### As Introduced

# 130th General Assembly Regular Session 2013-2014

S. B. No. 17

#### **Senator Skindell**

Cosponsors: Senators Turner, Tavares, Brown, Sawyer, Smith, Kearney,
Gentile

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# A BILL

To amend sections 1509.06, 1509.10, and 1509.31 and 1 to enact section 1509.091 of the Revised Code to 2 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 health care professional or emergency 8 responder, to require an owner to report all 9 chemicals brought to a well site, and to make 10 other changes in the Oil and Gas Law. 11

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

Section 1. That sections 1509.06, 1509.10, and 1509.31 be	12
amended and section 1509.091 of the Revised Code be enacted to	13
read as follows:	14
Sec. 1509.06. (A) An application for a permit to drill a new	15
well, drill an existing well deeper, reopen a well, convert a well	16
to any use other than its original purpose, or plug back a well to	17
a different source of supply, including associated production	18

operations, shall be filed with the chief of the division of oil	19
and gas resources management upon such form as the chief	20
prescribes and shall contain each of the following that is	21
applicable:	22
(1) The name and address of the owner and, if a corporation,	23
the name and address of the statutory agent;	24
(2) The signature of the owner or the owner's authorized	25
agent. When an authorized agent signs an application, it shall be	26
accompanied by a certified copy of the appointment as such agent.	27
(3) The names and addresses of all persons holding the	28
royalty interest in the tract upon which the well is located or is	29
to be drilled or within a proposed drilling unit;	30
(4) The location of the tract or drilling unit on which the	31
well is located or is to be drilled identified by section or lot	32
number, city, village, township, and county;	33
(5) Designation of the well by name and number;	34
(6)(a) The geological formation to be tested or used and the	35
proposed total depth of the well;	36
(b) If the well is for the injection of a liquid, identity of	37
the geological formation to be used as the injection zone and the	38
composition of the liquid to be injected.	39
(7) The type of drilling equipment to be used;	40
(8)(a) An identification, to the best of the owner's	41
knowledge, of each proposed source of ground water and surface	42
water that will be used in the production operations of the well.	43
The identification of each proposed source of water shall indicate	44
if the water will be withdrawn from the Lake Erie watershed or the	45
Ohio river watershed. In addition, the owner shall provide, to the	46
best of the owner's knowledge, the proposed estimated rate and	47
volume of the water withdrawal for the production operations. If	48

recycled water will be used in the production operations, the

owner shall provide the estimated volume of recycled water to be

used. The owner shall submit to the chief an update of any of the

information that is required by division (A)(8)(a) of this section

if any of that information changes before the chief issues a

permit for the application.

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

furnish those guidelines upon request and shall make them

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available on the division's web site. If the chief determines that
conditions at the proposed well site warrant a revision, the chief
83
may revise the distance established in this division for purposes
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of pre-drilling water sampling.
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- (9) For an application for a permit to drill a new well 86 within an urbanized area, a sworn statement that the applicant has 87 provided notice by regular mail of the application to the owner of 88 each parcel of real property that is located within five hundred 89 feet of the surface location of the well and to the executive 90 authority of the municipal corporation or the board of township 91 trustees of the township, as applicable, in which the well is to 92 be located. In addition, the notice shall contain a statement that 93 informs an owner of real property who is required to receive the 94 notice under division (A)(9) of this section that within five days 95 of receipt of the notice, the owner is required to provide notice 96 under section 1509.60 of the Revised Code to each residence in an 97 occupied dwelling that is located on the owner's parcel of real 98 property. The notice shall contain a statement that an application 99 has been filed with the division of oil and gas resources 100 management, identify the name of the applicant and the proposed 101 well location, include the name and address of the division, and 102 contain a statement that comments regarding the application may be 103 sent to the division. The notice may be provided by hand delivery 104 or regular mail. The identity of the owners of parcels of real 105 property shall be determined using the tax records of the 106 municipal corporation or county in which a parcel of real property 107 is located as of the date of the notice. 108
- (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
  111
  of the Revised Code and any rules adopted by the chief pertaining
  112

to that restoration.	113
(11)(a) A description by name or number of the county,	114
township, and municipal corporation roads, streets, and highways	115
that the applicant anticipates will be used for access to and	116
egress from the well site;	117
(b) For an application for a permit for a horizontal well, a	118
copy of an agreement concerning maintenance and safe use of the	119
roads, streets, and highways described in division (A)(11)(a) of	120
this section entered into on reasonable terms with the public	121
official that has the legal authority to enter into such	122
maintenance and use agreements for each county, township, and	123
municipal corporation, as applicable, in which any such road,	124
street, or highway is located or an affidavit on a form prescribed	125
by the chief attesting that the owner attempted in good faith to	126
enter into an agreement under division (A)(11)(b) of this section	127
with the applicable public official of each such county, township,	128
or municipal corporation, but that no agreement was executed.	129
(12) For an application for a permit to drill a new	130
horizontal well, the type, volume, and geochemistry of each fluid	131
that is proposed to be used to stimulate the reservoir of the	132
proposed well, the proposed method that will be used for the	133
containment of fluids recovered from the fracturing of the	134
proposed well, and the proposed methods that will be used for the	135
containment of fluids when pulled from the wellbore from swabbing	136
the proposed well. In addition, the application shall include an	137
identification of any chemical that is proposed to be added to	138
each fluid that is proposed to be used to stimulate the reservoir	139
of the proposed well and shall include the chemical's name, the	140
chemical abstracts service number, the chemical family name, the	141
trade name, the vendor, a brief description of the chemical's	142
intended use or function, and the proposed quantity to be used	143
that is reported as a percentage, by weight or volume, of the	144

(C)(1) Except as provided in division (C)(2) of this section,

the chief shall not issue a permit for at least ten days after the	177
date of filing of the application for the permit unless, upon	178
reasonable cause shown, the chief waives that period or a request	179
for expedited review is filed under this section. However, the	180
chief shall issue a permit within twenty-one days of the filing of	181
the application unless the chief denies the application by order.	182

- (2) If the location of a well or proposed well will be or is 183 within an urbanized area, the chief shall not issue a permit for 184 at least eighteen days after the date of filing of the application 185 for the permit unless, upon reasonable cause shown, the chief 186 waives that period or the chief at the chief's discretion grants a 187 request for an expedited review. However, the chief shall issue a 188 permit for a well or proposed well within an urbanized area within 189 thirty days of the filing of the application unless the chief 190 denies the application by order. 191
- (D) An applicant may file a request with the chief for 192 expedited review of a permit application if the well is not or is 193 not to be located in a gas storage reservoir or reservoir 194 protective area, as "reservoir protective area" is defined in 195 section 1571.01 of the Revised Code. If the well is or is to be 196 located in a coal bearing township, the application shall be 197 accompanied by the affidavit of the landowner prescribed in 198 section 1509.08 of the Revised Code. 199

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

provide timely notice of the application and request. The chief	209
shall issue a permit within seven days of the filing of the	210
request unless the chief denies the application by order.	211
Notwithstanding the provisions of this section governing expedited	212
review of permit applications, the chief may refuse to accept	213
requests for expedited review if, in the chief's judgment, the	214
acceptance of the requests would prevent the issuance, within	215
twenty-one days of their filing, of permits for which applications	216
are pending.	217

- (E) A well shall be drilled and operated in accordance with the plans, sworn statements, and other information submitted in the approved application.
- (F) The chief shall issue an order denying a permit if the 221 chief finds that there is a substantial risk that the operation 222 will result in violations of this chapter or rules adopted under 223 it that will present an imminent danger to public health or safety 224 or damage to the environment, provided that where the chief finds 225 that terms or conditions to the permit can reasonably be expected 226 to prevent such violations, the chief shall issue the permit 227 subject to those terms or conditions, including, if applicable, 228 terms and conditions regarding subjects identified in rules 229 adopted under section 1509.03 of the Revised Code. The issuance of 230 a permit shall not be considered an order of the chief. 231

The chief shall post notice of each permit that has been 232 approved under this section on the division's web site not later 233 than two business days after the application for a permit has been 234 approved. 235

(G) Each application for a permit required by section 1509.05 236 of the Revised Code, except an application to plug back an 237 existing well that is required by that section and an application 238 for a well drilled or reopened for purposes of section 1509.22 of 239 the Revised Code, also shall be accompanied by a nonrefundable fee

S. B. No. 17 As Introduced	Page 9
as follows:	241
(1) Five hundred dollars for a permit to conduct activities	242
in a township with a population of fewer than ten thousand;	243
(2) Seven hundred fifty dollars for a permit to conduct	244
activities in a township with a population of ten thousand or	245
more, but fewer than fifteen thousand;	246
(3) One thousand dollars for a permit to conduct activities	247
in either of the following:	248
(a) A township with a population of fifteen thousand or more;	249
(b) A municipal corporation regardless of population.	250
(4) If the application is for a permit that requires	251
mandatory pooling, an additional five thousand dollars.	252
For purposes of calculating fee amounts, populations shall be	253
determined using the most recent federal decennial census.	254
Each application for the revision or reissuance of a permit	255
shall be accompanied by a nonrefundable fee of two hundred fifty	256
dollars.	257
(H)(1) Prior to the commencement of well pad construction and	258
prior to the issuance of a permit to drill a proposed horizontal	259
well or a proposed well that is to be located in an urbanized	260
area, the division shall conduct a site review to identify and	261
evaluate any site-specific terms and conditions that may be	262
attached to the permit. At the site review, a representative of	263
the division shall consider fencing, screening, and landscaping	264
requirements, if any, for similar structures in the community in	265
which the well is proposed to be located. The terms and conditions	266
that are attached to the permit shall include the establishment of	267
fencing, screening, and landscaping requirements for the surface	268
facilities of the proposed well, including a tank battery of the	269
well.	270

(2) Prior to the issuance of a permit to drill a proposed	271
well, the division shall conduct a review to identify and evaluate	272
any site-specific terms and conditions that may be attached to the	273
permit if the proposed well will be located in a one-hundred-year	274
floodplain or within the five-year time of travel associated with	275
a public drinking water supply.	276

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

shall adopt rules in accordance with Chapter 119. of the Revised	303
Code that are necessary for the administration of this division.	304
(L) A permittee or a permittee's authorized representative	305
shall notify an inspector from the division at least twenty-four	306
hours, or another time period agreed to by the chief's authorized	307
representative, prior to the commencement of well pad construction	308
and of drilling, reopening, converting, well stimulation, or	309
plugback operations.	310
Sec. 1509.091. If a chemical or a fluid containing a chemical	311
is brought to a well site, the owner of the well immediately shall	312
submit to the chief of the division of oil and gas resources	313
management a list that identifies each chemical or each chemical	314
in the fluid, as applicable, and that includes information that is	315
designated as a trade secret pursuant to division (I)(1) of	316
section 1509.10 of the Revised Code, and that identifies the well.	317
The chief shall maintain a database consisting of the information	318
received pursuant to this section and shall disclose the	319
information in the database only for the purposes specified in	320
division (H) of section 1509.10 of the Revised Code. The chief	321
shall adopt rules in accordance with Chapter 119. of the Revised	322
Code that are necessary for the administration of this section and	323
to preserve the confidentiality of trade secrets.	324
Sec. 1509.10. (A) Any person drilling within the state shall,	325
within sixty days after the completion of drilling operations to	326
the proposed total depth or after a determination that a well is a	327
dry or lost hole, file with the division of oil and gas resources	328
management all wireline electric logs and an accurate well	329
completion record on a form that is prescribed by the chief of the	330
division of oil and gas resources management that designates:	331

S. B. No. 17
As Introduced

(1) The purpose for which the well was drilled;	333
(2) The character, depth, and thickness of geological units	334
encountered, including coal seams, mineral beds, associated fluids	335
such as fresh water, brine, and crude oil, natural gas, and sour	336
gas, if such seams, beds, fluids, or gases are known;	337
(3) The dates on which drilling operations were commenced and	338
completed;	339
(4) The types of drilling tools used and the name of the	340
person that drilled the well;	341
(5) The length in feet of the various sizes of casing and	342
tubing used in drilling the well, the amount removed after	343
completion, the type and setting depth of each packer, all other	344
data relating to cementing in the annular space behind such casing	345
or tubing, and data indicating completion as a dry, gas, oil,	346
combination oil and gas, brine injection, or artificial brine well	347
or a stratigraphic test;	348
(6) The number of perforations in the casing and the	349
intervals of the perforations;	350
(7) The elevation above mean sea level of the point from	351
which the depth measurements were made, stating also the height of	352
the point above ground level at the well, the total depth of the	353
well, and the deepest geological unit that was penetrated in the	354
drilling of the well;	355
(8) If applicable, the type, volume, and concentration of	356
acid, and the date on which acid was used in acidizing the well;	357
(9)(a) If applicable, the trade name and the total amount of	358
all products, fluids, and substances, and the supplier of each	359
product, fluid, or substance, not including cement and its	360
constituents and lost circulation materials, intentionally added	
_	361
to facilitate the drilling of any portion of the well until the	362

surface casing is set and properly sealed. The owner shall	363
identify each additive used and provide a brief description of the	364
purpose for which the additive is used. In addition, the owner	365
shall include a list of all chemicals, not including any	366
information that is designated as a trade secret pursuant to	367
division (I)(1) of this section, intentionally added to all	368
products, fluids, or substances and include each chemical's	369
corresponding chemical abstracts service number and the maximum	370
concentration of each chemical. The owner shall obtain the	371
chemical information, not including any information that is	372
designated as a trade secret pursuant to division (I)(1) of this	373
section, from the company that drilled the well, provided service	374
at the well, or supplied the chemicals. If the company that	375
drilled the well, provided service at the well, or supplied the	376
chemicals provides incomplete or inaccurate chemical information,	377
the owner shall make reasonable efforts to obtain the required	378
information from the company or supplier.	379

- (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.

  380
- (10)(a) If applicable, the type and volume of fluid, not 384 including cement and its constituents or information that is 385 designated as a trade secret pursuant to division (I)(1) of this 386 section, used to stimulate the reservoir of the well, the 387 reservoir breakdown pressure, the method used for the containment 388 of fluids recovered from the fracturing of the well, the methods 389 used for the containment of fluids when pulled from the wellbore 390 from swabbing the well, the average pumping rate of the well, and 391 the name of the person that performed the well stimulation. In 392 addition, the owner shall include a copy of the log from the 393 stimulation of the well, a copy of the invoice for each of the 394

procedures and methods described in division (A)(10) of this	395
section that were used on a well, and a copy of the pumping	396
pressure and rate graphs. However, the owner may redact from the	397
copy of each invoice that is required to be included under	398
division (A)(10) of this section the costs of and charges for the	399
procedures and methods described in division (A)(10) of this	400
section that were used on a well.	401

- (b) If applicable, the trade name and the total volume of all 402 products, fluids, and substances, and the supplier of each 403 product, fluid, or substance used to stimulate the well. The owner 404 shall identify each additive used, provide a brief description of 405 the purpose for which the additive is used, and include the 406 maximum concentration of the additive used. In addition, the owner 407 shall include a list of all chemicals, not including any 408 information that is designated as a trade secret pursuant to 409 division (I)(1) of this section, intentionally added to all 410 products, fluids, or substances, include the name of each vendor 411 of each chemical, and include each chemical's corresponding 412 chemical abstracts service number, the chemical family name, the 413 trade name, a brief description of each chemical's intended use or 414 function, and the maximum concentration of each chemical reported 415 416 as a percentage. The owner shall obtain the chemical information, not including any information that is designated as a trade secret 417 pursuant to division (I)(1) of this section, from the company that 418 stimulated the well or supplied the chemicals. If the company that 419 stimulated the well or supplied the chemicals provides incomplete 420 or inaccurate chemical information, the owner shall make 421 reasonable efforts to obtain the required information from the 422 company or supplier. 423
- (c) For purposes of division (A)(10)(b) of this section, if 424 recycled fluid was used, the total volume of recycled fluid and 425 the well that is the source of the recycled fluid or the 426

centralized facility that is the source of the recycled fluid.	427
(11) The name of the company that performed the logging of	428
the well and the types of wireline electric logs performed on the	429
well.	430
The well completion record shall be submitted in duplicate.	431
The first copy shall be retained as a permanent record in the	432
files of the division, and the second copy shall be transmitted by	433
the chief to the division of geological survey.	434
(B)(1) Not later than sixty days after the completion of the	435
drilling operations to the proposed total depth, the owner shall	436
file all wireline electric logs with the division of oil and gas	437
resources management and the chief shall transmit such logs	438
electronically, if available, to the division of geological	439
survey. Such logs may be retained by the owner for a period of not	440
more than six months, or such additional time as may be granted by	441
the chief in writing, after the completion of the well	442
substantially to the depth shown in the application required by	443
section 1509.06 of the Revised Code.	444
(2) If a well is not completed within sixty days after the	445
completion of drilling operations, the owner shall file with the	446
division of oil and gas resources management a supplemental well	447
completion record that includes all of the information required	448
under this section within sixty days after the completion of the	449
well.	450
(3) After a well is initially completed and stimulated and	451
until the well is plugged, the owner shall report, on a form	452
prescribed by the chief, all materials placed into the formation	453
to refracture, restimulate, or newly complete the well. The owner	454
shall submit the information within sixty days after completing	455
the refracturing, restimulation, or new completion. In addition,	456
the owner shall report the information required in divisions	457

S. B. No. 17
As Introduced

(A)(10)(a) to (c) of this section, as applicable, in a manner	458
consistent with the requirements established in this section.	459
(C) Upon request in writing by the chief of the division of	460
geological survey prior to the beginning of drilling of the well,	461
the person drilling the well shall make available a complete set	462
of cuttings accurately identified as to depth.	463
(D) The form of the well completion record required by this	464
section shall be one that has been prescribed by the chief of the	465
division of oil and gas resources management and the chief of the	466
division of geological survey. The filing of a log as required by	467
this section fulfills the requirement of filing a log with the	468
chief of the division of geological survey in section 1505.04 of	469
the Revised Code.	470
(E) If a material listed or designated under division (A)(9)	471
or (10) or (B)(3) of this section is a material for which the	472
division of oil and gas resources management does not have a	473
material safety data sheet, the owner shall provide a copy of the	474
material safety data sheet for the material to the chief of the	475
division of oil and gas resources management.	476
(F) An owner shall submit to the chief the information that	477
is required in divisions $(A)(10)(b)$ and $(c)$ and $(B)(3)$ of this	478
section consistent with the requirements established in this	479
section using one of the following methods:	480
(1) On a form prescribed by the chief;	481
(2) Through the chemical disclosure registry that is	482
maintained by the ground water protection council and the	483
<pre>interstate oil and gas compact commission;</pre>	484
(3) Any other means approved by the chief.	485
(G) The chief shall post on the division's web site each	486

material safety data sheet obtained under division (E) of this

section. In addition, the chief shall make available through the	488
division's web site the chemical information that is required by	489
divisions (A)(9) and (10) and (B)(3) of this section. If the chief	490
issues an order pursuant to division (I)(1) of this section	491
denying a request for trade secret designation and if the owner or	492
person requesting the trade secret designation does not appeal the	493
chief's order or if a court determines that the chemical identity,	494
the chemical name, or other specific information pertaining to the	495
chemical is not entitled to trade secret protection, the chief	496
shall make available through the division's web site the chemical	497
information.	498
(H)(1) As used in this division:	499
(a) "Health care professional" means an individual authorized	500
under Chapter 4731. of the Revised Code to practice medicine and	501
surgery, osteopathic medicine and surgery, or podiatric medicine	502
and surgery and an individual licensed under Chapter 4723. of the	503
Revised Code to practice nursing as a registered nurse or licensed	504
practical nurse.	505
(b) "Emergency responder" means a member of a fire department	506
as defined in section 742.01 of the Revised Code, a member of a	507
police department as defined in section 742.01 of the Revised	508
Code, emergency medical service personnel as defined in section	509
4765.01 of the Revised Code, and a member of a regional response	510
team as defined in section 5502.41 of the Revised Code.	511
(2) If a medical health care professional or emergency	512
responder, in order to assist in the diagnosis or treatment of an	513
individual who was may have been affected by an incident	514
associated with the production operations of a well construction,	515
drilling, stimulation, completion, production, or other production	516
operations at a well or by chemical transportation accidents	517
related to the production operations of a well, requests the exact	518
chemical composition of each product, fluid, or substance and of	519

each chemical component in a product, fluid, or substance	520
abstracts service number or chemical name or other specific	521
information pertaining to a chemical that is designated as a trade	522
secret pursuant to division (I) of this section, the person	523
claiming the trade secret protection pursuant to that division	524
<u>chief</u> shall provide to the <u>medical</u> <u>health care</u> professional <u>or</u>	525
emergency responder, as expeditiously as possible, the exact	526
chemical <del>composition of the product, fluid, or substance and of</del>	527
the chemical component in a product, fluid, or substance abstracts	528
service number or chemical name or other specified information	529
pertaining to the chemical that is requested.	530
(2) A medical professional who receives information pursuant	531
to division (H)(1) of this section shall keep the information	532
confidential and shall not disclose the information for any	533
purpose that is not related to the diagnosis or treatment of an	534
individual who was affected by an incident associated with the	535
production operations of a well. Nothing in division (H)(2) of	536
this section precludes a medical professional from making any	537
report required by law or professional ethical standards.	538
(3) The chief shall provide to the directors of all county	539
emergency management agencies in the state continuous online	540
access to all chemical information received by the chief in	541
conjunction with a permit application or report regarding a	542
horizontal well site pursuant to division (K) of section 1509.06,	543
section 1509.091, and division (L) of section 1509.10 of the	544
Revised Code.	545
(I)(1) The owner of a well who is required to submit a well	546
completion record under division (A) of this section or a report	547
under division (B)(3) of this section or a person that provides	548
information to the owner as described in and for purposes of	549
division (A)(9) or (10) or (B)(3) of this section may designate	550
without disclosing request on a form prescribed by the chief and	551

withhold from disclosure to the chief the identity, amount,	552
concentration, or purpose of a product, fluid, or substance or of	553
a chemical component in a product, fluid, or substance as a trade	554
secret. The that the specific chemical identity, including the	555
chemical name and other specific information pertaining to the	556
chemical, be designated as a trade secret and withheld from	557
disclosure. The owner or person shall demonstrate on the form that	558
the information sought to be designated as a trade secret is a	559
trade secret as defined in section 1333.61 of the Revised Code.	560
After receipt and review of a form requesting trade secret	561
designation, the chief may request the owner or person to provide	562
additional information concerning the request. Not later than	563
sixty days after receipt of a form requesting trade secret	564
designation, the chief shall issue an order either approving or	565
denying the request for trade secret designation. The chief shall	566
send a copy of the order to the owner or person. The owner or	567
person may appeal the chief's order denying the request for trade	568
secret designation pursuant to section 1509.36 of the Revised	569
Code. The chief may adopt rules in accordance with Chapter 119. of	570
the Revised Code that are necessary and appropriate to administer	571
this division or to preserve the confidentiality of trade secrets.	572
(2) The owner or person may pursue enforcement of any rights	573
or remedies established in sections 1333.61 to 1333.69 of the	574
Revised Code for misappropriation, as defined in section 1333.61	575
of the Revised Code, with respect to the $\underline{ ext{chemical}}$ identity $_{ au}$	576
amount, concentration, or purpose of a product, fluid, or	577
substance or a chemical component in a product, fluid, or	578
substance or chemical name or other specific information	579
pertaining to the chemical designated as a trade secret pursuant	580
to division (I)(1) of this section. The division shall not	581
disclose information regarding the chemical identity, amount,	582
concentration, or purpose of any product, fluid, or substance or	583
of any chemical component in a product, fluid, or substance or	584

chemical name or other specific information pertaining to the	585
<pre>chemical designated as a trade secret pursuant to division (I)(1)</pre>	586
of this section.	587
$\frac{(2)}{(3)}$ A property owner, an adjacent property owner, or any	588
person or agency of this state having an interest that is or may	589
be adversely affected by a product, fluid, or substance or by a	590
chemical component in a product, fluid, or substance may commence	591
a civil action in the court of common pleas of Franklin county	592
against an owner or person described in division (I)(1) of this	593
section challenging the owner's or person's claim to entitlement	594
to trade secret protection for the specific $\underline{\text{chemical}}$ $\underline{\text{identity}}_{\tau}$	595
amount, concentration, or purpose of a product, fluid, or	596
substance or of a chemical component in a product, fluid, or	597
substance or chemical name or other specific information	598
pertaining to the chemical pursuant to division (I)(1) of this	599
section. A person who commences a civil action pursuant to	600
division (I) $\frac{(2)}{(3)}$ of this section shall provide notice to the	601
chief in a manner prescribed by the chief. In the civil action,	602
the court shall conduct an in camera review of information	603
submitted by an owner or person described in division (I)(1) of	604
this section to determine if the <u>chemical</u> identity, amount,	605
concentration, or purpose of a product, fluid, or substance or of	606
a chemical component in a product, fluid, or substance or chemical	607
name or other specific information pertaining to the chemical	608
pursuant to division (I)(1) of this section is entitled to trade	609
secret protection.	610
(J)(1) Except for any information that is designated as a	611
trade secret pursuant to division (I)(1) of this section and	612

except as provided in division (J)(2) of this section, the owner

for a period of not less than two years after the date on which

each such chemical was placed in the well. The chief may inspect

of a well shall maintain records of all chemicals placed in a well

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the records at any time concerning any such chemical.	617
(2) An owner or person who to whom the chief has designated	618
issued an order designating the chemical identity, amount,	619
concentration, or purpose of a product, fluid, or substance or of	620
a chemical component in a product, fluid, or substance or chemical	621
name or other specific information pertaining to a chemical as a	622
trade secret pursuant to division (I)(1) of this section shall	623
maintain the records for such a <del>product, fluid, or substance or</del>	624
for a chemical component in a product, fluid, or substance	625
chemical for a period of not less than two years after the date on	626
which each such product, fluid, or substance or each such chemical	627
component in a product, fluid, or substance chemical was placed in	628
the well. Upon the request of the chief, the owner or person, as	629
applicable, shall disclose the records to the chief if the	630
information is necessary to respond to a spill, release, or	631
investigation. However, the chief shall not disclose the	632
information that is designated as a trade secret.	633
(K)(1) For purposes of correcting inaccuracies and	634
incompleteness in chemical information required by divisions	635
(A)(9) and $(10)$ and $(B)(3)$ of this section, an owner shall be	636
considered in substantial compliance if the owner has made	637
reasonable efforts to obtain the required information from the	638
supplier.	639
(2) For purposes of reporting under this section, an owner is	640
not required to report chemicals that occur incidentally or in	641
trace amounts.	642
(L) At the same time that a well completion record is	643
submitted in accordance with division (A) of this section and at	644
the same time that a report is submitted under division (B)(3) of	645
this section, the owner separately shall submit to the chief the	646
information that is required in division (A)(9) or (10) or	647

division (B)(3) of this section, as applicable. However, the

information also shall include the specific chemical identity or	649
chemical name or other specific information pertaining to a	650
chemical, as applicable, for which the chief has issued an order	651
under division (I)(1) of this section approving a request for	652
trade secret designation. The chief shall maintain a database	653
consisting of the information received pursuant to this division	654
and shall disclose the information in the database only for the	655
purposes specified in division (H) of this section. The chief may	656
adopt rules in accordance with Chapter 119. of the Revised Code	657
that are necessary for the administration of this division.	658

Sec. 1509.31. (A) Whenever the entire interest of an oil and 659 gas lease is assigned or otherwise transferred, the assignor or 660 transferor shall notify the holders of the royalty interests, and, 661 if a well or wells exist on the lease, the division of oil and gas 662 resources management, of the name and address of the assignee or 663 transferee by certified mail, return receipt requested, not later 664 than thirty days after the date of the assignment or transfer. 665 When notice of any such assignment or transfer is required to be 666 provided to the division, it shall be provided on a form 667 prescribed and provided by the division and verified by both the 668 assignor or transferor and by the assignee or transferee and shall 669 be accompanied by a nonrefundable fee of one hundred dollars for 670 each well. The notice form applicable to assignments or transfers 671 of a well to the owner of the surface estate of the tract on which 672 the well is located shall contain a statement informing the 673 landowner that the well may require periodic servicing to maintain 674 its productivity; that, upon assignment or transfer of the well to 675 the landowner, the landowner becomes responsible for compliance 676 with the requirements of this chapter and rules adopted under it, 677 including, without limitation, the proper disposal of brine 678 obtained from the well, the plugging of the well when it becomes 679 incapable of producing oil or gas, and the restoration of the well 680

site; and that, upon assignment or transfer of the well to the
landowner, the landowner becomes responsible for the costs of
compliance with the requirements of this chapter and rules adopted
under it and the costs for operating and servicing the well.
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(B) When the entire interest of a well is proposed to be 685 assigned or otherwise transferred to the landowner for use as an 686 exempt domestic well, the owner who has been issued a permit under 687 this chapter for the well shall submit to the chief of the 688 division of oil and gas resources management an application for 689 the assignment or transfer that contains all documents that the 690 chief requires and a nonrefundable fee of one hundred dollars. The 691 application for such an assignment or transfer shall be prescribed 692 and provided by the chief. The chief may approve the application 693 if the application is accompanied by a release of all of the oil 694 and gas leases that are included in the applicable formation of 695 the drilling unit, the release is in a form such that the well 696 ownership merges with the fee simple interest of the surface 697 tract, and the release is in a form that may be recorded. However, 698 if the owner of the well does not release the oil and gas leases 699 associated with the well that is proposed to be assigned or 700 otherwise transferred or if the fee simple tract that results from 701 the merger of the well ownership with the fee simple interest of 702 the surface tract is less than five acres, the proposed exempt 703 domestic well owner shall post a five thousand dollar bond with 704 the division prior to the assignment or transfer of the well to 705 ensure that the well will be properly plugged. The chief, for good 706 cause, may modify the requirements of this section governing the 707 assignment or transfer of the interests of a well to the 708 landowner. Upon the assignment or transfer of the well, the owner 709 of an exempt domestic well is not subject to the severance tax 710 levied under section 5749.02 of the Revised Code, but is subject 711 to all applicable fees established in this chapter. 712

(C) The owner holding a permit under section 1509.05 of the	713
Revised Code is responsible for all obligations and liabilities	714
imposed by this chapter and any rules, orders, and terms and	715
conditions of a permit adopted or issued under it, and no	716
assignment or transfer by the owner relieves the owner of the	717
obligations and liabilities until and unless the assignee or	718
transferee files with the division the information described in	719
divisions (A)(1), (2), (3), (4), (5), (10), (11), and $\frac{(12)(13)}{(13)}$ of	720
section 1509.06 of the Revised Code; obtains liability insurance	721
coverage required by section 1509.07 of the Revised Code, except	722
when none is required by that section; and executes and files a	723
surety bond, negotiable certificates of deposit or irrevocable	724
letters of credit, or cash, as described in that section. Instead	725
of a bond, but only upon acceptance by the chief, the assignee or	726
transferee may file proof of financial responsibility, described	727
in section 1509.07 of the Revised Code. Section 1509.071 of the	728
Revised Code applies to the surety bond, cash, and negotiable	729
certificates of deposit and irrevocable letters of credit	730
described in this section. Unless the chief approves a	731
modification, each assignee or transferee shall operate in	732
accordance with the plans and information filed by the permit	733
holder pursuant to section 1509.06 of the Revised Code.	734

(D) If a mortgaged property that is being foreclosed is 735 subject to an oil or gas lease, pipeline agreement, or other 736 instrument related to the production or sale of oil or natural gas 737 and the lease, agreement, or other instrument was recorded 738 subsequent to the mortgage, and if the lease, agreement, or other 739 instrument is not in default, the oil or gas lease, pipeline 740 agreement, or other instrument, as applicable, has priority over 741 all other liens, claims, or encumbrances on the property so that 742 the oil or gas lease, pipeline agreement, or other instrument is 743 not terminated or extinguished upon the foreclosure sale of the 744 mortgaged property. If the owner of the mortgaged property was 745

S. B. No. 17 As Introduced	Page 25
entitled to oil and gas royalties before the foreclosure sale, the	746
oil or gas royalties shall be paid to the purchaser of the	747
foreclosed property.	748
Section 2. That existing sections 1509.06, 1509.10, and	749
1509.31 of the Revised Code are hereby repealed.	750