



# Ohio Legislative Service Commission

## Bill Analysis

Jeff Grim

### **H.B. 537**

129th General Assembly  
(As Introduced)

**Reps.** R. Hagan, Lundy, Foley, Fende, Antonio, Fedor, Yuko, Goyal

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## **BILL SUMMARY**

- Revises the authority of the Division of Oil and Gas Resources Management to regulate oil and gas wells and production operations in Ohio, and authorizes political subdivisions to enact and enforce health and safety standards for oil and gas drilling and exploration.
- Generally increases to 1,000 feet the setback requirements for new oil and gas wells, new tank batteries of wells, mechanical separators, and vessels for heating.

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## **CONTENT AND OPERATION**

### **Authority to regulate oil and gas**

#### **Authority of Division of Oil and Gas Resources Management**

The bill revises the authority of the Division of Oil and Gas Resources Management in the Department of Natural Resources to regulate oil and gas wells and production operations in Ohio. The bill states that the Division has authority to regulate the permitting, location, spacing, installation, operation, maintenance, abandonment, plugging, and site restoration of, disposal of waste from, and all matters related to oil and gas wells and production operations within Ohio that are necessary to protect the health and safety of the public, property, and the environment, excepting those activities that are regulated under federal laws for which oversight has been delegated to the Environmental Protection Agency and activities that are regulated under the state statutes governing isolated wetlands. Under current law, the Division has sole and exclusive authority to regulate the permitting, location, and spacing of oil and gas wells and production operations within Ohio, excepting only those activities that are regulated under federal laws for which oversight has been delegated to the

Environmental Protection Agency and activities that are regulated under the state statutes governing isolated wetlands.

The bill removes the statement in current law that the regulation of oil and gas activities is a matter of general statewide interest that requires uniform statewide regulation and that the Oil and Gas Law and rules adopted under it constitute a comprehensive plan with respect to all aspects of the locating, drilling, well stimulation, completing, and operating of oil and gas wells within Ohio, including site construction and restoration, permitting related to those activities, and the disposal of wastes from those wells.

Existing law states that nothing in the provisions specifying the authority of the Division affects the authority granted to the Director of Transportation regarding permits issued for oversized vehicles under the Equipment and Loads Traffic Law and to local authorities governing regulation of roads and bridges in their jurisdictions, provided that the authority of the Director and local authorities cannot be exercised in a manner that discriminates against, unfairly impedes, or obstructs oil and gas activities and operations regulated under the Oil and Gas Law. The bill eliminates the conditional stipulation.<sup>1</sup>

### **Authority of local governments**

The bill states that the Oil and Gas Law and rules adopted under it cannot be construed to prevent a municipal corporation, county, or township from enacting and enforcing health and safety standards for the drilling and exploration for oil and gas, provided that those standards are not less restrictive than that Law and rules adopted under it. It then states that a county or township must not adopt or enforce any ordinances, resolutions, rules, or requirements relative to the minimum acreage requirements for drilling units; minimum distances from which a new well or related production facilities may be drilled or an existing well deepened, plugged back, or reopened to a source of supply different from the existing pool from boundaries of tracts, drilling units, or other facilities or features specified in the statutes governing setback requirements and health and safety rules for drilling of oil and gas wells and production of oil and gas; or the restoration or plugging of an oil or gas well. Additionally, a county or township must not require any permit or license for the drilling, operation, production, plugging, or abandonment of any oil or gas well or any fee, bond, other security, or insurance for any activity associated with the drilling, operation, production, plugging, or abandonment of a well, except for the permit issued

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<sup>1</sup> R.C. 1509.02.

by the Director of Transportation for oversized vehicles under the Equipment and Loads Traffic Law and any bond or other security associated with that permit.<sup>2</sup>

### **Setback requirements**

Current law establishes setback requirements for new oil and gas wells, new tank batteries of wells, mechanical separators, and vessels for heating. The bill increases those setback requirements to 1,000 feet with the following exceptions:

(1) A new oil tank, which under continuing law cannot be within three feet of another oil tank;

(2) A mechanical separator, which under continuing law cannot be within 50 feet of an oil or gas well or ten feet of an oil tank; and

(3) A vessel that is equipped in such a manner that the contents of the vessel may be heated, which under continuing law cannot be within 50 feet of an oil production tank, 50 feet of an oil or gas well, or, if the contents of the vessel are heated by a director fire heater, 50 feet of a mechanical separator.<sup>3</sup>

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	05-08-12

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<sup>2</sup> R.C. 1509.39.

<sup>3</sup> R.C. 1509.021.