
line; 589

(2) A copy of a deed severing the oil or gas mineral rights, 590
as applicable, from the owner's parcel of land as recorded in the 591
office of the county recorder of the county in which the property 592
is located that expressly provides for the reduction of the 593
distance of the location of a well or a tank battery, as 594
applicable, from an occupied dwelling or a property line; 595

(3) A written statement that consents to the proposed 596
location of a well or a tank battery, as applicable, and that is 597
approved by the chief. For purposes of division ~~(G)~~(F)(3) of this 598
section, an applicant shall submit a copy of a written statement 599
to the chief. 600

~~(H)~~(G) For areas that are not urbanized areas, the surface 601
location of a new well shall not be within one hundred feet of an 602
occupied private dwelling or of a public building that may be used 603
as a place of assembly, education, entertainment, lodging, trade, 604
manufacture, repair, storage, or occupancy by the public. This 605
division does not apply to a building or other structure that is 606
incidental to agricultural use of the land on which the building 607
or other structure is located unless the building or other 608
structure is used as an occupied private dwelling or for retail 609
trade. 610

~~(I)~~(H) The surface location of a new well shall not be within 611
one hundred feet of any other well. However, an applicant may 612
submit a written statement to request the chief to authorize a new 613
well to be located at a distance that is less than one hundred 614
feet from another well. If the chief receives such a written 615
statement, the chief may authorize a new well to be located within 616
one hundred feet of another well if the chief determines that the 617

applicant satisfactorily has demonstrated that the location of the 618
new well at a distance that is less than one hundred feet from 619
another well is necessary to reduce impacts to the owner of the 620
land on which the well is to be located or to the surface of the 621
land on which the well is to be located. 622

~~(J)~~(I) For areas that are not urbanized areas, the location 623
of a new tank battery of a well shall not be within one hundred 624
feet of an existing inhabited structure. 625

~~(K)~~(J) The location of a new tank battery of a well shall not 626
be within fifty feet of any other well. 627

~~(L)~~(K) The location of a new well or a new tank battery of a 628
well shall not be within fifty feet of a stream, river, 629
watercourse, water well, pond, lake, or other body of water. 630
However, the chief may authorize a new well or a new tank battery 631
of a well to be located at a distance that is less than fifty feet 632
from a stream, river, watercourse, water well, pond, lake, or 633
other body of water if the chief determines that the reduction in 634
the distance is necessary to reduce impacts to the owner of the 635
land on which the well or tank battery of a well is to be located 636
or to protect public safety or the environment. 637

~~(M)~~(L) The surface location of a new well or a new tank 638
battery of a well shall not be within fifty feet of a railroad 639
track or of the traveled portion of a public street, road, or 640
highway. ~~This division applies regardless of whether the public 641
street, road, or highway has become part of the drilling unit of 642
the well pursuant to a mandatory pooling order issued under 643
section 1509.27 of the Revised Code.~~ 644

~~(N)~~(M) A new oil tank shall not be within three feet of 645
another oil tank. 646

~~(O)~~(N) The surface location of a mechanical separator shall 647
not be within any of the following: 648

(1) Fifty feet of a well;	649
(2) Ten feet of an oil tank;	650
(3) One hundred feet of an existing inhabited structure.	651
(P) <u>(O)</u> A vessel that is equipped in such a manner that the	652
contents of the vessel may be heated shall not be within any of	653
the following:	654
(1) Fifty feet of an oil production tank;	655
(2) Fifty feet of a well;	656
(3) One hundred feet of an existing inhabited structure;	657
(4) If the contents of the vessel are heated by a direct fire	658
heater, fifty feet of a mechanical separator.	659
Sec. 1509.06. (A) An application for a permit to drill a new	660
well, drill an existing well deeper, reopen a well, convert a well	661
to any use other than its original purpose, or plug back a well to	662
a different source of supply, including associated production	663
operations, shall be filed with the chief of the division of oil	664
and gas resources management upon such form as the chief	665
prescribes and shall contain each of the following that is	666
applicable:	667
(1) The name and address of the owner and, if a corporation,	668
the name and address of the statutory agent;	669
(2) The signature of the owner or the owner's authorized	670
agent. When an authorized agent signs an application, it shall be	671
accompanied by a certified copy of the appointment as such agent.	672
(3) The names and addresses of all persons holding the	673
royalty interest in the tract upon which the well is located or is	674
to be drilled or within a proposed drilling unit;	675
(4) The location of the tract or drilling unit on which the	676
well is located or is to be drilled identified by section or lot	677

number, city, village, township, and county; 678

(5) Designation of the well by name and number; 679

(6) The geological formation to be tested or used and the 680
proposed total depth of the well; 681

(7) The type of drilling equipment to be used; 682

(8) If the well is for the injection of a liquid, identity of 683
the geological formation to be used as the injection zone and the 684
composition of the liquid to be injected; 685

(9) For an application for a permit to drill a new well 686
within an urbanized area, a sworn statement that the applicant has 687
provided notice by regular mail of the application to the owner of 688
each parcel of real property that is located within five hundred 689
feet of the surface location of the well and to the executive 690
authority of the municipal corporation or the board of township 691
trustees of the township, as applicable, in which the well is to 692
be located. In addition, the notice shall contain a statement that 693
informs an owner of real property who is required to receive the 694
notice under division (A)(9) of this section that within five days 695
of receipt of the notice, the owner is required to provide notice 696
under section 1509.60 of the Revised Code to each residence in an 697
occupied dwelling that is located on the owner's parcel of real 698
property. The notice shall contain a statement that an application 699
has been filed with the division of oil and gas resources 700
management, identify the name of the applicant and the proposed 701
well location, include the name and address of the division, and 702
contain a statement that comments regarding the application may be 703
sent to the division. The notice may be provided by hand delivery 704
or regular mail. The identity of the owners of parcels of real 705
property shall be determined using the tax records of the 706
municipal corporation or county in which a parcel of real property 707
is located as of the date of the notice. 708

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

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

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

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

(B) The chief shall cause a copy of the weekly circular prepared by the division to be provided to the county engineer of each county that contains active or proposed drilling activity. The weekly circular shall contain, in the manner prescribed by the chief, the names of all applicants for permits, the location of each well or proposed well, the information required by division (A)(11) of this section, and any additional information the chief prescribes. In addition, the chief promptly shall transfer an electronic copy or facsimile, or if those methods are not available to a municipal corporation or township, a copy via regular mail, of a drilling permit application to the clerk of the legislative authority of the municipal corporation or to the clerk of the township in which the well or proposed well is or is to be

located if the legislative authority of the municipal corporation 741
or the board of township trustees has asked to receive copies of 742
such applications and the appropriate clerk has provided the chief 743
an accurate, current electronic mailing address or facsimile 744
number, as applicable. 745

(C)(1) Except as provided in division (C)(2) of this section, 746
the chief shall not issue a permit for at least ten days after the 747
date of filing of the application for the permit unless, upon 748
reasonable cause shown, the chief waives that period or a request 749
for expedited review is filed under this section. However, the 750
chief shall issue a permit within twenty-one days of the filing of 751
the application unless the chief denies the application by order. 752

(2) If the location of a well or proposed well will be or is 753
within an urbanized area, the chief shall not issue a permit for 754
at least eighteen days after the date of filing of the application 755
for the permit unless, upon reasonable cause shown, the chief 756
waives that period or the chief at the chief's discretion grants a 757
request for an expedited review. However, the chief shall issue a 758
permit for a well or proposed well within an urbanized area within 759
thirty days of the filing of the application unless the chief 760
denies the application by order. 761

(D) An applicant may file a request with the chief for 762
expedited review of a permit application if the well is not or is 763
not to be located in a gas storage reservoir or reservoir 764
protective area, as "reservoir protective area" is defined in 765
section 1571.01 of the Revised Code. If the well is or is to be 766
located in a coal bearing township, the application shall be 767
accompanied by the affidavit of the landowner prescribed in 768
section 1509.08 of the Revised Code. 769

In addition to a complete application for a permit that meets 770
the requirements of this section and the permit fee prescribed by 771
this section, a request for expedited review shall be accompanied 772

by a separate nonrefundable filing fee of two hundred fifty 773
dollars. Upon the filing of a request for expedited review, the 774
chief shall cause the county engineer of the county in which the 775
well is or is to be located to be notified of the filing of the 776
permit application and the request for expedited review by 777
telephone or other means that in the judgment of the chief will 778
provide timely notice of the application and request. The chief 779
shall issue a permit within seven days of the filing of the 780
request unless the chief denies the application by order. 781
Notwithstanding the provisions of this section governing expedited 782
review of permit applications, the chief may refuse to accept 783
requests for expedited review if, in the chief's judgment, the 784
acceptance of the requests would prevent the issuance, within 785
twenty-one days of their filing, of permits for which applications 786
are pending. 787

(E) A well shall be drilled and operated in accordance with 788
the plans, sworn statements, and other information submitted in 789
the approved application. 790

(F) The chief shall issue an order denying a permit if the 791
chief finds that there is a substantial risk that the operation 792
will result in violations of this chapter or rules adopted under 793
it that will present an imminent danger to public health or safety 794
or damage to the environment, provided that where the chief finds 795
that terms or conditions to the permit can reasonably be expected 796
to prevent such violations, the chief shall issue the permit 797
subject to those terms or conditions, including, if applicable, 798
terms and conditions regarding subjects identified in rules 799
adopted under section 1509.03 of the Revised Code. The issuance of 800
a permit shall not be considered an order of the chief. 801

(G) Each application for a permit required by section 1509.05 802
of the Revised Code, except an application to plug back an 803
existing well that is required by that section and an application 804

for a well drilled or reopened for purposes of section 1509.22 of 805
the Revised Code, also shall be accompanied by a nonrefundable fee 806
as follows: 807

(1) Five hundred dollars for a permit to conduct activities 808
in a township with a population of fewer than ten thousand; 809

(2) Seven hundred fifty dollars for a permit to conduct 810
activities in a township with a population of ten thousand or 811
more, but fewer than fifteen thousand; 812

(3) One thousand dollars for a permit to conduct activities 813
in either of the following: 814

(a) A township with a population of fifteen thousand or more; 815

(b) A municipal corporation regardless of population. 816

~~(4) If the application is for a permit that requires 817
mandatory pooling, an additional five thousand dollars. 818~~

For purposes of calculating fee amounts, populations shall be 819
determined using the most recent federal decennial census. 820

Each application for the revision or reissuance of a permit 821
shall be accompanied by a nonrefundable fee of two hundred fifty 822
dollars. 823

(H) Prior to the issuance of a permit to drill a proposed 824
well that is to be located in an urbanized area, the division 825
shall conduct a site review to identify and evaluate any 826
site-specific terms and conditions that may be attached to the 827
permit. At the site review, a representative of the division shall 828
consider fencing, screening, and landscaping requirements, if any, 829
for similar structures in the community in which the well is 830
proposed to be located. The terms and conditions that are attached 831
to the permit shall include the establishment of fencing, 832
screening, and landscaping requirements for the surface facilities 833
of the proposed well, including a tank battery of the well. 834

(I) A permit shall be issued by the chief in accordance with 835
this chapter. A permit issued under this section for a well that 836
is or is to be located in an urbanized area shall be valid for 837
twelve months, and all other permits issued under this section 838
shall be valid for twenty-four months. 839

(J) A permittee or a permittee's authorized representative 840
shall notify an inspector from the division at least twenty-four 841
hours, or another time period agreed to by the chief's authorized 842
representative, prior to the commencement of drilling, reopening, 843
converting, well stimulation, or plugback operations. 844

Sec. 1509.19. (A) An owner who elects to stimulate a well 845
shall stimulate the well in a manner that will not endanger 846
underground sources of drinking water. Not later than twenty-four 847
hours before commencing the stimulation of a well, the owner or 848
the owner's authorized representative shall notify an oil and gas 849
resources inspector. If during the stimulation of a well damage to 850
the production casing or cement occurs and results in the 851
circulation of fluids from the annulus of the surface production 852
casing, the owner shall immediately terminate the stimulation of 853
the well and notify the chief of the division of oil and gas 854
resources management. If the chief determines that the casing and 855
the cement may be remediated in a manner that isolates the oil and 856
gas bearing zones of the well, the chief may authorize the 857
completion of the stimulation of the well. If the chief determines 858
that the stimulation of a well resulted in irreparable damage to 859
the well, the chief shall order that the well be plugged and 860
abandoned within thirty days of the issuance of the order. 861

For purposes of determining the integrity of the remediation 862
of the casing or cement of a well that was damaged during the 863
stimulation of the well, the chief may require the owner of the 864
well to submit cement evaluation logs, temperature surveys, 865

pressure tests, or a combination of such logs, surveys, and tests. 866

(B) Not later than ten days before an owner commences 867
drilling a well, the owner shall submit to the chief a complete 868
list of all of the chemicals and other substances that will be 869
used to stimulate the well. The list shall be submitted on a form 870
or in a manner prescribed by the chief. 871

Sec. 1509.22. (A) Except when acting in accordance with 872
section 1509.226 of the Revised Code, no person shall place or 873
cause to be placed brine, crude oil, natural gas, or other fluids 874
associated with the exploration or development of oil and gas 875
resources in surface or ground water or in or on the land in such 876
quantities or in such manner as actually causes or could 877
reasonably be anticipated to cause either of the following: 878

(1) Water used for consumption by humans or domestic animals 879
to exceed the standards of the Safe Drinking Water Act; 880

(2) Damage or injury to public health or safety or the 881
environment. 882

(B) No person shall store or dispose of brine in violation of 883
a plan approved under division (A) of section 1509.222 or section 884
1509.226 of the Revised Code, in violation of a resolution 885
submitted under section 1509.226 of the Revised Code, or in 886
violation of rules or orders applicable to those plans or 887
resolutions. 888

(C) The chief of the division of oil and gas resources 889
management shall adopt rules and issue orders regarding storage 890
and disposal of brine and other waste substances; however, the 891
storage and disposal of brine and other waste substances and the 892
chief's rules relating to storage and disposal are subject to all 893
of the following standards: 894

(1) Brine from any well except an exempt Mississippian well 895

shall be disposed of only by injection into an underground 896
formation, including annular disposal if approved by rule of the 897
chief, which injection shall be subject to division (D) of this 898
section; by surface application in accordance with section 899
1509.226 of the Revised Code; in association with a method of 900
enhanced recovery as provided in section 1509.21 of the Revised 901
Code; or by other methods approved by the chief for testing or 902
implementing a new technology or method of disposal. Brine from 903
exempt Mississippian wells shall not be discharged directly into 904
the waters of the state. 905

(2) Muds, cuttings, and other waste substances shall not be 906
disposed of in violation of any rule. 907

(3) Pits or steel tanks shall be used as authorized by the 908
chief for containing brine and other waste substances resulting 909
from, obtained from, or produced in connection with drilling, well 910
stimulation, reworking, reconditioning, plugging back, or plugging 911
operations. The pits and steel tanks shall be constructed and 912
maintained to prevent the escape of brine and other waste 913
substances. 914

(4) A dike or pit may be used for spill prevention and 915
control. A dike or pit so used shall be constructed and maintained 916
to prevent the escape of brine and crude oil, and the reservoir 917
within such a dike or pit shall be kept reasonably free of brine, 918
crude oil, and other waste substances. 919

(5) Earthen impoundments constructed pursuant to the 920
division's specifications may be used for the temporary storage of 921
fluids used in the stimulation of a well. 922

(6) No pit, earthen impoundment, or dike shall be used for 923
the temporary storage of brine or other substances except in 924
accordance with divisions (C)(3) to (5) of this section. 925

(7) No pit or dike shall be used for the ultimate disposal of 926

brine or other liquid waste substances. 927

(D)(1) No person, without first having obtained a permit from 928
the chief, shall inject brine or other waste substances resulting 929
from, obtained from, or produced in connection with oil or gas 930
drilling, exploration, or production into an underground formation 931
unless a rule of the chief expressly authorizes the injection 932
without a permit. The permit shall be in addition to any permit 933
required by section 1509.05 of the Revised Code, and the permit 934
application shall be accompanied by a permit fee of one thousand 935
dollars. The chief shall adopt rules in accordance with Chapter 936
119. of the Revised Code regarding the injection into wells of 937
brine and other waste substances resulting from, obtained from, or 938
produced in connection with oil or gas drilling, exploration, or 939
production. The rules may authorize tests to evaluate whether 940
fluids or carbon dioxide may be injected in a reservoir and to 941
determine the maximum allowable injection pressure, which shall be 942
conducted in accordance with methods prescribed in the rules or in 943
accordance with conditions of the permit. In addition, the rules 944
shall include provisions regarding applications for and issuance 945
of the permits required by this division; entry to conduct 946
inspections and to examine and copy records to ascertain 947
compliance with this division and rules, orders, and terms and 948
conditions of permits adopted or issued under it; the provision 949
and maintenance of information through monitoring, recordkeeping, 950
and reporting; and other provisions in furtherance of the goals of 951
this section and the Safe Drinking Water Act. To implement the 952
goals of the Safe Drinking Water Act, the chief shall not issue a 953
permit for the injection of brine or other waste substances 954
resulting from, obtained from, or produced in connection with oil 955
or gas drilling, exploration, or production unless the chief 956
concludes that the applicant has demonstrated that the injection 957
will not result in the presence of any contaminant in ground water 958
that supplies or can reasonably be expected to supply any public 959

water system, such that the presence of the contaminant may result 960
in the system's not complying with any national primary drinking 961
water regulation or may otherwise adversely affect the health of 962
persons. This division and rules, orders, and terms and conditions 963
of permits adopted or issued under it shall be construed to be no 964
more stringent than required for compliance with the Safe Drinking 965
Water Act unless essential to ensure that underground sources of 966
drinking water will not be endangered. 967

(2) Before being issued a permit under division (D)(1) of 968
this section, a person shall execute and file with the division of 969
oil and gas resources management a surety bond conditioned on 970
compliance with requirements established in this chapter and rules 971
adopted under it governing the plugging and restoration of the 972
well for which the permit is issued. The chief shall determine the 973
amount of the bond for the purposes of this division. 974

(E) The owner holding a permit, or an assignee or transferee 975
who has assumed the obligations and liabilities imposed by this 976
chapter and any rules adopted or orders issued under it pursuant 977
to section 1509.31 of the Revised Code, and the operator of a well 978
shall be liable for a violation of this section or any rules 979
adopted or orders or terms or conditions of a permit issued under 980
it. 981

(F) An owner shall replace the water supply of the holder of 982
an interest in real property who obtains all or part of the 983
holder's supply of water for domestic, agricultural, industrial, 984
or other legitimate use from an underground or surface source 985
where the supply has been substantially disrupted by 986
contamination, diminution, or interruption proximately resulting 987
from the owner's oil or gas operation, or the owner may elect to 988
compensate the holder of the interest in real property for the 989
difference between the fair market value of the interest before 990
the damage occurred to the water supply and the fair market value 991

after the damage occurred if the cost of replacing the water 992
supply exceeds this difference in fair market values. However, 993
during the pendency of any order issued under this division, the 994
owner shall obtain for the holder or shall reimburse the holder 995
for the reasonable cost of obtaining a water supply from the time 996
of the contamination, diminution, or interruption by the operation 997
until the owner has complied with an order of the chief for 998
compliance with this division or such an order has been revoked or 999
otherwise becomes not effective. If the owner elects to pay the 1000
difference in fair market values, but the owner and the holder 1001
have not agreed on the difference within thirty days after the 1002
chief issues an order for compliance with this division, within 1003
ten days after the expiration of that thirty-day period, the owner 1004
and the chief each shall appoint an appraiser to determine the 1005
difference in fair market values, except that the holder of the 1006
interest in real property may elect to appoint and compensate the 1007
holder's own appraiser, in which case the chief shall not appoint 1008
an appraiser. The two appraisers appointed shall appoint a third 1009
appraiser, and within thirty days after the appointment of the 1010
third appraiser, the three appraisers shall hold a hearing to 1011
determine the difference in fair market values. Within ten days 1012
after the hearing, the appraisers shall make their determination 1013
by majority vote and issue their final determination of the 1014
difference in fair market values. The chief shall accept a 1015
determination of the difference in fair market values made by 1016
agreement of the owner and holder or by appraisers under this 1017
division and shall make and dissolve orders accordingly. This 1018
division does not affect in any way the right of any person to 1019
enforce or protect, under applicable law, the person's interest in 1020
water resources affected by an oil or gas operation. 1021

(G) In any action brought by the state for a violation of 1022
division (A) of this section involving any well at which annular 1023
disposal is used, there shall be a rebuttable presumption 1024

available to the state that the annular disposal caused the 1025
violation if the well is located within a one-quarter-mile radius 1026
of the site of the violation. 1027

Sec. 1509.23. (A) Rules of the chief of the division of oil 1028
and gas resources management may specify practices to be followed 1029
in the drilling and treatment of wells, production of oil and gas, 1030
and plugging of wells for protection of public health or safety or 1031
to prevent damage to natural resources, including specification of 1032
the following: 1033

(1) Appropriate devices; 1034

(2) Minimum distances that wells and other excavations, 1035
structures, and equipment shall be located from water wells, 1036
streets, roads, highways, rivers, lakes, streams, ponds, other 1037
bodies of water, railroad tracks, public or private recreational 1038
areas, zoning districts, and buildings or other structures. Rules 1039
adopted under division (A)(2) of this section shall not conflict 1040
with section 1509.021 of the Revised Code. 1041

(3) Other methods of operation; 1042

(4) Procedures, methods, and equipment and other requirements 1043
for equipment to prevent and contain discharges of oil and brine 1044
from oil production facilities and oil drilling and workover 1045
facilities consistent with and equivalent in scope, content, and 1046
coverage to section 311(j)(1)(c) of the "Federal Water Pollution 1047
Control Act Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, 1048
as amended, and regulations adopted under it. In addition, the 1049
rules may specify procedures, methods, and equipment and other 1050
requirements for equipment to prevent and contain surface and 1051
subsurface discharges of fluids, condensates, and gases. 1052

(5) Notifications. 1053

(B) The chief, in consultation with the emergency response 1054

commission created in section 3750.02 of the Revised Code, shall 1055
adopt rules in accordance with Chapter 119. of the Revised Code 1056
that specify the information that shall be included in an 1057
electronic database that the chief shall create and host. The 1058
information shall be that which the chief considers to be 1059
appropriate for the purpose of responding to emergency situations 1060
that pose a threat to public health or safety or the environment. 1061
At the minimum, the information shall include that which a person 1062
who is regulated under this chapter is required to submit under 1063
the "Emergency Planning and Community Right-To-Know Act of 1986," 1064
100 Stat. 1728, 42 U.S.C.A. 11001, and regulations adopted under 1065
it. 1066

In addition, the rules shall specify whether and to what 1067
extent the database and the information that it contains will be 1068
made accessible to the public. The rules shall ensure that the 1069
database will be made available via the internet or a system of 1070
computer disks to the emergency response commission and to every 1071
local emergency planning committee and fire department in this 1072
state. 1073

(C) The chief shall adopt rules in accordance with Chapter 1074
119. of the Revised Code doing both of the following: 1075

(1) Establishing requirements governing ground water 1076
monitoring by boards of health under section 1509.231 of the 1077
Revised Code. The rules shall include, but not be limited to, 1078
acceptable monitoring protocols to be used by boards of health in 1079
conducting ground water monitoring and procedures for the 1080
submission of the results of ground water monitoring to the chief 1081
and the director of environmental protection. 1082

(2) Establishing requirements governing the monitoring and 1083
testing of underground or surface sources of drinking water 1084
located in the vicinity of a well, other than an injection well, 1085
for which a permit has been issued under this chapter to detect 1086

negative impacts to water quality that may affect public health or the environment. The rules shall authorize the chief to enter into contracts with boards of health to conduct the monitoring required in rules adopted under division (C)(2) of this section.

Sec. 1509.231. The board of health of a health district in which is located an injection well for which a permit has been issued under division (D) of section 1522.22 of the Revised Code shall conduct ground water monitoring at the site and in the vicinity of the injection well to detect negative impacts to ground water quality that may affect public health or the environment. The board shall report the results of the ground water monitoring to the chief of the division of oil and gas resources management and the director of environmental protection each calendar quarter in accordance with rules adopted under section 1509.23 of the Revised Code.

Sec. 1509.29. Upon application by an owner of a tract for which a drilling permit may not be issued, and a showing by the owner that the owner is unable to enter a voluntary pooling agreement ~~and that the owner would be unable to participate under a mandatory pooling order~~, the chief of the division of oil and gas resources management shall issue a permit and order establishing the tract as an exception tract if the chief finds that the owner would otherwise be precluded from producing oil or gas from the owner's tract because of minimum acreage or distance requirements. The order shall set a percentage of the maximum daily potential production at which the well may be produced. The percentage shall be the same as the percentage that the number of acres in the tract bears to the number of acres in the minimum acreage requirement that has been established under section 1509.24 or 1509.25 of the Revised Code, whichever is applicable, but if the well drilled on the tract is located nearer to the

boundary of the tract than the required minimum distance, the 1118
percentage may not exceed the percentage determined by dividing 1119
the distance from the well to the boundary by the minimum distance 1120
requirement. Within ten days after completion of the well, the 1121
maximum daily potential production of the well shall be determined 1122
by such drill stem, open flow, or other tests as may be required 1123
by the chief. The chief shall require such tests, at least once 1124
every three months, as are necessary to determine the maximum 1125
daily potential production at that time. 1126

Sec. 1509.80. (A)(1) If an owner hires an individual who is a 1127
graduate of an oil and gas training program and who is a resident 1128
of this state at the time of the hiring, the owner shall employ 1129
the individual for not less than three years beginning on the date 1130
on which the individual is hired by the owner. 1131

(2) As used in division (A)(1) of this section, "oil and gas 1132
training program" means a program that provides training in 1133
production operations and that is developed by a community or 1134
technical college in this state in collaboration with an 1135
association that represents the oil and gas industry. 1136

(B) An owner that trains employees of the owner regarding 1137
production operations qualifies for grants from the casino 1138
operator fund established in section 3772.34 of the Revised Code 1139
if both of the following apply: 1140

(1) The owner certifies to the chief of the division of oil 1141
and gas resources management that each such employee will be 1142
retained for not less than three years beginning on the date on 1143
which the employee is hired by the owner. 1144

(2) At least twenty-five per cent of the employees who are 1145
trained by the owner are residents of this state. 1146

(C) The chief shall adopt rules in accordance with Chapter 1147

119. of the Revised Code to administer and enforce this section. 1148

Section 2. That existing sections 1345.01, 1345.02, 1345.07, 1149
1509.02, 1509.021, 1509.06, 1509.19, 1509.22, 1509.23, and 1509.29 1150
and section 1509.27 of the Revised Code are hereby repealed. 1151

Section 3. All items in this act are hereby appropriated as 1152
designated out of any moneys in the state treasury to the credit 1153
of the General Services Fund Group. For all appropriations made in 1154
this act, those in the first column are for fiscal year 2012 and 1155
those in the second column are for fiscal year 2013. The 1156
appropriations made in this act are in addition to any other 1157
appropriations made for the FY 2012-FY 2013 biennium. 1158

Appropriations

BOR BOARD OF REGENTS 1159

General Services Fund Group 1160

5KT0 235681 Oil and Gas Job \$ 0 \$ 10,000,000 1161

Training Program

TOTAL GSF General Services Fund \$ 0 \$ 10,000,000 1162

Group

TOTAL ALL BUDGET FUND GROUPS \$ 0 \$ 10,000,000 1163

OIL AND GAS JOB TRAINING PROGRAM 1164

The foregoing appropriation item 235681, Oil and Gas Job 1165
Training Program, shall be used to support oil and gas training 1166
programs at community or technical colleges and to provide 1167
employee training grants to oil or gas well owners pursuant to 1168
section 1509.80 of the Revised Code as enacted by this act. 1169

Section 4. Within the limits set forth in this act, the 1170
Director of Budget and Management shall establish accounts 1171
indicating the source and amount of funds for each appropriation 1172
made in this act and shall determine the form and manner in which 1173

appropriation accounts shall be maintained. Expenditures from 1174
appropriations contained in this act shall be accounted for as 1175
though made in Am. Sub. H.B. 153 of the 129th General Assembly. 1176

The appropriations made in this act are subject to all 1177
provisions of Am. Sub. H.B. 153 of the 129th General Assembly that 1178
are generally applicable to such appropriations. 1179

Section 5. Sections 3 and 4 of this act and the items of law 1180
of which they are composed are not subject to the referendum 1181
because they are or relate to an appropriation for current 1182
expenses within the meaning of Ohio Constitution, Article II, 1183
Section 1d and, therefore, go into immediate effect when this act 1184
becomes law. 1185