### As Introduced

# 129th General Assembly **Regular Session** 2011-2012

S. B. No. 379

#### Senator Skindell

## A BILL

To amend sections 1509.06, 1509.10, and 1509.31 and 1 to enact section 1509.091 of the Revised Code to revise the requirements concerning an oil and gas 3 permit application, an oil and gas well completion 4 record, designation of trade secret protection for 5 chemicals used to drill or stimulate an oil and 6 gas well, and disclosure of chemical information to a medical professional, to require an owner to 8 report all chemicals brought to a well site, and 9 to make other changes in the Oil and Gas Law. 10

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

Sec	ction	<b>n 1.</b> That	t sections	s 1509.	06, 1509	.10, an	nd 1509.31	be	11
amended	and	section	1509.091	of the	Revised	Code b	oe enacted	to	12
read as	foli	lows:							13

Sec. 1509.06. (A) An application for a permit to drill a new 14 well, drill an existing well deeper, reopen a well, convert a well 15 to any use other than its original purpose, or plug back a well to 16 a different source of supply, including associated production 17 operations, shall be filed with the chief of the division of oil 18 and gas resources management upon such form as the chief 19 prescribes and shall contain each of the following that is 20

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applicable:	21
(1) The name and address of the owner and, if a corporation,	22
the name and address of the statutory agent;	23
(2) The signature of the owner or the owner's authorized	24
agent. When an authorized agent signs an application, it shall be	25
accompanied by a certified copy of the appointment as such agent.	26
(3) The names and addresses of all persons holding the	27
royalty interest in the tract upon which the well is located or is	28
to be drilled or within a proposed drilling unit;	29
(4) The location of the tract or drilling unit on which the	30
well is located or is to be drilled identified by section or lot	31
number, city, village, township, and county;	32
(5) Designation of the well by name and number;	33
(6)(a) The geological formation to be tested or used and the	34
proposed total depth of the well;	35
(b) If the well is for the injection of a liquid, identity of	36
the geological formation to be used as the injection zone and the	37
composition of the liquid to be injected.	38
(7) The type of drilling equipment to be used;	39
(8)(a) An identification, to the best of the owner's	40
knowledge, of each proposed source of ground water and surface	41
water that will be used in the production operations of the well.	42
The identification of each proposed source of water shall indicate	43
if the water will be withdrawn from the Lake Erie watershed or the	44
Ohio river watershed. In addition, the owner shall provide, to the	45
best of the owner's knowledge, the proposed estimated rate and	46
volume of the water withdrawal for the production operations. If	47
recycled water will be used in the production operations, the	48
owner shall provide the estimated volume of recycled water to be	49
used. The owner shall submit to the chief an update of any of the	50

information that is required by division (A)(8)(a) of this section 51 if any of that information changes before the chief issues a 52 permit for the application. 53

- (b) Except as provided in division (A)(8)(c) of this section, 54 for an application for a permit to drill a new well within an 55 urbanized area, the results of sampling of water wells within 56 three hundred feet of the proposed well prior to commencement of 57 drilling. In addition, the owner shall include a list that 58 identifies the location of each water well where the owner of the 59 property on which the water well is located denied the owner 60 access to sample the water well. The sampling shall be conducted 61 in accordance with the guidelines established in "Best Management 62 Practices For Pre-drilling Water Sampling" in effect at the time 63 that the application is submitted. The division shall furnish 64 those guidelines upon request and shall make them available on the 65 division's web site. If the chief determines that conditions at 66 the proposed well site warrant a revision, the chief may revise 67 the distance established in this division for purposes of 68 pre-drilling water sampling. 69
- (c) For an application for a permit to drill a new horizontal 70 well, the results of sampling of water wells within one thousand 71 five hundred feet of the proposed horizontal wellhead prior to 72 commencement of drilling. In addition, the owner shall include a 73 list that identifies the location of each water well where the 74 owner of the property on which the water well is located denied 75 the owner access to sample the water well. The sampling shall be 76 conducted in accordance with the guidelines established in "Best 77 Management Practices For Pre-drilling Water Sampling" in effect at 78 the time that the application is submitted. The division shall 79 furnish those guidelines upon request and shall make them 80 available on the division's web site. If the chief determines that 81 conditions at the proposed well site warrant a revision, the chief 82

may revise the distance established in this division for purposes 83 of pre-drilling water sampling. 84

- (9) For an application for a permit to drill a new well 85 within an urbanized area, a sworn statement that the applicant has 86 provided notice by regular mail of the application to the owner of 87 each parcel of real property that is located within five hundred 88 feet of the surface location of the well and to the executive 89 authority of the municipal corporation or the board of township 90 trustees of the township, as applicable, in which the well is to 91 be located. In addition, the notice shall contain a statement that 92 informs an owner of real property who is required to receive the 93 notice under division (A)(9) of this section that within five days 94 of receipt of the notice, the owner is required to provide notice 95 under section 1509.60 of the Revised Code to each residence in an 96 occupied dwelling that is located on the owner's parcel of real 97 property. The notice shall contain a statement that an application 98 has been filed with the division of oil and gas resources 99 management, identify the name of the applicant and the proposed 100 well location, include the name and address of the division, and 101 contain a statement that comments regarding the application may be 102 sent to the division. The notice may be provided by hand delivery 103 or regular mail. The identity of the owners of parcels of real 104 property shall be determined using the tax records of the 105 municipal corporation or county in which a parcel of real property 106 is located as of the date of the notice. 107
- (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
  110
  of the Revised Code and any rules adopted by the chief pertaining
  to that restoration.
- (11)(a) A description by name or number of the county, 113 township, and municipal corporation roads, streets, and highways 114

that the applicant anticipates will be used for access to and	115
egress from the well site;	116
(b) For an application for a permit for a horizontal well, a	117
copy of an agreement concerning maintenance and safe use of the	118
roads, streets, and highways described in division (A)(11)(a) of	119
this section entered into on reasonable terms with the public	120
official that has the legal authority to enter into such	121
maintenance and use agreements for each county, township, and	122
municipal corporation, as applicable, in which any such road,	123
street, or highway is located or an affidavit on a form prescribed	124
by the chief attesting that the owner attempted in good faith to	125
enter into an agreement under division (A)(11)(b) of this section	126
with the applicable public official of each such county, township,	127
or municipal corporation, but that no agreement was executed.	128
(12) For an application for a permit to drill a new	129
horizontal well, the type, volume, and geochemistry of each fluid	130
that is proposed to be used to stimulate the reservoir of the	131
proposed well, the proposed method that will be used for the	132
containment of fluids recovered from the fracturing of the	133
proposed well, and the proposed methods that will be used for the	134
containment of fluids when pulled from the wellbore from swabbing	135
the proposed well. In addition, the application shall include an	136
identification of any chemical that is proposed to be added to	137
each fluid that is proposed to be used to stimulate the reservoir	138
of the proposed well and shall include the chemical's name, the	139
chemical abstracts service number, the chemical family name, the	140
trade name, the vendor, a brief description of the chemical's	141
intended use or function, and the proposed quantity to be used	142
that is reported as a percentage, by weight or volume, of the	143
total fluid. However, the application shall not include	144
information that is designated as a trade secret pursuant to	145
division (I)(1) of section 1509.10 of the Revised Code.	146

(13) Such other relevant information as the chief prescribes	147
by rule.	148
Each application shall be accompanied by a map, on a scale	149
not smaller than four hundred feet to the inch, prepared by an	150
Ohio registered surveyor, showing the location of the well and	151
containing such other data as may be prescribed by the chief. If	152
the well is or is to be located within the excavations and	153
workings of a mine, the map also shall include the location of the	154
mine, the name of the mine, and the name of the person operating	155
the mine.	156
(B) The chief shall cause a copy of the weekly circular	157
prepared by the division to be provided to the county engineer of	158
each county that contains active or proposed drilling activity.	159
The weekly circular shall contain, in the manner prescribed by the	160
chief, the names of all applicants for permits, the location of	161
each well or proposed well, the information required by division	162
(A)(11) of this section, and any additional information the chief	163
prescribes. In addition, the chief promptly shall transfer an	164
electronic copy or facsimile, or if those methods are not	165
available to a municipal corporation or township, a copy via	166
regular mail, of a drilling permit application to the clerk of the	167
legislative authority of the municipal corporation or to the clerk	168
of the township in which the well or proposed well is or is to be	169
located if the legislative authority of the municipal corporation	170
or the board of township trustees has asked to receive copies of	171
such applications and the appropriate clerk has provided the chief	172
an accurate, current electronic mailing address or facsimile	173
number, as applicable.	174
(C)(1) Except as provided in division (C)(2) of this section,	175
the chief shall not issue a permit for at least ten days after the	176

date of filing of the application for the permit unless, upon

reasonable cause shown, the chief waives that period or a request

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for expedited review is filed under this section. However, the	179
chief shall issue a permit within twenty-one days of the filing of	180
the application unless the chief denies the application by order.	181

- (2) If the location of a well or proposed well will be or is 182 within an urbanized area, the chief shall not issue a permit for 183 at least eighteen days after the date of filing of the application 184 for the permit unless, upon reasonable cause shown, the chief 185 waives that period or the chief at the chief's discretion grants a 186 request for an expedited review. However, the chief shall issue a 187 permit for a well or proposed well within an urbanized area within 188 thirty days of the filing of the application unless the chief 189 denies the application by order. 190
- (D) An applicant may file a request with the chief for 191 expedited review of a permit application if the well is not or is 192 not to be located in a gas storage reservoir or reservoir 193 protective area, as "reservoir protective area" is defined in 194 section 1571.01 of the Revised Code. If the well is or is to be 195 located in a coal bearing township, the application shall be 196 accompanied by the affidavit of the landowner prescribed in 197 section 1509.08 of the Revised Code. 198

In addition to a complete application for a permit that meets 199 the requirements of this section and the permit fee prescribed by 200 this section, a request for expedited review shall be accompanied 201 by a separate nonrefundable filing fee of two hundred fifty 202 dollars. Upon the filing of a request for expedited review, the 203 chief shall cause the county engineer of the county in which the 204 well is or is to be located to be notified of the filing of the 205 permit application and the request for expedited review by 206 telephone or other means that in the judgment of the chief will 207 provide timely notice of the application and request. The chief 208 shall issue a permit within seven days of the filing of the 209 request unless the chief denies the application by order. 210

Notwithstanding the provisions of this section governing expedited	211
review of permit applications, the chief may refuse to accept	212
requests for expedited review if, in the chief's judgment, the	213
acceptance of the requests would prevent the issuance, within	214
twenty-one days of their filing, of permits for which applications	215
are pending.	216
(E) A well shall be drilled and operated in accordance with	217
the plans, sworn statements, and other information submitted in	218
the approved application.	219

(F) The chief shall issue an order denying a permit if the 220 chief finds that there is a substantial risk that the operation 221 will result in violations of this chapter or rules adopted under 222 it that will present an imminent danger to public health or safety 223 or damage to the environment, provided that where the chief finds 224 that terms or conditions to the permit can reasonably be expected 225 to prevent such violations, the chief shall issue the permit 226 subject to those terms or conditions, including, if applicable, 227 terms and conditions regarding subjects identified in rules 228 adopted under section 1509.03 of the Revised Code. The issuance of 229 a permit shall not be considered an order of the chief. 230

The chief shall post notice of each permit that has been 231 approved under this section on the division's web site not later 232 than two business days after the application for a permit has been 233 approved. 234

- (G) Each application for a permit required by section 1509.05 235 of the Revised Code, except an application to plug back an 236 existing well that is required by that section and an application 237 for a well drilled or reopened for purposes of section 1509.22 of 238 the Revised Code, also shall be accompanied by a nonrefundable fee 239 as follows:
  - (1) Five hundred dollars for a permit to conduct activities

(2) Prior to the issuance of a permit to drill a proposed

well, the division shall conduct a review to identify and evaluate

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any site-specific terms and conditions that may be attached to the	272
permit if the proposed well will be located in a one-hundred-year	273
floodplain or within the five-year time of travel associated with	274
a public drinking water supply.	275

- (I) A permit shall be issued by the chief in accordance with 276 this chapter. A permit issued under this section for a well that 277 is or is to be located in an urbanized area shall be valid for 278 twelve months, and all other permits issued under this section 279 shall be valid for twenty-four months. 280
- (J) An applicant or a permittee, as applicable, shall submit 281 to the chief an update of the information that is required under 282 division (A)(8)(a) of this section if any of that information 283 changes prior to commencement of production operations. 284
- (K) In addition to a complete application to drill a new 285 horizontal well, an applicant also shall submit to the chief the 286 specific chemical identity or chemical name or other specific 287 information pertaining to each chemical, as applicable, for which 288 the chief has issued an order under division (I)(1) of section 289 1509.10 of the Revised Code approving a request for trade secret 290 designation and that is proposed to be added to each fluid that is 291 proposed to be used to stimulate the reservoir of the proposed 292 well. The applicant shall include the chemical's name, the 293 chemical abstracts service number, the chemical family name, the 294 trade name, the vendor, a brief description of the chemical's 295 intended use or function, and the proposed quantity to be used 296 that is reported as a percentage, by weight or volume, of the 297 total fluid. The chief shall maintain a database consisting of the 298 information received pursuant to this division and shall disclose 299 the information in the database only for the purposes specified in 300 division (H) of section 1509.10 of the Revised Code. The chief may 301 adopt rules in accordance with Chapter 119. of the Revised Code 302 that are necessary for the administration of this division. 303

(L) A permittee or a permittee's authorized representative	304
shall notify an inspector from the division at least twenty-four	305
hours, or another time period agreed to by the chief's authorized	306
representative, prior to the commencement of well pad construction	307
and of drilling, reopening, converting, well stimulation, or	308
plugback operations.	309
Sec. 1509.091. If a chemical or a fluid containing a chemical	310
is brought to a well site, the owner of the well immediately shall	311
submit to the chief of the division of oil and gas resources	312
management a list that identifies each chemical or each chemical	313
in the fluid, as applicable, and that includes information that is	314
designated as a trade secret pursuant to division (I)(1) of	315
section 1509.10 of the Revised Code, and that identifies the well.	316
The chief shall maintain a database consisting of the information	317
received pursuant to this section and shall disclose the	318
information in the database only for the purposes specified in	319
division (H) of section 1509.10 of the Revised Code. The chief	320
shall adopt rules in accordance with Chapter 119. of the Revised	321
Code that are necessary for the administration of this section and	322
to preserve the confidentiality of trade secrets.	323
Sec. 1509.10. (A) Any person drilling within the state shall,	324
within sixty days after the completion of drilling operations to	325
the proposed total depth or after a determination that a well is a	326
dry or lost hole, file with the division of oil and gas resources	327
management all wireline electric logs and an accurate well	328
completion record on a form that is prescribed by the chief of the	329
division of oil and gas resources management that designates:	330
	331
(1) The purpose for which the well was drilled;	332

(2) The character, depth, and thickness of geological units

encountered, including coal seams, mineral beds, associated fluids	334
such as fresh water, brine, and crude oil, natural gas, and sour	335
gas, if such seams, beds, fluids, or gases are known;	336
(3) The dates on which drilling operations were commenced and	337
completed;	338
(4) The types of drilling tools used and the name of the	339
person that drilled the well;	340
(5) The length in feet of the various sizes of casing and	341
tubing used in drilling the well, the amount removed after	342
completion, the type and setting depth of each packer, all other	343
data relating to cementing in the annular space behind such casing	344
or tubing, and data indicating completion as a dry, gas, oil,	345
combination oil and gas, brine injection, or artificial brine well	346
or a stratigraphic test;	347
(6) The number of perforations in the casing and the	348
intervals of the perforations;	349
(7) The elevation above mean sea level of the point from	350
which the depth measurements were made, stating also the height of	351
the point above ground level at the well, the total depth of the	352
well, and the deepest geological unit that was penetrated in the	353
drilling of the well;	354
(8) If applicable, the type, volume, and concentration of	355
acid, and the date on which acid was used in acidizing the well;	356
(9)(a) If applicable, the trade name and the total amount of	357
all products, fluids, and substances, and the supplier of each	358
product, fluid, or substance, not including cement and its	359
constituents and lost circulation materials, intentionally added	360
to facilitate the drilling of any portion of the well until the	361
surface casing is set and properly sealed. The owner shall	362
identify each additive used and provide a brief description of the	363
purpose for which the additive is used. In addition, the owner	364

shall include a list of all chemicals, not including any	365
information that is designated as a trade secret pursuant to	366
division (I)(1) of this section, intentionally added to all	367
products, fluids, or substances and include each chemical's	368
corresponding chemical abstracts service number and the maximum	369
concentration of each chemical. The owner shall obtain the	370
chemical information, not including any information that is	371
designated as a trade secret pursuant to division (I)(1) of this	372
section, from the company that drilled the well, provided service	373
at the well, or supplied the chemicals. If the company that	374
drilled the well, provided service at the well, or supplied the	375
chemicals provides incomplete or inaccurate chemical information,	376
the owner shall make reasonable efforts to obtain the required	377
information from the company or supplier.	378

- (b) For purposes of division (A)(9)(a) of this section, if

  recycled fluid was used, the total volume of recycled fluid and

  the well that is the source of the recycled fluid or the

  centralized facility that is the source of the recycled fluid.

  382
- (10)(a) If applicable, the type and volume of fluid, not 383 including cement and its constituents or information that is 384 designated as a trade secret pursuant to division (I)(1) of this 385 section, used to stimulate the reservoir of the well, the 386 reservoir breakdown pressure, the method used for the containment 387 of fluids recovered from the fracturing of the well, the methods 388 used for the containment of fluids when pulled from the wellbore 389 from swabbing the well, the average pumping rate of the well, and 390 the name of the person that performed the well stimulation. In 391 addition, the owner shall include a copy of the log from the 392 stimulation of the well, a copy of the invoice for each of the 393 procedures and methods described in division (A)(10) of this 394 section that were used on a well, and a copy of the pumping 395 pressure and rate graphs. However, the owner may redact from the 396

copy of each invoice that is required to be included under	397
division (A)(10) of this section the costs of and charges for the	398
procedures and methods described in division (A)(10) of this	399
section that were used on a well.	400
(b) If applicable, the trade name and the total volume of all	401
products, fluids, and substances, and the supplier of each	402
product, fluid, or substance used to stimulate the well. The owner	403
shall identify each additive used, provide a brief description of	404
the purpose for which the additive is used, and include the	405
maximum concentration of the additive used. In addition, the owner	406
shall include a list of all chemicals, not including any	407
information that is designated as a trade secret pursuant to	408
division (I)(1) of this section, intentionally added to all	409
products, fluids, or substances, include the name of each vendor	410
of each chemical, and include each chemical's corresponding	411
chemical abstracts service number, the chemical family name, the	412
trade name, a brief description of each chemical's intended use or	413
function, and the maximum concentration of each chemical reported	414
as a percentage. The owner shall obtain the chemical information,	415
not including any information that is designated as a trade secret	416
pursuant to division (I)(1) of this section, from the company that	417
stimulated the well or supplied the chemicals. If the company that	418
stimulated the well or supplied the chemicals provides incomplete	419
or inaccurate chemical information, the owner shall make	420
reasonable efforts to obtain the required information from the	421
company or supplier.	422
(c) For purposes of division (A)(10)(b) of this section, if	423

- recycled fluid was used, the total volume of recycled fluid and
  the well that is the source of the recycled fluid or the
  centralized facility that is the source of the recycled fluid.

  426
- (11) The name of the company that performed the logging of 427 the well and the types of wireline electric logs performed on the 428

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well.	429
The well completion record shall be submitted in duplicate.	430
The first copy shall be retained as a permanent record in the	431
files of the division, and the second copy shall be transmitted by	432
the chief to the division of geological survey.	433
(B)(1) Not later than sixty days after the completion of the	434
drilling operations to the proposed total depth, the owner shall	435
file all wireline electric logs with the division of oil and gas	436
resources management and the chief shall transmit such logs	437
electronically, if available, to the division of geological	438
survey. Such logs may be retained by the owner for a period of not	439
more than six months, or such additional time as may be granted by	440
the chief in writing, after the completion of the well	441
substantially to the depth shown in the application required by	442
section 1509.06 of the Revised Code.	443
(2) If a well is not completed within sixty days after the	444
completion of drilling operations, the owner shall file with the	445
division of oil and gas resources management a supplemental well	446
completion record that includes all of the information required	447
under this section within sixty days after the completion of the	448
well.	449
(3) After a well is initially completed and stimulated and	450
until the well is plugged, the owner shall report, on a form	451
prescribed by the chief, all materials placed into the formation	452
to refracture, restimulate, or newly complete the well. The owner	453
shall submit the information within sixty days after completing	454
the refracturing, restimulation, or new completion. In addition,	455
the owner shall report the information required in divisions	456
(A)(10)(a) to (c) of this section, as applicable, in a manner	457

(C) Upon request in writing by the chief of the division of 459

458

consistent with the requirements established in this section.

geological survey prior to the beginning of drilling of the well,	460
the person drilling the well shall make available a complete set	461
of cuttings accurately identified as to depth.	462
(D) The form of the well completion record required by this	463
section shall be one that has been prescribed by the chief of the	464
division of oil and gas resources management and the chief of the	465
division of geological survey. The filing of a log as required by	466
this section fulfills the requirement of filing a log with the	467
chief of the division of geological survey in section 1505.04 of	468
the Revised Code.	469
(E) If a material listed or designated under division (A)(9)	470
or (10) or (B)(3) of this section is a material for which the	471
division of oil and gas resources management does not have a	472
material safety data sheet, the owner shall provide a copy of the	473
material safety data sheet for the material to the chief.	474
(F) An owner shall submit to the chief the information that	475
is required in divisions (A)(10)(b) and (c) and (B)(3) of this	476
section consistent with the requirements established in this	477
section using one of the following methods:	478
(1) On a form prescribed by the chief;	479
(2) Through the chemical disclosure registry that is	480
maintained by the ground water protection council and the	481
interstate oil and gas compact commission;	482
(3) Any other means approved by the chief.	483
(G) The chief shall post on the division's web site each	484
material safety data sheet obtained under division (E) of this	485
section. In addition, the chief shall make available through the	486
division's web site the chemical information that is required by	487
divisions (A)(9) and (10) and (B)(3) of this section. If the chief	488
issues an order pursuant to division (I)(1) of this section	489

denying a request for trade secret designation and if the owner or

person requesting the trade secret designation does not appeal the	491
chief's order or if a court determines that the chemical identity,	492
the chemical name, or other specific information pertaining to the	493
chemical is not entitled to trade secret protection, the chief	494
shall make available through the division's web site the chemical	495
information.	496
$(\mathrm{H})\frac{\mathrm{(H)}}{\mathrm{(H)}}$ If a medical professional, in order to assist in the	497
diagnosis or treatment of an individual who was may have been	498
affected by an incident associated with the production operations	499
of a well construction, drilling, stimulation, completion,	500
production, or other production operations at a well or by	501
chemical transportation accidents related to the production	502
operations of a well, requests the exact chemical composition of	503
each product, fluid, or substance and of each chemical component	504
in a product, fluid, or substance identity or chemical name or	505
other specific information pertaining to a chemical that is	506
designated as a trade secret pursuant to division (I) of this	507
section, the <del>person claiming the trade secret protection pursuant</del>	508
to that division chief shall provide to the medical professional,	509
as expeditiously as possible, the exact chemical composition of	510
the product, fluid, or substance and of the chemical component in	511
a product, fluid, or substance identity or chemical name or other	512
specified information pertaining to the chemical that is	513
requested.	514
(2) A medical professional who receives information pursuant	515
to division (H)(1) of this section shall keep the information	516
confidential and shall not disclose the information for any	517
purpose that is not related to the diagnosis or treatment of an	518
individual who was affected by an incident associated with the	519
production operations of a well. Nothing in division (H)(2) of	520
this section precludes a medical professional from making any	521
report required by law or professional ethical standards.	522

(I)(1) The owner of a well who is required to submit a well	523
completion record under division (A) of this section or a report	524
under division (B)(3) of this section or a person that provides	525
information to the owner as described in and for purposes of	526
division (A)(9) or (10) or (B)(3) of this section may designate	527
without disclosing request on a form prescribed by the chief and	528
withhold from disclosure to the chief the identity, amount,	529
concentration, or purpose of a product, fluid, or substance or of	530
a chemical component in a product, fluid, or substance as a trade	531
secret. The that the specific chemical identity, including the	532
chemical name and other specific information pertaining to the	533
chemical, be designated as a trade secret and withheld from	534
disclosure. The owner or person shall demonstrate on the form that	535
the information sought to be designated as a trade secret is a	536
trade secret as defined in section 1333.61 of the Revised Code.	537
After receipt and review of a form requesting trade secret	538
designation, the chief may request the owner or person to provide	539
additional information concerning the request. Not later than	540
sixty days after receipt of a form requesting trade secret	541
designation, the chief shall issue an order either approving or	542
denying the request for trade secret designation. The chief shall	543
send a copy of the order to the owner or person. The owner or	544
person may appeal the chief's order denying the request for trade	545
secret designation pursuant to section 1509.36 of the Revised	546
Code. The chief may adopt rules in accordance with Chapter 119. of	547
the Revised Code that are necessary and appropriate to administer	548
this division or to preserve the confidentiality of trade secrets.	549
(2) The owner or person may pursue enforcement of any rights	550
or remedies established in sections 1333.61 to 1333.69 of the	551
Revised Code for misappropriation, as defined in section 1333.61	552
of the Revised Code, with respect to the ${ t chemical}$ identity $ au$	553
amount, concentration, or purpose of a product, fluid, or	554
substance or a chemical component in a product, fluid, or	555

substance or chemical name or other specific information	556
pertaining to the chemical designated as a trade secret pursuant	557
to division (I)(1) of this section. The division shall not	558
disclose information regarding the chemical identity, amount,	559
concentration, or purpose of any product, fluid, or substance or	560
of any chemical component in a product, fluid, or substance or	561
chemical name or other specific information pertaining to the	562
chemical designated as a trade secret pursuant to division (I)(1)	563
of this section.	564

 $\frac{(2)}{(3)}$  A property owner, an adjacent property owner, or any 565 person or agency of this state having an interest that is or may 566 be adversely affected by a product, fluid, or substance or by a 567 chemical component in a product, fluid, or substance may commence 568 a civil action in the court of common pleas of Franklin county 569 against an owner or person described in division (I)(1) of this 570 section challenging the owner's or person's claim to entitlement 571 to trade secret protection for the specific chemical identity, 572 amount, concentration, or purpose of a product, fluid, or 573 substance or of a chemical component in a product, fluid, or 574 substance or chemical name or other specific information 575 pertaining to the chemical pursuant to division (I)(1) of this 576 section. A person who commences a civil action pursuant to 577 division (I)(2)(3) of this section shall provide notice to the 578 chief in a manner prescribed by the chief. In the civil action, 579 the court shall conduct an in camera review of information 580 submitted by an owner or person described in division (I)(1) of 581 this section to determine if the chemical identity, amount, 582 concentration, or purpose of a product, fluid, or substance or of 583 a chemical component in a product, fluid, or substance or chemical 584 name or other specific information pertaining to the chemical 585 pursuant to division (I)(1) of this section is entitled to trade 586 secret protection. 587

$(\mathtt{J})(\mathtt{1})$ Except for any information that is designated as a	588
trade secret pursuant to division (I)(1) of this section and	589
except as provided in division (J)(2) of this section, the owner	590
of a well shall maintain records of all chemicals placed in a well	591
for a period of not less than two years after the date on which	592
each such chemical was placed in the well. The chief may inspect	593
the records at any time concerning any such chemical.	594
(2) An owner or person <del>who</del> to whom the chief has <del>designated</del>	595

- 595 (2) An owner or person <del>who</del> <u>to</u> issued an order designating the chemical identity, amount, 596 concentration, or purpose of a product, fluid, or substance or of 597 a chemical component in a product, fluid, or substance or chemical 598 name or other specific information pertaining to a chemical as a 599 trade secret pursuant to division (I)(1) of this section shall 600 maintain the records for such a product, fluid, or substance or 601 for a chemical component in a product, fluid, or substance 602 chemical for a period of not less than two years after the date on 603 which each such product, fluid, or substance or each such chemical 604 component in a product, fluid, or substance chemical was placed in 605 the well. Upon the request of the chief, the owner or person, as 606 applicable, shall disclose the records to the chief if the 607 information is necessary to respond to a spill, release, or 608 investigation. However, the chief shall not disclose the 609 information that is designated as a trade secret. 610
- (K)(1) For purposes of correcting inaccuracies and 611 incompleteness in chemical information required by divisions 612 (A)(9) and (10) and (B)(3) of this section, an owner shall be 613 considered in substantial compliance if the owner has made 614 reasonable efforts to obtain the required information from the 615 supplier.
- (2) For purposes of reporting under this section, an owner is
  not required to report chemicals that occur incidentally or in
  trace amounts.
  619

(L) At the same time that a well completion record is	620
submitted in accordance with division (A) of this section and at	621
the same time that a report is submitted under division (B)(3) of	622
this section, the owner separately shall submit to the chief the	623
information that is required in division (A)(9) or (10) or (B)(3)	624
of this section, as applicable. However, the information also	625
shall include the specific chemical identity or chemical name or	626
other specific information pertaining to a chemical, as	627
applicable, for which the chief has issued an order under division	628
(I)(1) of this section approving a request for trade secret	629
designation. The chief shall maintain a database consisting of the	630
information received pursuant to this division and shall disclose	631
the information in the database only for the purposes specified in	632
division (H) of this section. The chief may adopt rules in	633
accordance with Chapter 119. of the Revised Code that are	634
necessary for the administration of this division.	635

Sec. 1509.31. (A) Whenever the entire interest of an oil and 636 gas lease is assigned or otherwise transferred, the assignor or 637 transferor shall notify the holders of the royalty interests, and, 638 if a well or wells exist on the lease, the division of oil and gas 639 resources management, of the name and address of the assignee or 640 transferee by certified mail, return receipt requested, not later 641 than thirty days after the date of the assignment or transfer. 642 When notice of any such assignment or transfer is required to be 643 provided to the division, it shall be provided on a form 644 prescribed and provided by the division and verified by both the 645 assignor or transferor and by the assignee or transferee and shall 646 be accompanied by a nonrefundable fee of one hundred dollars for 647 each well. The notice form applicable to assignments or transfers 648 of a well to the owner of the surface estate of the tract on which 649 the well is located shall contain a statement informing the 650 landowner that the well may require periodic servicing to maintain 651

its productivity; that, upon assignment or transfer of the well to 652 the landowner, the landowner becomes responsible for compliance 653 with the requirements of this chapter and rules adopted under it, 654 including, without limitation, the proper disposal of brine 655 obtained from the well, the plugging of the well when it becomes 656 incapable of producing oil or gas, and the restoration of the well 657 site; and that, upon assignment or transfer of the well to the 658 landowner, the landowner becomes responsible for the costs of 659 compliance with the requirements of this chapter and rules adopted 660 under it and the costs for operating and servicing the well. 661

(B) When the entire interest of a well is proposed to be 662 assigned or otherwise transferred to the landowner for use as an 663 exempt domestic well, the owner who has been issued a permit under 664 this chapter for the well shall submit to the chief of the 665 division of oil and gas resources management an application for 666 the assignment or transfer that contains all documents that the 667 chief requires and a nonrefundable fee of one hundred dollars. The 668 application for such an assignment or transfer shall be prescribed 669 and provided by the chief. The chief may approve the application 670 if the application is accompanied by a release of all of the oil 671 and gas leases that are included in the applicable formation of 672 the drilling unit, the release is in a form such that the well 673 ownership merges with the fee simple interest of the surface 674 tract, and the release is in a form that may be recorded. However, 675 if the owner of the well does not release the oil and gas leases 676 associated with the well that is proposed to be assigned or 677 otherwise transferred or if the fee simple tract that results from 678 the merger of the well ownership with the fee simple interest of 679 the surface tract is less than five acres, the proposed exempt 680 domestic well owner shall post a five thousand dollar bond with 681 the division prior to the assignment or transfer of the well to 682 ensure that the well will be properly plugged. The chief, for good 683 cause, may modify the requirements of this section governing the 684 assignment or transfer of the interests of a well to the 685 landowner. Upon the assignment or transfer of the well, the owner 686 of an exempt domestic well is not subject to the severance tax 687 levied under section 5749.02 of the Revised Code, but is subject 688 to all applicable fees established in this chapter. 689

- (C) The owner holding a permit under section 1509.05 of the 690 Revised Code is responsible for all obligations and liabilities 691 imposed by this chapter and any rules, orders, and terms and 692 conditions of a permit adopted or issued under it, and no 693 assignment or transfer by the owner relieves the owner of the 694 obligations and liabilities until and unless the assignee or 695 transferee files with the division the information described in 696 divisions (A)(1), (2), (3), (4), (5), (10), (11), and  $\frac{(12)(13)}{(13)}$  of 697 section 1509.06 of the Revised Code; obtains liability insurance 698 coverage required by section 1509.07 of the Revised Code, except 699 when none is required by that section; and executes and files a 700 surety bond, negotiable certificates of deposit or irrevocable 701 letters of credit, or cash, as described in that section. Instead 702 of a bond, but only upon acceptance by the chief, the assignee or 703 transferee may file proof of financial responsibility, described 704 in section 1509.07 of the Revised Code. Section 1509.071 of the 705 Revised Code applies to the surety bond, cash, and negotiable 706 certificates of deposit and irrevocable letters of credit 707 described in this section. Unless the chief approves a 708 modification, each assignee or transferee shall operate in 709 accordance with the plans and information filed by the permit 710 holder pursuant to section 1509.06 of the Revised Code. 711
- (D) If a mortgaged property that is being foreclosed is 712 subject to an oil or gas lease, pipeline agreement, or other 713 instrument related to the production or sale of oil or natural gas 714 and the lease, agreement, or other instrument was recorded 715 subsequent to the mortgage, and if the lease, agreement, or other 716

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instrument is not in default, the oil or gas lease, pipeline	717
agreement, or other instrument, as applicable, has priority over	718
all other liens, claims, or encumbrances on the property so that	719
the oil or gas lease, pipeline agreement, or other instrument is	720
not terminated or extinguished upon the foreclosure sale of the	721
mortgaged property. If the owner of the mortgaged property was	722
entitled to oil and gas royalties before the foreclosure sale, the	723
oil or gas royalties shall be paid to the purchaser of the	724
foreclosed property.	725
Section 2. That existing sections 1509.06, 1509.10, and	726
1509.31 of the Revised Code are hereby repealed.	727