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To revise the Oil and Gas Law.				

As Introduced

**128th General Assembly
Regular Session
2009-2010**

H. B. No. 426

Representatives Skindell, Stewart

A BILL

To amend sections 1509.01 to 1509.05, 1509.06, 1509.061, 1509.07, 1509.071, 1509.072, 1509.08, 1509.09 to 1509.15, 1509.17, 1509.18, 1509.20 to 1509.22, 1509.221, 1509.222, 1509.223, 1509.224, 1509.225, 1509.23, 1509.24, 1509.26, 1509.30, 1509.31 to 1509.33, 1509.35, 1509.36, 1509.38, 1509.99, 1565.07, 1565.13, 1571.05, and 5749.06, to enact sections 1509.051, 1509.062, 1509.073, 1509.074, 1509.075, 1509.076, 1509.081, 1509.19, 1509.191, 1509.34, and 1509.50, and to repeal sections 1509.226, 1509.25, 1509.27, 1509.29, 1509.40, and 1509.41 of the Revised Code to revise the Oil and Gas Law.

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

Section 1. That sections 1509.01, 1509.02, 1509.03, 1509.04, 1509.05, 1509.06, 1509.061, 1509.07, 1509.071, 1509.072, 1509.08, 1509.09, 1509.10, 1509.11, 1509.12, 1509.13, 1509.14, 1509.15, 1509.17, 1509.18, 1509.20, 1509.21, 1509.22, 1509.221, 1509.222, 1509.223, 1509.224, 1509.225, 1509.23, 1509.24, 1509.26, 1509.30, 1509.31, 1509.32, 1509.33, 1509.35, 1509.36, 1509.38, 1509.99, 1565.07, 1565.13, 1571.05, and 5749.06 be amended and sections 1509.051, 1509.062, 1509.073, 1509.074, 1509.075, 1509.076, 1509.081, 1509.19, 1509.191, 1509.34, and 1509.50 of the Revised Code be enacted to read as follows:

Sec. 1509.01. As used in this chapter:

(A) "Well" means any borehole, whether drilled or bored, within the state for production, extraction, or injection of any gas or liquid mineral, excluding potable water to be used as such, but including natural or artificial brines and oil field waters.

(B) "Oil" means crude petroleum oil and all other hydrocarbons, regardless of gravity, that are produced in liquid form by ordinary production methods, but does not include hydrocarbons that were originally in a gaseous phase in the reservoir.

(C) "Gas" means all natural gas and all other fluid hydrocarbons that are not oil, including condensate.

(D) "Condensate" means liquid hydrocarbons that were originally in the gaseous phase in the reservoir.

(E) "Pool" means an underground reservoir containing a common accumulation of oil or gas, or both, but does not include a gas storage reservoir. Each zone of a geological structure that is completely separated from any other zone in the same structure may contain a separate pool.

(F) "Field" means the general area underlaid by one or more pools.

(G) "Drilling unit" means the minimum acreage on which one well may be drilled, but does not apply to a well for injecting gas into or removing gas from a gas storage reservoir.

(H) "Waste" includes all of the following:

(1) Physical waste, as that term generally is understood in the oil and gas industry;

(2) Inefficient, excessive, or improper use, or the unnecessary dissipation, of reservoir energy;

(3) Inefficient storing of oil or gas;

(4) Locating, drilling, equipping, operating, or producing an oil or gas well in a manner that reduces or tends to reduce the quantity of oil or gas ultimately recoverable under prudent and proper operations from the pool into which it is drilled or that causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas;

(5) Other underground or surface waste in the production or storage of oil, gas, or condensate, however caused.

(I) "Correlative rights" means the reasonable opportunity to every person entitled thereto to recover and receive the oil and gas in and under the person's tract or tracts, or the equivalent thereof, without having to drill unnecessary wells or incur other unnecessary expense.

(J) "Tract" means a single, individually taxed parcel of land appearing on the tax list.

(K) "Owner," unless referring to a mine, means the person who ~~has the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil or gas produced therefrom either for the person or for others, except that a person ceases to be an owner with respect to a well when the well has been plugged in accordance with applicable rules adopted and orders issued under this chapter, according to the records of the county in which a parcel of land is located, either holds fee title to the surface estate of the parcel of land on which oil or gas drilling operations may occur or holds fee title to the subsurface mineral rights of the parcel of land.~~

(L) "Royalty interest" means the fee holder's share in the production from a well.

(M) "Discovery well" means the first well capable of producing oil or gas in commercial quantities from a pool.

(N) "Prepared clay" means a clay that is plastic and is thoroughly saturated with fresh water to a weight and consistency great enough to settle through saltwater in the well in which it is to be used, except as otherwise approved by the chief of the division of mineral resources management.

(O) "Rock sediment" means the combined cutting and residue from drilling sedimentary rocks and formation.

(P) "Excavations and workings," "mine," and "pillar" have the same meanings as in section 1561.01 of the Revised Code.

(Q) "Coal bearing township" means a township designated as such by the chief under section 1561.06 of the Revised Code.

(R) "Gas storage reservoir" means a continuous area of a subterranean porous sand or rock stratum or strata into which gas is or may be injected for the purpose of storing it therein and removing it therefrom and includes a gas storage reservoir as defined in section 1571.01 of the Revised Code.

(S) "Safe Drinking Water Act" means the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 42 U.S.C.A. 300(f), the "Safe Drinking Water Act Amendments of 1986," 100 Stat. 642, 42 U.S.C.A. 300(f), and the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(f), and regulations adopted under those acts.

(T) "Person" includes any political subdivision, department, agency, or instrumentality of this state; the United States and any department, agency, or instrumentality thereof; and any legal entity defined as a person under section 1.59 of the Revised Code.

(U) "Brine" means all saline geological formation water resulting from, obtained from, or produced in connection with the exploration, drilling, or production of oil or gas.

(V) "Waters of the state" means all streams, lakes, ponds, marshes, watercourses, waterways, springs, irrigation systems, drainage systems, and other bodies of water, surface or underground, natural or artificial, that are situated wholly or partially within this state or within its jurisdiction, except those private waters that do not combine or effect a junction with natural surface or underground waters.

(W) "Exempt Mississippian well" means a well that meets all of the following criteria:

(1) Was drilled and completed before January 1, 1980;

(2) Is located in an unglaciated part of the state;

(3) Was completed in a reservoir no deeper than the Mississippian Big Injun sandstone in areas underlain by Pennsylvanian or Permian stratigraphy, or the Mississippian Berea sandstone in areas directly underlain by Permian stratigraphy;

(4) Is used primarily to provide oil or gas for domestic use.

(X) "Exempt domestic well" means a well that meets all of the following criteria:

(1) Is owned by the ~~owner of~~ person that owns the surface estate of the tract on which the well is located;

(2) Is used primarily to provide gas for the owner's domestic use;

(3) Is located more than ~~two~~ four hundred feet horizontal distance from any inhabited private dwelling house other than an inhabited private dwelling house located on the tract on which the well is located;

(4) Is located more than two hundred feet horizontal distance from any public building that may be used as a place of resort, assembly, education, entertainment, lodging, trade, manufacture, repair, storage, traffic, or occupancy by the public;

(5) Is in compliance with the environmental and safety standards established in this chapter and rules adopted under it.

(Y) "Urbanized area" means an area where a well or production facilities of a well are located within a municipal corporation or within a township that is contiguous to or includes any street or highway along which are located at intervals of two hundred feet or less structures that are used for business purposes or residential dwellings.

(Z) "Well stimulation" or "stimulation of a well" means the process of enhancing well productivity, including hydraulic fracturing operations.

(AA) "Production operation" means site preparation, access roads, drilling, well completion, well stimulation, well operation, site reclamation, and well plugging. "Production operation" also includes all of the following:

(1) The piping and equipment used for the production and preparation of hydrocarbon gas or liquids for transportation or delivery;

(2) The processes of extraction and recovery, lifting, stabilization, treatment, separation, production processing, storage, and measurement of hydrocarbon gas and liquids;

(3) The processes associated with production compression, gas lift, gas injection, and fuel gas supply.

(BB) "Gathering" means the use of any pipeline or series of pipelines to collect and transport natural gas from the furthestmost downstream point in a production operation to the furthestmost downstream point of the series of endpoints identified as the end of a gathering line under the "Natural Gas Pipeline Safety Act of 1968," 82 Stat. 720 (1968), 49 U.S.C. App. 1671 et seq., as amended, and the regulations adopted under it, including, without limitation, 49 C.F.R. part 192.

(CC) "Annular overpressurization" means the accumulation of fluids within an annulus with sufficient pressure to allow migration of annular fluids into underground sources of drinking water.

(DD) "Idle and orphaned well" means a well for which a bond has been forfeited or an abandoned well for which no money is available to plug the well in accordance with this chapter and rules adopted under it.

(EE) "Temporarily inactive well" means a well that has been granted temporary inactive status under section 1509.062 of the Revised Code.

(FF) "Material and substantial violation" means all of the following:

(1) Failure to obtain a permit to drill, reopen, convert, plugback, or plug a well under this chapter;

(2) Failure to obtain or maintain insurance coverage that is required under this chapter;

(3) Failure to obtain or maintain a surety bond that is required under this chapter;

(4) Failure to plug an abandoned well or idle and orphaned well unless the well has been granted temporary inactive status under section 1509.062 of the Revised Code or the chief has approved another option concerning the abandoned well or idle and orphaned well;

(5) Failure to restore a disturbed land surface as required by section 1509.072 of the Revised Code;

(6) Failure to reimburse the oil and gas well fund pursuant to a final order issued under section 1509.071 of the Revised Code;

(7) Failure to comply with an order of the chief issued under section 1509.04 of the Revised Code.

(GG) "Permittee" means a person who has been issued a permit by the division of mineral resources management under this chapter and who by contract has the right to exploit oil or gas within a drilling unit.

(HH) "Local zoning authority" means the authority of a municipal corporation that is charged with enacting zoning requirements within the municipal corporation or the board of township trustees, township zoning commission, or board of zoning appeals of a township, as applicable.

(II) "Local inspector" means an individual who has the authority in a municipal corporation or a township, as applicable, to enforce any of the following:

(1) Local zoning codes;

(2) State and local building codes;

(3) Safety regulations;

(4) Health regulations.

Sec. 1509.02. (A)(1) There is hereby created in the department of natural resources the

division of mineral resources management, which shall be administered by the chief of the division of mineral resources management. ~~The Except as provided in divisions (A)(2) and (3) of this section, the division has sole and exclusive authority to regulate the permitting, location, and spacing of, installation, operation, maintenance, abandonment, plugging, and site restoration of, disposal of waste from, and all other matters related to oil and gas wells within the state that are necessary to protect the health and safety of the public, property, and environment. The regulation of oil and gas activities is a matter of general statewide interest that requires uniform statewide regulation, and this chapter and rules adopted under it constitute a comprehensive plan with respect to all aspects of the locating, drilling, and operating of oil and gas wells within this state, including site restoration and disposal of wastes from those wells. Nothing~~

(2) On and after the effective date of this amendment, no well shall be drilled in an area that is zoned residential or within one thousand feet of a residential dwelling unless otherwise authorized by the local zoning authority.

(3) Nothing in this section affects the authority granted to the director of transportation and local authorities in section 4513.34 of the Revised Code.

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

(C) All moneys collected by the chief pursuant to sections 1509.06, 1509.061, 1509.071, 1509.13, 1509.22, and 1509.222, ninety per cent of moneys received by the treasurer of state from the tax levied in divisions (A)(5) and (6) of section 5749.02, all civil penalties paid under section 1509.33, and, notwithstanding any section of the Revised Code relating to the distribution or crediting of fines for violations of the Revised Code, all fines imposed under divisions (A) and (B) of section 1509.99 of the Revised Code and fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for all violations prosecuted by the attorney general and for violations prosecuted by prosecuting attorneys that do not involve the transportation of brine by vehicle shall be deposited into the state treasury to the credit of the oil and gas well fund, which is hereby created. Fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for violations prosecuted by prosecuting attorneys that involve the transportation of brine by vehicle shall be paid to the county treasury of the county where the violation occurred.

The fund shall be used for the purposes enumerated in division (B) of section 1509.071 of the Revised Code, for the expenses of the division associated with the administration of the "Natural Gas Policy Act of 1978," 92 Stat. 3358, 15 U.S.C. 3301, and for the division's other functions. The expenses of the division in excess of the moneys available in the fund shall be paid from general revenue fund appropriations to the department.

Sec. 1509.03. The chief of the division of mineral resources management shall adopt, rescind, and amend, in accordance with Chapter 119. of the Revised Code, rules for the administration, implementation, and enforcement of this chapter. The rules shall establish standards governing the drilling of a new well, the reopening of an existing well, the drilling of an existing well deeper regardless of its depth or the geological zone from which production occurs, and the plugging of an existing well. The rules shall protect and preserve the health and safety of the public, property, and the environment. In addition, the rules shall include an identification of the subjects that the chief shall address when attaching terms and conditions to a permit with respect to a well and production facilities of a well

that are located within an urbanized area. The subjects shall include all of the following:

(A) Safety concerning the drilling or operation of a well; that includes, but is not limited to, all of the following:

(1) Implementation of a fail-safe warning system at a new or existing oil or gas well for the detection of a leak of natural gas, hydrogen sulfide, or radon, a spill of a toxic chemical, or an explosion. In addition, the rules shall require the fail-safe warning system to provide an audible alarm to warn the workers at the surface location of the well and the public of such a leak, spill, or explosion. The rules also shall require the fail-safe warning system to notify the fire department within whose jurisdiction the well is located of such a leak, spill, or explosion.

(2) Designation of safe operating distances for a new well that is located in an urbanized area;

(3) Emergency response and evacuation planning.

(B) Protection of the public and private water supply;

(C) Location of surface facilities of a well;

(D) Fencing and screening of surface facilities of a well;

(E) Containment and disposal of drilling and production wastes;

(F) Construction of access roads for purposes of the drilling and operation of a well;

(G) Noise mitigation;

(H) Nighttime lighting mitigation;

(I) Protection and preservation of the environment and nonmineral natural resources.

The rules adopted by the chief under this section also shall provide for the application of Chapter 3737. of the Revised Code and rules adopted under it to the drilling and operation of a well and to production facilities of a well that are located within an urbanized area.

Prior to the issuance of a permit to drill a proposed well that will be located within an urbanized area, the division of mineral resources management shall conduct a site review to identify and evaluate any site-specific terms and conditions that may be attached to the permit.

No person shall violate any rule of the chief adopted under this chapter.

Any order issuing, denying, or modifying a permit or notices required to be made by the chief pursuant to this chapter shall be made in compliance with Chapter 119. of the Revised Code, except that personal service may be used in lieu of service by mail. Every order issuing, denying, or modifying a permit under this chapter and described as such shall be considered an adjudication order for purposes of Chapter 119. of the Revised Code.

Where notice ~~to the owners~~ is required by this chapter, the notice shall be ~~given as prescribed by a rule adopted by~~ deemed adequate if it provides reasonable or actual notice to the person, owner, resident, applicant, or permittee whose interest will be affected by an action of the chief to govern the giving of notices. Such rule shall provide for notice by publication except in those cases where other types of notice are necessary in order to meet the requirements of the law.

The chief or the chief's authorized representative may ~~at any time~~ enter upon lands, public or private, for the purpose of administration or enforcement of this chapter, the rules adopted or orders made thereunder, or terms or conditions of permits or registration certificates issued thereunder and may examine and copy records pertaining to the drilling, conversion, or operation of a well for injection of fluids and logs required by division (C) of section 1509.223 of the Revised Code. No person shall prevent or hinder the chief or the chief's authorized representative in the performance of official duties. If entry is prevented or hindered, the chief or the chief's authorized representative may apply for, and the court of common pleas may issue, an appropriate inspection warrant necessary to achieve the purposes of this chapter within the court's territorial jurisdiction.

The chief may issue orders to enforce this chapter, rules adopted thereunder, and terms or conditions of permits issued thereunder. Any such order shall be considered an adjudication order for the purposes of Chapter 119. of the Revised Code. No person shall violate any order of the chief issued under this chapter. No person shall violate a term or condition of a permit or registration certificate issued under this chapter.

Orders of the chief denying, suspending, or revoking a registration certificate; approving or denying approval of an application for revision of a registered transporter's plan for disposal; or to implement, administer, or enforce division (A) of section 1509.224 and sections 1509.22, 1509.222, 1509.223, and 1509.225, ~~and 1509.226~~ of the Revised Code pertaining to the transportation of brine by vehicle and the disposal of brine so transported are not adjudication orders for purposes of Chapter 119. of the Revised Code. The chief shall issue such orders under division (A) or (B) of section 1509.224 of the Revised Code, as appropriate.

~~As used in this section, "urbanized area" means an area where a well or production facilities of a well are located within a municipal corporation or within a township that has an unincorporated population of more than five thousand in the most recent federal decennial census prior to the issuance of the permit for the well or production facilities.~~

Sec. 1509.04. (A) The chief of the division of mineral resources management, or the chief's authorized representatives, shall enforce this chapter and the rules, terms and conditions of permits and registration certificates, and orders adopted or issued pursuant thereto, except that any "peace officer," as defined in section 2935.01 of the Revised Code, may arrest for violations of this chapter involving transportation of brine by vehicle. ~~The~~

(B) The chief or the chief's authorized representative shall issue a citation to a permittee for a violation of this chapter or rules adopted under it, terms and conditions of a permit issued under it, a registration certificate that is required under this chapter, or orders issued under this chapter. A citation may be in the form of a compliance notice, administrative order, or letter.

(C) The chief may issue an order to initiate an enforcement action for a material and substantial violation. In addition, the chief may issue a suspension order for failure to comply with an enforcement action for a material and substantial violation or other violation.

(D)(1) The chief may order the immediate suspension of drilling, operating, or plugging activities that are related to a material and substantial violation and suspend and revoke an unused permit after finding that a permittee is causing, engaging in, or maintaining a condition or activity that the chief determines presents an immediate danger to the health or safety of the public or that results in or is likely to result in substantial damage to the natural resources of this state. The chief may issue such an order without prior notification if reasonable attempts to notify the permittee have failed or if the permittee has failed to comply with prior enforcement actions, but in such an event notification shall be given as soon thereafter as practical.

(2) Not later than five days after the issuance of a suspension order, the chief shall provide the permittee an opportunity to be heard and to present evidence that the condition or activity does not present an immediate danger to the public health or safety or is not likely to result in substantial damage to natural resources. If the chief, after considering evidence presented by the permittee, determines that the activities do not present such a threat, the chief shall revoke the suspension order.

Notwithstanding any other provision of this chapter, the permittee may appeal a suspension order to the court of common pleas of the county in which the activity that is the subject of the order is located. In such an appeal, any person may file a motion to intervene to uphold a suspension order if the person demonstrates that the person has an interest that is or may be adversely affected by the activity for which the chief has issued a suspension order under this section. If the court upholds the suspension order, the court may require the appellant permittee to pay the court costs and reasonable attorney fees of the person intervening.

The chief also may issue a bond forfeiture order pursuant to section 1509.071 of the Revised Code.

The chief may notify drilling contractors, transporters, service companies, or other similar entities of the compliance status of an operator.

(3) If the permittee fails to comply with a prior enforcement action, the chief may issue a suspension order without prior notification, but in such an event the chief shall give notice as soon thereafter as practical. Not later than five calendar days after the issuance of an order, the chief shall provide the permittee an opportunity to be heard and to present evidence that required records, reports, or logs have been submitted. If the chief, after considering the evidence presented by the permittee, determines that the reporting requirements have been satisfied, the chief shall revoke the suspension order.

Notwithstanding any other provision of this chapter, the permittee may appeal a suspension order to the court of common pleas of the county in which the activity that is the subject of the suspension order is located. In such an appeal, any person may file a motion to intervene to uphold a suspension order if the person demonstrates that the person has an interest that is or may be adversely affected by the activity for which the chief has issued a suspension order under this section. If the court upholds the suspension order, the court may require the

appellant permittee to pay the court costs and reasonable attorney's fees of the person intervening.

The chief also may issue a bond forfeiture order pursuant to section 1509.071 of the Revised Code.

(E) The prosecuting attorney of the county or the attorney general, upon the request of the chief, may apply to the court of common pleas in the county in which any of the provisions of this chapter or any rules, terms or conditions of a permit or registration certificate, or orders adopted or issued pursuant to this chapter are being violated for a temporary restraining order, preliminary injunction, or permanent injunction restraining any person from such violation. In such an action, any person may file a motion to intervene for the issuance of a temporary restraining order, preliminary injunction, or permanent injunction if the person demonstrates that the person has an interest that is or may be adversely affected by the violation for which the prosecuting attorney or attorney general has commenced the action.

(F) The chief may enter into a compliance agreement by consent decree if such an agreement will end a violation.

(G) The chief may request a peace officer or a fire department to respond to the surface location of a well and temporarily assist the division of mineral resources management in the enforcement or administration of this chapter until a mineral resources inspector arrives at the well.

Sec. 1509.05. No person shall drill a new well, drill an existing well any deeper, reopen a well, convert a well to any use other than its original purpose, or plug back a well to a source of supply different from the existing pool, without having a permit to do so issued by the chief of the division of mineral resources management, ~~and until~~. However, the chief shall not issue such a permit to a person unless the terms and conditions of the permit will not conflict with any zoning, health, and safety ordinances and resolutions that are in effect in the municipal corporation or the township where the drilling tract and the well are to be located.

A permittee shall post or display the original permit or a photostatic copy thereof ~~is posted or displayed~~ in a conspicuous and easily accessible place at the well site, with the name, current address, and telephone number of the ~~permit holder~~ permittee and the telephone numbers for fire and emergency medical services maintained on the posted permit or copy. The permit or a copy shall be continuously displayed in ~~such~~ that manner at all times during the work authorized by the permit.

~~Such~~ A permit shall be issued by the chief in accordance with this chapter ~~and for a well~~ that is or is to be located in an urbanized area shall be valid for twelve months, and a permit for a well that is or is to be located in any other area shall be valid for twenty-four months.

Sec. 1509.051. A permit or order issued by the chief of the division of mineral resources management under this chapter shall not authorize or allow a permittee or any other person to do any of the following:

(A) Drill an oil or gas well within the boundaries of a state, municipal, or township park or

within a recreational area or nature preserve;

(B) Drill an oil or gas well within two thousand feet of a lake, stream, or other body of water that is used as a source of drinking water;

(C) Drill an oil or gas well without the use of a blow-out preventer;

(D) Bury hazardous waste, radioactive material, or chemicals used in fracturing subsurface strata or otherwise dispose of any toxic substance at the location of a well. As used in this division:

(1) "Hazardous waste" has the same meaning as in section 3734.01 of the Revised Code.

(2) "Radioactive material" has the same meaning as in section 3748.01 of the Revised Code.

(3) "Toxic substance" has the same meaning as in section 3716.01 of the Revised Code.

(E) Drill a new well or drill an existing well deeper without implementing best operating standards and practices that are recognized by the oil and gas industry.

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

(1) The name and address of the ~~owner~~ applicant and, if a corporation, the name and address of the statutory agent; In addition, the application shall include the name and telephone number of a person that may be contacted in an emergency and who is located within a twenty-minute travel time from the location of the proposed well or well.

(2) The signature of the ~~owner~~ applicant or the ~~owner's~~ applicant's authorized agent. When an authorized agent signs an application, it shall be accompanied by a certified copy of the appointment as such agent.

(3) The names and addresses of all persons holding the royalty interest in the tract upon which the well is located or is to be drilled or within a proposed drilling unit;

(4) The location of the tract or drilling unit on which the well is located or is to be drilled identified by section or lot number, city, village, township, and county;

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

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

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

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

(9) ~~For an application for a permit to drill a new well, a~~ A sworn statement that the applicant has provided notice of the application to ~~the owner of each occupied~~ each person residing in a dwelling unit that is located within ~~five hundred~~ three thousand feet of the surface location of the proposed well if the surface location will be less than five hundred feet from the boundary of the drilling unit and more than fifteen occupied dwelling units are located less than five hundred feet from the surface location of the well, excluding any dwelling that is located on real property all or any portion of which is included in the drilling unit or well. The notice shall contain ~~a~~ the following statement that an application has been filed with the division of mineral resources management, identify the name of the applicant and the proposed well location, include the name and address of the division, and contain a statement that comments regarding the application may be sent to the division:

"PLEASE BE ADVISED. AN APPLICATION HAS BEEN FILED WITH THE DIVISION OF MINERAL RESOURCES MANAGEMENT IN THE DEPARTMENT OF NATURAL RESOURCES FOR A PERMIT TO DRILL AN OIL OR GAS WELL ON PROPERTY LOCATED AT [address of the location of the proposed surface location or surface location of the well]. A PUBLIC MEETING WILL BE HELD [location, date, and time of the meeting] AT WHICH YOU MAY APPEAR AND COMMENT ON WHETHER THE APPLICATION FOR THE PERMIT SHOULD BE APPROVED. If YOU CANNOT ATTEND THE MEETING, YOU MAY CONTACT THE DIVISION AT [telephone number of the division of mineral resources management] TO PROVIDE YOUR COMMENTS. THE COMMENT PERIOD CONCERNING THE APPLICATION CLOSES [date that is seven business days after the date of the scheduled public meeting]. PLEASE REFER TO APPLICATION NUMBER [number of the application] WHEN YOU PROVIDE YOUR COMMENTS. THE APPLICATION WAS FILED BY [name and phone number of the person that filed the application and the name of the person's statutory agent, if applicable]. ~~The~~"

The notice shall be issued not later than fifteen days prior to the date of the public meeting that is required under this section and may be provided by hand delivery or regular mail. In addition, not later than fifteen days prior to the public meeting, the notice shall be published in a newspaper of general circulation in the county in which the well is to be or is located. The identity of the ~~owners of occupied~~ persons residing in dwelling units shall be determined using the tax records and property records of the municipal corporation or county in which the dwelling unit is located as of the date of the notice.

(10) A description of the qualifications of the person who will drill, reopen, convert, or plug back the well, including a description of the drilling procedures and safety procedures that will be used and if those procedures are consistent with the best standards and practices that are recognized by the oil and gas industry. The description also shall include an explanation of the person's experience concerning oil and gas well operations, the person's safety record for such operations, and information concerning the condition and maintenance of the person's equipment that will be used.

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

~~(11)~~(12) A description by name or number of the county, township, and municipal corporation roads, streets, and highways that the applicant anticipates will be used for

access to and egress from the well site;

~~(12)~~(13) Such other relevant information as the chief prescribes by rule.

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

~~(B) The chief shall cause a copy of the weekly circular prepared by the division to be provided to the county engineer of each county that contains active or proposed drilling activity. The weekly circular shall contain, in the manner prescribed by the chief, the names of all applicants for permits, the location of each well or proposed well, the information required by division (A)(11) of this section, and any additional information the chief prescribes. In addition, the chief promptly shall transfer an electronic copy or facsimile, or if those methods are not available to a municipal corporation or township, a copy via regular mail, of a drilling permit application to the clerk of the legislative authority of the municipal corporation or to the clerk of the township in which the well or proposed well is or is to be located if the legislative authority of the municipal corporation or the board of township trustees has asked to receive copies of such applications and the appropriate clerk has provided the chief an accurate, current electronic mailing address or facsimile number, as applicable.~~(1) Not later than five days after receipt of an application and the applicable fee, the chief shall provide written notification that the application has been filed to the director of environmental protection, the fire chief of the fire department within whose jurisdiction the well that is the subject of the application will be or is located, and the local inspector within whose jurisdiction the well that is the subject of the application will be or is located. The notice shall be sent electronically or by regular mail and shall be posted on the division of mineral resources management's web site. In addition, the chief shall schedule a date and a time that is mutually acceptable to all of the persons that the chief has so notified for an inspection of the site that is the subject of the application for purposes of division (C)(2) of this section.

(2) The chief shall maintain a database on the division of mineral resources management's web site that is accessible to and searchable by the public. The database shall contain all of the following:

(a) A listing of all wells that are being drilled and of all wells that are proposed to be drilled in this state;

(b) The names and contact information of all permit holders and applicants for permits under this chapter;

(c) The location of each well or proposed well in this state;

(d) The information that is required by divisions (A)(1), (4), (5), (8), and (12) of this section for each permit application;

(e) The map that is required by division (A) of this section for each permit application;

(f) Any other information that the chief requires.

(C) ~~The chief shall not issue a permit for at least ten days after the date of filing of the application for the permit unless, upon reasonable cause shown, the chief waives that period or a request for expedited review is filed under this section. However, the chief shall issue a permit within twenty-one days of the filing of the application unless the chief denies the application by order.~~ Upon receipt of an application and all accompanying information that is required by this section, but before determining whether to approve an application, approve an application with modifications, or deny an application, the chief shall do all of the following:

(1) Review the application for compliance with division (A) of this section and rules adopted pursuant to it. If the chief finds any errors or omissions in an application, the chief immediately shall notify the applicant of the errors and omissions. Not later than thirty days after receipt of such a notice, an applicant shall correct the errors and omissions. If the applicant does not correct all of the errors and omissions within thirty days after receipt of the notice, the chief shall deny the application.

(2) Conduct an inspection of the surface location of the proposed well or well together with an inspector from the environmental protection agency, the fire chief of the fire department within whose jurisdiction the well that is the subject of the application will be or is located, and the local inspector within whose jurisdiction the well that is the subject of the application will be or is located to determine if the location and operation will comply with state and federal environmental laws, applicable fire codes, and local zoning, health, and safety requirements. Any person participating in such an inspection may submit a written objection to the chief opposing the issuance of a permit to the applicant. If the chief receives a written objection prior to approving the application or approving the application with modifications, the chief shall deny the application.

(3) Review the qualifications of the applicant to determine if the applicant is qualified to perform the proposed operation in compliance with the requirements established in this chapter and rules adopted under it. In reviewing the applicant's qualifications, the chief may consider the applicant's current violations or unresolved violations of prior orders as grounds for denying the application. In addition, the chief shall deny an application if the applicant has been issued a notice of material and substantial violation or a suspension order and the applicant continues to be in substantial noncompliance.

(4) Conduct at a minimum one public meeting concerning the proposed well or well and provide the applicant and any interested person an opportunity to be heard and to submit comments. The public meeting shall be conducted in the municipal corporation or township in which the well or proposed well is or is to be located.

Upon satisfaction of the requirements established in divisions (C)(1) to (4) of this section, the chief shall issue an order approving the permit, approving the permit with modifications, or denying the permit in accordance with the time frames established in divisions (D) and (E) of this section. The chief shall issue an order denying a permit if the chief determines that the applicant is not qualified to perform the proposed drilling, reopening, converting, or plugging in compliance with the requirements established in this chapter and rules adopted under it. An applicant who is denied a permit by the chief may appeal the chief's order denying the permit in accordance with section 1509.36 of the Revised Code.

(D)(1) The chief shall not issue a permit for a well that is or is to be located in an urbanized area until all of the requirements established in division (C) of this section are satisfied or until thirty days after the receipt of the application for the permit, whichever time period is longer. However, the chief shall issue a permit after all of the requirements established in division (C) of this section are satisfied or within thirty-five days after receipt of the application for the permit, whichever time period is longer, unless the chief denies the application by order.

(2) The chief shall not issue a permit for a well that is or is to be located in an area that is not an urbanized area until all of the requirements established in division (C) of this section are satisfied or until thirty-five days after the receipt of the application for the permit, whichever time period is longer, unless a request for an expedited review is filed under this section or the chief denies the application by order.

(E) An applicant may file a request with the chief for expedited review of a permit application if the well is not or is to be located in an urbanized area, in a gas storage reservoir ~~or, in a reservoir protective area, as "reservoir protective area" is defined in section 1571.01 of the Revised Code or, in a natural area or nature preserve as defined in section 1517.01 of the Revised Code.~~ If the well is or is to be located in a coal bearing township, the application shall be accompanied by the affidavit of the landowner prescribed in section 1509.08 of the Revised Code.

In addition to a complete application for a permit that meets the requirements of this section and the permit fee prescribed by this section, a request for expedited review shall be accompanied by a separate nonrefundable filing fee of five hundred dollars. ~~Upon the filing of a request for expedited review, the chief shall cause the county engineer of the county in which the well is or is to be located to be notified of the filing of the permit application and the request for expedited review by telephone or other means that in the judgment of the chief will provide timely notice of the application and request. The~~ If all of the requirements established in division (C) of this section are satisfied, the chief shall issue a permit within ~~seven~~ twenty-five days of the filing of the ~~request~~ application unless the chief denies the application by order. ~~Notwithstanding the provisions of this section governing expedited review of permit applications, the chief may refuse to accept requests for expedited review if, in the chief's judgment, the acceptance of the requests would prevent the issuance, within twenty-one days of their filing, of permits for which applications are pending.~~

~~(E)~~(F) A well shall be drilled and operated in exact accordance with the plans, sworn statements, and other information submitted in the approved application and with all terms and conditions of the permit. A permittee shall notify the chief or a mineral resources inspector within twenty-four hours of a violation of any term or condition of the permit that occurs during drilling operations.

~~(F) The chief shall issue an order denying a permit if the chief finds that there is a substantial risk that the operation will result in violations of this chapter or rules adopted under it that will present an imminent danger to public health or safety or damage to the environment, provided that where the chief finds that terms or conditions to the permit can reasonably be expected to prevent such violations, the chief shall issue the permit subject to those terms or conditions, including, if applicable, terms and conditions regarding subjects identified in rules adopted under section 1509.03 of the Revised Code.~~

(G) Each application for a permit required by section 1509.05 of the Revised Code, except

an application to plug back an existing well that is required by that section and an application for a well drilled or reopened for purposes of section 1509.22 of the Revised Code, also shall be accompanied by a nonrefundable fee as follows:

- (1) ~~Two~~ Five hundred ~~fifty~~ dollars for a permit to conduct activities in a township with a population of fewer than five thousand;
- (2) ~~Five~~ One thousand five hundred dollars for a permit to conduct activities in a township with a population of five thousand or more, but fewer than ten thousand;
- (3) ~~Seven hundred fifty~~ Two thousand five hundred dollars for a permit to conduct activities in a township with a population of ten thousand or more, but fewer than fifteen thousand;
- (4) ~~One~~ Three thousand five hundred dollars for a permit to conduct activities in either of the following:
 - (a) A township with a population of fifteen thousand or more;
 - (b) A municipal corporation regardless of population.

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

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

~~(H) The chief may order the immediate suspension of drilling, operating, or plugging activities after finding that any person is causing, engaging in, or maintaining a condition or activity that in the chief's judgment presents an imminent danger to public health or safety or results in or is likely to result in immediate substantial damage to natural resources or for nonpayment of a fee required by this section. The chief may order the immediate suspension of the drilling or reopening of a well in a coal bearing township after determining that the drilling or reopening activities present an imminent and substantial threat to public health or safety or to miners' health or safety. Before issuing any such order, the chief shall notify the owner in such manner as in the chief's judgment would provide reasonable notification that the chief intends to issue a suspension order. The chief may issue such an order without prior notification if reasonable attempts to notify the owner have failed, but in such an event notification shall be given as soon thereafter as practical. Within five calendar days after the issuance of the order, the chief shall provide the owner an opportunity to be heard and to present evidence that the condition or activity is not likely to result in immediate substantial damage to natural resources or does not present an imminent danger to public health or safety or to miners' health or safety, if applicable. In the case of activities in a coal bearing township, if the chief, after considering evidence presented by the owner, determines that the activities do not present such a threat, the chief shall revoke the suspension order. Notwithstanding any provision of this chapter, the owner may appeal a suspension order directly to the court of common pleas of the county in which the activity is located or, if in a coal bearing township, to the reclamation commission under section 1513.13 of the Revised Code. If the chief finds that a permittee is drilling or conducting other operations in violation of a permit, the requirements established in this~~

chapter, or rules adopted under it and there is substantial risk that the drilling or operations likely will result in danger to the health or safety of the public or damage to the environment, the chief shall issue an order to the permittee to cease or correct the violation immediately. If the permittee does not cease or correct the violation and appears to continue the violation, the chief shall issue an order that revokes the permittee's permit and that requires the permittee to cease drilling or other operations immediately.

Sec. 1509.061. ~~An owner of a well who has been issued a permit under section 1509.06 of the Revised Code~~ A permittee may submit to the chief of the division of mineral resources management, on a form prescribed by the chief, a request to revise an existing tract upon which exists a producing or idle ~~the terms and conditions of a permit for the drilling of a well. The chief shall adopt, and may amend and rescind, rules under section 1509.03 of the Revised Code that are necessary for the administration of this section. The rules at least shall stipulate the information to be included on the request form and shall establish a fee to be paid by the person submitting the request, which fee shall not exceed two hundred fifty dollars~~ the amount of the applicable fee established in division (G) of section 1509.06 of the Revised Code.

The chief shall not approve a request submitted under this section ~~unless it~~ if approving the request would result in a violation of this chapter or rules adopted under it, including provisions establishing spacing or minimum acreage requirements.

Sec. 1509.062. (A)(1) The permittee of a well that has not been completed, a well that has not produced within one year after completion, or an existing well that has no reported production for two consecutive reporting periods as reported in accordance with section 1509.11 of the Revised Code shall plug the well in accordance with section 1509.12 of the Revised Code, obtain temporary inactive well status for the well in accordance with this section, or perform another activity regarding the well that is approved by the chief of the division of mineral resources management.

(2) If a well has a reported annual production that is less than one hundred thousand cubic feet of natural gas or fifteen barrels of crude oil, or a combination of natural gas or crude oil in an amount that is determined by the chief, the chief may require the permittee of the well to submit an application for temporary inactive well status under this section for the well.

(B) In order for the permittee of a well to submit an application for temporary inactive well status for the well under this division, the permittee and the well shall be in compliance with this chapter and rules adopted under it, any terms and conditions of the permit for the well, and applicable orders issued by the chief. An application for temporary inactive status for a well shall be submitted to the chief on a form prescribed and provided by the chief and shall contain all of the following:

(1) The permittee's name and address and, if the permittee is a corporation, the name and address of the corporation's statutory agent;

(2) The signature of the permittee or of the permittee's authorized agent. When an authorized agent signs an application, the application shall be accompanied by a certified copy of the appointment as such agent.

(3) The permit number assigned to the well. If the well has not been assigned a permit

number, the chief shall assign a permit number to the well.

(4) A map, on a scale not smaller than four hundred feet to the inch, that shows the location of the well and the tank battery, that includes the latitude and longitude of the well, and that contains all other data that are required by the chief;

(5) A demonstration that the well is of future utility and that the applicant has a viable plan to utilize the well within a reasonable period of time;

(6) A demonstration that the well poses no threat to the health or safety of persons, property, or the environment;

(7) Any other relevant information that the chief prescribes by rule.

The chief may waive any of the requirements established in divisions (B)(1) to (6) of this section if the division of mineral resources management possesses a current copy of the information or document that is required in the applicable division.

(C) Upon receipt of an application for temporary inactive well status, the chief shall review the application and shall either deny the application by issuing an order or approve the application. The chief shall approve the application only if the chief determines that the well that is the subject of the application poses no threat to the health or safety of persons, property, or the environment. If the chief approves the application, the chief shall notify the applicant of the chief's approval. Upon receipt of the chief's approval, the permittee shall shut in the well and empty all liquids and gases from all storage tanks, pipelines, and other equipment associated with the well. In addition, the permittee shall maintain the well, other equipment associated with the well, and the surface location of the well in a manner that prevents hazards to the health and safety of people and the environment. The permittee shall inspect the well at least every six months and submit to the chief within fourteen days after the inspection a record of inspection on a form prescribed and provided by the chief.

(D) Not later than thirty days prior to the expiration of temporary inactive well status or a renewal of temporary inactive well status approved by the chief for a well, the permittee of the well may submit to the chief an application for renewal of the temporary inactive well status on a form prescribed and provided by the chief. The application shall include a detailed plan that describes the ultimate disposition of the well, the time frames for that disposition, and any other information that the chief determines is necessary. The chief shall either deny an application by order or approve the application. If the chief approves the application, the chief shall notify the permittee of the well of the chief's approval.

(E) The chief may require a permittee to provide a surety bond in an amount not to exceed ten thousand dollars for each of the permittee's wells that has been approved by the chief for temporary inactive well status.

(F) An application for temporary inactive well status shall be accompanied by a nonrefundable fee of one hundred dollars. An application for a renewal of temporary inactive well status shall be accompanied by a nonrefundable fee of two hundred fifty dollars for the first renewal and five hundred dollars for each subsequent renewal.

(G) Temporary inactive well status approved by the chief expires one year after the date of

approval of the application for temporary inactive well status or production from the well commences, whichever occurs sooner. In addition, a renewal of a temporary inactive well status expires one year after the expiration date of the initial temporary inactive well status or one year after the expiration date of the previous renewal of the temporary inactive well status, as applicable, or production from the well commences, whichever occurs sooner.

(H) The permittee of a well that has been approved by the chief for temporary inactive well status may commence production from the well at any time. Not later than sixty days after the commencement of production from such a well, the permittee shall notify the chief of the commencement of production.

(I) This chapter and rules adopted under it, any terms and conditions of the permit for a well, and applicable orders issued by the chief apply to a well that has been approved by the chief for temporary inactive well status or renewal of that status.

Sec. 1509.07. ~~An owner~~ (A) A permittee of any well, except an exempt Mississippian well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized to do business in this state in an amount of not less than ~~three hundred thousand~~ five million dollars bodily injury coverage and ~~three hundred thousand~~ ten million dollars property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the ~~owner's permittee's~~ wells in this state. The ~~owner permittee~~ shall maintain that coverage until all the ~~owner's permittee's~~ wells are plugged ~~and abandoned as required by law~~ and maintained as required by this chapter and rules adopted under it or are transferred to a permittee who has obtained insurance as required by this section and who is not under a notice of material and substantial violation or under a suspension order. The ~~owner permittee~~ shall provide proof of liability insurance coverage to the chief of the division of mineral resources management upon request. Upon failure of the ~~owner permittee~~ to provide that proof when requested, the chief may order the suspension of any outstanding permits and operations of the ~~owner permittee~~ until the ~~owner permittee~~ provides proof of the required insurance coverage.

(B) Except as otherwise provided in this section, ~~an owner~~ a permittee of any well that is not an exempt Mississippian well or an exempt domestic well, before being issued a permit under section 1509.06 of the Revised Code, shall execute and file with the division of mineral resources management a surety bond in an amount equal to the estimated cost to plug the well and restore the surface location of the well and conditioned on compliance with the restoration requirements of section 1509.072, the plugging requirements of section 1509.12, the permit provisions of section 1509.13 of the Revised Code, and all rules and orders of the chief relating thereto, ~~in an amount set by rule of the chief.~~

The ~~owner~~ permittee of a well that is not an exempt Mississippian well or an exempt domestic well may deposit with the chief, instead of a surety bond, cash in an amount equal to the surety bond as prescribed pursuant to this section or negotiable certificates of deposit or irrevocable letters of credit, issued by any bank organized or transacting business in this state or by any savings and loan association as defined in section 1151.01 of the Revised Code, having a cash value equal to or greater than the amount of the surety bond as prescribed pursuant to this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If certificates of deposit are deposited with the chief instead of a surety bond, the chief shall require the bank or savings and loan association that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by any of

the agencies and instrumentalities created under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as amended, and regulations adopted under it, including at least the federal deposit insurance corporation, bank insurance fund, and savings association insurance fund. The securities shall be security for the repayment of the certificate of deposit.

Immediately upon a deposit of cash, certificates of deposit, or letters of credit with the chief, the chief shall deliver them to the treasurer of state who shall hold them in trust for the purposes for which they have been deposited.

~~Instead of a surety bond, the chief may accept proof of financial responsibility consisting of a sworn financial statement showing a net financial worth within this state equal to twice the amount of the bond for which it substitutes and, as may be required by the chief, a list of producing properties of the owner within this state or other evidence showing ability and intent to comply with the law and rules concerning restoration and plugging that may be required by rule of the chief. The owner of an exempt domestic or exempt Mississippian well is not required to file scheduled updates of the financial documents, but shall file updates of those documents if requested to do so by the chief. The owner of a nonexempt domestic or nonexempt Mississippian well shall file updates of the financial documents in accordance with a schedule established by rule of the chief. The chief, upon determining that an owner for whom the chief has accepted proof of financial responsibility instead of~~
bond (C) A permittee of an exempt Mississippian well or an exempt domestic well shall demonstrate financial responsibility to the chief by providing one of the following:

(1) Proof of deposits in a bank organized or transacting business in this state or in a savings and loan association as defined in section 1151.01 of the Revised Code in an amount that is equal to or greater than the amount of the surety bond that is otherwise required to be executed and filed with the chief by this section;

(2) Negotiable certificates of deposit or irrevocable letters of credit issued by such a bank or savings and loan association having a cash value that is equal to or greater than the amount of the surety bond that is otherwise required to be executed and filed with the chief by this section.

If the permittee of an exempt Mississippian well or an exempt domestic well cannot demonstrate financial responsibility to the satisfaction of the chief, the chief shall order that the owner permittee to execute and file a surety bond or deposit cash, certificates of deposit, or irrevocable letters of credit as required by this section for the wells specified in the order within ten days of receipt of the order. If the order is not complied with, all wells of the owner permittee that are specified in the order and for which no surety bond is filed or cash, certificates of deposit, or letters of credit are deposited shall be plugged. No owner permittee shall fail or refuse to plug such a well. Each day on which such a well remains unplugged thereafter constitutes a separate offense, and the chief shall assess a fine against the permittee in an amount that is not less than one thousand dollars per offense as determined by the chief.

(D) A permittee shall file updates of any financial documents that are required by this section in accordance with a schedule established by rule of the chief.

(E) The surety bond provided for in this section shall be executed by a surety company

authorized to do business in this state that is in good standing.

(F) The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by the principal's or surety's attorney in fact, with a certified copy of the power of attorney attached thereto. The chief shall not approve a bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state.

(G) All bonds shall be given in a form to be prescribed by the chief and shall run to the state as obligee.

~~An owner of an exempt Mississippian well or an exempt domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety bond, certificates of deposit, irrevocable letters of credit, or a sworn financial statement, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.~~

Sec. 1509.071. (A) When the chief of the division of mineral resources management finds that ~~an owner~~ a permittee has failed to comply with the restoration requirements of section 1509.072, plugging requirements of section 1509.12, or permit provisions of section 1509.13 of the Revised Code, or rules and orders relating thereto, the chief shall make a finding of that fact and declare any surety bond filed to ensure compliance with those sections and rules forfeited in the amount set by rule of the chief. The chief thereupon shall certify the total forfeiture to the attorney general, who shall proceed to collect the amount of the forfeiture. In addition, the chief may require a permittee, operator, producer, or other person who forfeited a surety bond to post a new surety bond in the amount of fifteen thousand dollars for a single well, thirty thousand dollars for two wells, or fifty thousand dollars for three or more wells.

In lieu of total forfeiture, the surety, at its option, may cause the well to be properly plugged and abandoned and the area properly restored or pay to the treasurer of state the cost of plugging and abandonment. The cost of plugging and abandonment of the well includes the estimated cost of maintaining the well in a safe condition that complies with rules governing plugging.

(B) All moneys collected because of forfeitures of bonds as provided in this section shall be deposited in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code. The fund shall be expended by the chief for the following purposes in addition to the other purposes specified in that section:

(1) In accordance with division (D) of this section, to plug idle and orphaned wells or to restore the land surface properly as required in section 1509.072 of the Revised Code ~~for which the bonds have been forfeited, for abandoned wells or for plugging and maintaining abandoned wells~~ for which no funds are available to plug the wells in accordance with this chapter, ~~or to use abandoned wells for the injection of oil or gas production wastes;~~

(2) In accordance with division (E) of this section, to correct conditions that the chief reasonably has determined are causing ~~imminent~~ immediate health or safety risks at an idle and orphaned well or a well for which the person responsible for the well cannot be contacted in order to initiate a corrective action within a reasonable period of time as

determined by the chief.

Expenditures from the fund shall be made only for lawful purposes.

(C)(1) Upon determining that the ~~owner~~ permittee of a well has failed to properly plug and abandon it or to properly restore the land surface at the well site in compliance with the applicable requirements of this chapter and applicable rules adopted and orders issued under it or that a well is an abandoned well for which no funds are available to plug the well in accordance with this chapter, the chief shall do ~~all~~ both of the following:

(a) Determine from the records in the office of the county recorder of the county in which the well is located the identity of the owner of the land on which the well is located, the identity of the ~~owner~~ permittee of the oil or gas lease under which the well was drilled ~~or the identity of each person owning an interest in~~ and, if different from the permittee, the present holder of the lease, and the identities of the persons having legal title to, or a lien upon, any of the equipment appurtenant to the well;

~~(b) Mail notice to the owner of the land on which the well is located informing the landowner that the well is to be plugged. If the owner of the oil or gas lease under which the well was drilled is different from the owner of the well or if any persons other than the owner of the well own interests in the lease, the chief also shall mail notice that the well is to be plugged to the owner of the lease or to each person owning an interest in the lease, as appropriate.~~

~~(c) Mail notice to each person having legal title to, or a lien upon, any equipment appurtenant to the well, identified under division (C)(1)(a) of this section informing the person that the well is to be plugged and offering the person the opportunity to plug the well and restore the land surface at the well site at the person's own expense in order to avoid fines, penalties, or forfeiture of the equipment to this state.~~

(2) If none of the persons described in division (C)(1)~~(c)~~(a) of this section plugs the well within sixty days after the mailing of the notice required by ~~that~~ division (C)(1)(b) of this section, all equipment appurtenant to the well is hereby declared to be forfeited to this state without compensation and without the necessity for any action by the state for use to defray the cost of plugging and abandoning the well and restoring the land surface at the well site.

(D) Expenditures from the fund for the purpose of division (B)(1) of this section shall be made in accordance with either of the following:

(1) The expenditures may be made pursuant to contracts entered into by the chief with persons who agree to furnish all of the materials, equipment, work, and labor as specified and provided in such a contract for activities associated with the restoration or plugging of a well as determined by the chief. The activities may include excavation to uncover a well, geophysical methods to locate a buried well when clear evidence of leakage from the well exists, cleanout of wellbores to remove material from a failed plugging of a well, plugging operations, installation of vault and vent systems, including associated engineering certifications and permits, restoration of property, and repair of damage to property that is caused by such activities. However, expenditures shall not be made to purchase property or to remove a dwelling in order to access a well. Agents or employees of persons contracting with the chief for ~~the a restoration, or plugging, and injection projects~~ project may enter

upon any land, public or private, on which the well is located for the purpose of performing the work. Prior to such entry, the chief shall give to the following persons written notice of the existence of a contract for a project to restore, ~~or plug, or inject oil or gas production wastes into~~ a well, the names of the persons with whom the contract is made, and the date that the project will commence: ~~the owner of the well, the owner of the land upon which the well is located,~~ each person identified under division (C)(1)(a) of this section; if different from the persons identified under that division, the owner or agents of adjoining land; and, if the well is located in the same township as or in a township adjacent to the excavations and workings of a mine and the owner or lessee of that mine has provided written notice identifying those townships to the chief at any time during the immediately preceding three years, the owner or lessee of the mine. In addition, the chief shall notify the director of environmental protection of those activities in order to obtain the director's evaluation of any impact to the environment from the activities and the director's determination of compliance with state environmental laws.

(2)(a) The owner of the land on which a well is located who has received notice under division (C)(1)(b) of this section may plug the well and be reimbursed by the division for the reasonable cost of plugging the well. In order to plug the well, the landowner shall submit an application to the chief on a form prescribed by the chief and approved by the technical advisory council on oil and gas created in section 1509.38 of the Revised Code. The application, at a minimum, shall require the landowner to provide the same information as is required to be included in the application for a permit to plug and abandon under section 1509.13 of the Revised Code. The application shall be accompanied by a copy of a proposed contract to plug the well prepared by a contractor regularly engaged in the business of plugging oil and gas wells. The proposed contract shall require the contractor to furnish all of the materials, equipment, work, and labor necessary to plug the well properly and shall specify the price for doing the work, including a credit for the equipment appurtenant to the well that was forfeited to the state through the operation of division (C)(2) of this section. Expenditures under division (D)(2)(a) of this section shall be consistent with the expenditures for activities described in division (D)(1) of this section. The application also shall be accompanied by the permit fee required by section 1509.13 of the Revised Code unless the chief, in the chief's discretion, waives payment of the permit fee. The application constitutes an application for a permit to plug and abandon the well for the purposes of section 1509.13 of the Revised Code.

(b) Within thirty days after receiving an application and accompanying proposed contract under division (D)(2)(a) of this section, the chief shall determine whether the plugging would comply with the applicable requirements of this chapter and applicable rules adopted and orders issued under it and whether the cost of the plugging under the proposed contract is reasonable. If the chief determines that the proposed plugging would comply with those requirements and that the proposed cost of the plugging is reasonable, the chief shall notify the landowner of that determination and issue to the landowner a permit to plug and abandon the well under section 1509.13 of the Revised Code. Upon approval of the application and proposed contract, the chief shall transfer ownership of the equipment appurtenant to the well to the landowner. The chief may disapprove an application submitted under division (D)(2)(a) of this section if the chief determines that the proposed plugging would not comply with the applicable requirements of this chapter and applicable rules adopted and orders issued under it, that the cost of the plugging under the proposed contract is unreasonable, or that the proposed contract is not a bona fide, arms length contract.

(c) After receiving the chief's notice of the approval of the application and permit to plug and abandon a well under division (D)(2)(b) of this section, the landowner shall enter into the proposed contract to plug the well. The plugging shall be completed within ~~one hundred~~ eighty six days after the landowner receives the notice of approval and permit.

(d) Upon determining that the plugging has been completed within the time required by division (D)(2)(c) of this section and has been completed in compliance with the applicable requirements of this chapter and applicable rules adopted and orders issued under it, the chief shall reimburse the landowner for the cost of the plugging as set forth in the proposed contract approved by the chief. The reimbursement shall be paid from the oil and gas well fund. If the chief determines that the plugging was not completed within the required time or was not completed in accordance with the applicable requirements, the chief shall not reimburse the landowner for the cost of the plugging, and the landowner or the contractor, as applicable, promptly shall transfer back to this state title to and possession of the equipment appurtenant to the well that previously was transferred to the landowner under division (D)(2)(b) of this section. If any such equipment was removed from the well during the plugging and sold, the landowner shall pay to the chief the proceeds from the sale of the equipment, and the chief promptly shall pay the moneys so received to the treasurer of state for deposit into the oil and gas well fund.

The chief may establish an annual limit ~~on the number of wells that may be plugged under division (D)(2) of this section or an annual limit~~ on the expenditures to be made under ~~that~~ division (D)(2) of this section.

As used in division (D)(2) of this section, "plug" and "plugging" include the plugging of the well and the restoration of the land surface disturbed by the plugging.

(E) Expenditures from the oil and gas well fund for the purpose of division (B)(2) of this section may be made pursuant to contracts entered into by the chief with persons who agree to furnish all of the materials, equipment, work, and labor as specified and provided in such a contract. However, expenditures shall not be authorized to purchase real property or to remove a dwelling. The competitive bidding requirements of Chapter 153. of the Revised Code do not apply if the chief reasonably determines that correction of the applicable health or safety risk requires immediate action. The chief, designated representatives of the chief, and agents or employees of persons contracting with the chief under this division may enter upon any land, public or private, for the purpose of performing the work.

(F) Contracts entered into by the chief under this section are not subject to either of the following:

(1) Chapter 4115. of the Revised Code;

(2) Section 153.54 of the Revised Code, except that the contractor shall obtain and provide to the chief as a bid guaranty a surety bond or letter of credit in an amount equal to ten per cent of the amount of the contract.

(G) The owner of land on which a well is located who has received notice under division (C)(1)(b) of this section, in lieu of plugging the well in accordance with division (D)(2) of this section, may cause ownership of the well to be transferred to ~~an owner~~ a permittee who is lawfully doing business in this state and who has met the financial responsibility

requirements established under section 1509.07 of the Revised Code, subject to the approval of the chief. The transfer of ownership also shall be subject to the landowner's filing the appropriate forms required under this chapter and providing to the chief sufficient information to demonstrate the landowner's or ~~owner's~~ permittee's right to produce a formation or formations. That information may include a deed, a lease, or other documentation of ownership or property rights.

The chief shall approve or disapprove the transfer of ownership of the well. If the chief approves the transfer, the ~~owner~~ permittee is responsible for operating the well in accordance with this chapter and rules adopted under it, including, without limitation, all of the following:

(1) Filing an application with the chief under section 1509.06 of the Revised Code if the ~~owner~~ permittee intends to drill deeper or produce a formation that is not listed in the records of the division for that well;

(2) Taking title to and possession of the equipment appurtenant to the well that has been identified by the chief as having been abandoned by the former owner or permittee;

(3) Complying with all applicable requirements that are necessary to drill deeper, plug the well, or plug back the well.

(H) The chief shall issue an order that requires the responsible person of a well to pay the actual documented costs of a corrective action that is described in division (B)(2) of this section concerning the well. The chief shall transmit the money so recovered to the treasurer of state who shall deposit the money in the state treasury to the credit of the oil and gas fund.

Sec. 1509.072. No oil or gas well ~~owner~~ permittee or agent of an oil or gas well ~~owner~~ permittee shall fail to restore the land surface within the area disturbed in siting, drilling, completing, ~~and~~ producing, plugging, and abandoning the well as required in this section.

(A) Within ~~five months~~ fourteen days after the date upon which the ~~surface~~ drilling of a well is ~~commenced~~ completed to total depth in an urbanized area and within one month after the date upon which the drilling of a well is completed in all other areas, the ~~owner~~ permittee or the ~~owner's~~ permittee's agent, in accordance with the restoration plan filed under division (A)~~(10)~~(11) of section 1509.06 of the Revised Code, shall fill with clean fill all the pits for containing brine; and other waste substances resulting, obtained, or produced in connection with exploration or drilling for, ~~or production of,~~ oil or gas, ~~or oil~~ that are not required by other state or federal law or regulation, and remove all concrete bases, drilling supplies, and drilling equipment. ~~Within nine months~~ In addition, the permittee or the permittee's agent shall remove all cuttings containing brine and all other waste substances and dispose of the cuttings and other waste substances in an appropriate facility licensed under Chapter 3734. of the Revised Code or dispose of such cuttings and waste substances in accordance with all applicable statutes and rules governing environmental protection. Unless the chief of the division of mineral resources management approves a longer time period, within one month after the date upon which the surface drilling of a well is commenced in an urbanized area and within two months after the date upon which the surface drilling of a well is commenced in all other areas, the ~~owner~~ permittee or the ~~owner's~~ permittee's agent shall begin to grade or terrace and plant, seed, or sod the area

disturbed that is not required in production of the well where necessary to bind the soil and prevent substantial erosion and sedimentation. If the chief ~~of the division of mineral resources management~~ finds that a pit used for containing brine, other waste substances, or oil is in violation of section 1509.22 of the Revised Code or rules adopted or orders issued under it, the chief may require the pit to be emptied and closed before expiration of the ~~five-month~~ applicable restoration period.

(B) Within ~~six months~~ thirty days after a well that has produced oil or gas is plugged, or after the plugging of a dry hole, unless the chief approves a longer time period not to exceed six months, the ~~owner~~ permittee or the ~~owner's~~ permittee's agent shall remove all production and storage structures, supplies, and equipment, and any oil, salt water, and debris, and fill any remaining excavations. Within ~~that period~~ fourteen days after removal of such structures, supplies, equipment, oil, salt water, and debris and filling of such excavations, the ~~owner~~ permittee or the ~~owner's~~ permittee's agent shall grade or terrace and plant, seed, or sod the area disturbed where necessary to bind the soil and prevent ~~substantial~~ erosion and sedimentation.

The ~~owner~~ permittee shall not be released from responsibility to perform any or all restoration requirements of this section on any part or all of the area disturbed upon the filing of a request for a waiver with and obtaining the written approval of the chief, ~~which unless the request shall be~~ is signed by the surface owner to certify that the approval of the surface owner of the release sought will undertake all of the responsibilities of the permittee to perform any or all of the restoration requirements established in this section. The chief shall approve the request ~~unless the chief finds upon inspection that the waiver would be likely to result in substantial damage to adjoining property, substantial contamination of surface or underground water, or substantial erosion or sedimentation~~ only if the surface owner executes and files a surety bond with the division of mineral resources management in an amount equal to the estimated cost to plug the well and restore the site in accordance with the requirements established in this chapter and rules adopted under it.

The chief, by order, may shorten the time periods provided for under division (A) or (B) of this section if failure to shorten the periods would be likely to result in damage to public health or the waters or natural resources of the state.

The chief, upon written application by ~~an owner~~ a permittee or ~~an owner's~~ a permittee's agent showing reasonable cause, may extend the period within which restoration shall be completed under divisions (A) and (B) of this section, but not to exceed a further six-month period, except under extraordinarily adverse weather conditions or when essential equipment, fuel, or labor is unavailable to the ~~owner~~ permittee or the ~~owner's~~ permittee's agent.

If the chief refuses to approve a request for waiver or extension, the chief shall do so by order.

Sec. 1509.073. (A) In addition to the requirements established in section 1509.04 of the Revised Code, the chief of the division of mineral resources management shall coordinate with local inspectors in the enforcement of this chapter and rules adopted under it. A local inspector may inspect an oil or gas well and the storage facilities of a well at any time in order to ensure compliance with local zoning or building codes. In addition, the chief of the fire department within whose jurisdiction an oil or gas well is located may inspect the well to ensure compliance with the fire code of the municipal corporation or township, as

applicable.

(B) If a local inspector or chief of an applicable fire department discovers a violation of a permit issued under this chapter, the inspector or chief shall notify the chief of the division of mineral resources management or a mineral resources inspector within twenty-four hours of the discovery.

(C) A permittee annually shall pay to a municipal corporation or township, as applicable, a fee of five hundred dollars for each of the permittee's wells that is located within the territorial boundaries of the municipal corporation or township. The fee shall be deposited in a special fund that is established by the municipal corporation or township. The money in the fund shall be used by the municipal corporation or township to pay the costs of training police, fire, and medical personnel to respond to well-related emergencies in the municipal corporation or township, to pay the costs of periodic inspections by a local inspector to ensure proper maintenance of all well-related facilities, and to pay the costs of inspections by local inspectors of the site where the surface facilities of a well are located to ensure compliance with local zoning or building codes.

Sec. 1509.074. A person that is issued a permit to drill a well under this chapter shall do all of the following:

(A) Prior to commencing drilling, meet with the chief of the fire department within whose jurisdiction the well is located to explain the drilling operation, including any potential problems or concerns and solutions to those problems or concerns, and to provide a schedule of the drilling;

(B) Grant a right of entry to an authorized representative of the fire department within whose jurisdiction the well is located for the purpose of formulating emergency operating procedures;

(C) Ensure the availability of a gas well technician who has knowledge of the mitigation of hazardous or emergency conditions at a well location. The permittee shall ensure that a gas well technician responds to a hazardous or emergency condition at the well within thirty minutes of the permittee's receipt of notification that a hazardous or emergency condition exists at the well location. In addition, the permittee shall provide to each technician the necessary tools and testing equipment that normally are required to determine the location and nature of a hazardous or emergency condition, to complete repairs, or to shut off a well if necessary.

(D) Develop a monthly and an annual safety inspection checklist that shall be used for each monthly and annual inspection of each well head and tank battery;

(E) Inspect monthly and annually each well head and tank battery using the applicable checklist that is developed under division (D) of this section and submit a copy of the checklist monthly or annually, as applicable, to the chief of the fire department within whose jurisdiction the well is located;

(F) Provide to the chief of the fire department within whose jurisdiction the well is located all information concerning inspections, investigations, and repairs that are performed at the well location after the occurrence of a hazardous or emergency condition at the well.

Sec. 1509.075. (A) A person that is issued a permit to drill a well under this chapter, prior to commencing drilling operations, shall execute and file with the legislative authority of a municipal corporation or the board of township trustees of a township, as applicable, a surety bond for each of the permittee's wells that is located within the territorial boundaries of the municipal corporation or township. The surety bond shall be conditioned on compliance with the terms and conditions of the permit and with all of the applicable laws and rules enacted or adopted by the municipal corporation or township and shall provide coverage for damage to municipal corporation or township roads caused by vehicles associated with the drilling of the well, the cleanup of mud and drilling refuse from public property, and the cost of water testing conducted within six months of the drilling of the well. The amount of the surety bond shall be established by the legislative authority of the municipal corporation or the board of township trustees of the township, as applicable, but shall not be less than one hundred per cent of the estimated cost of the screening and landscaping requirements established in this chapter and rules adopted under it.

In lieu of a surety bond, the permittee may deposit with the legislative authority of the municipal corporation or the board of township trustees of the township cash in an amount equal to the surety bond established under this section or certificates of deposit having a cash value equal to or greater than that amount.

(B) Upon completion of the installation of the well, the permittee shall notify the applicable local inspector. Not later than five days after receipt of the notification, the local inspector shall inspect the surface location of the well and determine if the installation of the well complies with the terms and conditions of the permit and with laws and rules of the applicable municipal corporation or township. If the inspector determines that the well complies with those terms and conditions and laws and rules, the inspector shall notify the permittee and the legislative authority of the municipal corporation or the board of township trustees of the township, as applicable, and the legislative authority or board shall release the surety bond or other financial security to the permittee.

If the inspector determines that the well does not comply with the terms and conditions of the permit or with laws or rules of the applicable municipal corporation or township, the inspector shall notify the permittee and the applicable legislative authority or board and specifically describe the reasons for noncompliance. The permittee may take actions that are necessary to bring the installation of the well into compliance. Following the completion of those actions, the permittee shall notify the applicable local inspector who shall conduct a second inspection of the surface location of the well. If the inspector determines that the well complies with the terms and conditions of the permit and with laws and rules of the applicable municipal corporation or township, the inspector shall notify the permittee and the legislative authority of the municipal corporation or the board of township trustees of the township, as applicable, and the legislative authority or board shall release the surety bond or other financial security to the permittee.

If the inspector again determines that the well does not comply with the terms and conditions of the permit or with laws or rules of the applicable municipal corporation or township, the inspector shall notify the permittee and the applicable legislative authority or board. The legislative authority or board shall not release the surety bond or other financial security to the permittee.

Sec. 1509.076. On and after the effective date of this section, a person that is issued a permit to drill a well under this chapter shall do all of the following:

(A) Post a sign prior to the commencement of the drilling of a well. The sign shall be permanent and weatherproof and maintained at all times. In addition, the sign shall consist of letters and numerals that are at least five inches in height and shall contain all of the following:

(1) The number and name of the road that will be used to access the well site;

(2) The number of the well and of the permit for the well;

(3) The name, address, and telephone number of the permittee or a representative of the permittee who may be contacted and available in the event of an emergency.

(B) Implement a monitoring system at a new or existing oil or gas well for the detection of a leak of natural gas, hydrogen sulfide, or radon, a spill of a toxic chemical, or an explosion. The monitoring system shall have an audible alarm to warn the workers at the surface location of the well and the public of such a leak, spill, or explosion. The monitoring system also shall notify the fire department within whose jurisdiction the well will be or is located of such a leak, spill, or explosion. In addition, the monitoring system and alarm shall be operable during power failures and during the drilling of and production from a well until the well is abandoned and plugged.

(C) Conduct all operations in a manner that eliminates, as far as practical, dust, noise, vibrations, and noxious odors. In addition, a permittee shall not allow the noise from the drilling operation to exceed eighty decibels if the well is located within five hundred feet of an occupied dwelling, a multiple unit dwelling with at least three units, a hospital as defined in section 3727.01 of the Revised Code, or a home as defined in section 3721.01 of the Revised Code.

(D) Use only fluid during the drilling of a well that is located in an area that is zoned residential or is otherwise a residential area in order to minimize flaring. In addition, if a permittee drills the well at night in an area that is zoned residential or is otherwise a residential area, the permittee shall use only the amount of light that is necessary for conducting a safe operation.

(E) Operate a drilling rig between the hours of seven-thirty a.m. and seven p.m. unless all owners of property that is located within one thousand feet of the location of the well consent in writing to the drilling of the well during other hours;

(F) Detonate explosives between the hours of seven-thirty a.m. and seven p.m. unless the chief of the fire department within whose jurisdiction the well is located authorizes the detonation of explosives during other hours;

(G) Store all flammable and combustible liquids from a producing well in underground tanks;

(H) Remove all liquids from a well tank using a tank truck;

(I) Keep the areas within fifteen feet of all permanent production facilities mowed and cleared of combustible materials. In addition, those areas shall be enclosed with fencing that is not less than six feet in height.

(J) Paint shut-off valves in a conspicuous color for ease of identification in emergencies;

(K) Install latches on well head and tank battery enclosures to hold the enclosures open;

(L) Lock all gates, storage tank manholes, discharge valves, fill valves, shut-off valves, and fence gates. All locks at a well shall use a master key that is marked with the well number. In addition, a permittee shall provide a copy of the master key for each well to a local inspector, the chief of the fire department within whose jurisdiction the well is located, and the applicable chief of police or sheriff.

(M) Bury all new oil and gas lines a minimum depth of thirty inches. In addition, a permittee shall indicate the location of those oil and gas lines on a map and provide a copy of the map to the local inspector and to the chief of the fire department within whose jurisdiction the lines are located.

(N) Equip each permanent production structure, including, but not limited to, a separator unit and a storage tank, with properly grounded lightning rods;

(O) Provide for a drilling-in control gate in the drilling of a well or in the cleaning of an abandoned well in preparation for the plugging of the abandoned well. The drilling-in control gate shall be constructed in a manner that will cut off the flow of gas to the top of the well and that will allow the gate to be operated at a remote location from the well.

(P) Vent a plugged well with a vent pipe that is not less than two inches in diameter and of a height that is determined by the chief of the division of mineral resources management in consultation with the applicable fire chief and local inspector. In addition, the vent pipe shall have a drilled and tapped inspection hold with a hole plug that is not less than one-half inch in diameter and that is not more than four feet above grade.

(Q) Locate a new well head, tank battery, and storage tank in accordance with all of the following:

(1) At least one thousand feet from a single or multiple family dwelling, hospital as defined in section 3727.01 of the Revised Code, clinic, home as defined in section 3721.01 of the Revised Code, school, day-care, playground, auditorium, theater, library, shopping center, place of worship, or any other building used as a place for public assembly;

(2) At least two thousand feet from a lake, stream, river, or other large body of water;

(3) At least one thousand feet from a public right-of-way.

(R) Paint a storage tank and other equipment that is located above ground shades of dark green in order to minimize the visual obtrusiveness of the equipment. In addition, a permittee shall identify the contents of a storage tank using eight-inch letters on the outside of the tank in a color that is distinct from the tank color.

(S) Use a storage tank if a well is located on a steep slope or within a floodplain;

(T) Anchor a storage tank in a permanent manner in order to prevent movement of the tank;

(U) Use only a water-tight storage tank;

(V) Use only an electrically powered pump jack;

(W) Permanently mark all sales lines from a tank battery at intervals of not more than two hundred feet;

(X) Install a brine tank not higher than eight feet above grade. A permittee may recess a brine tank below grade in order to comply with this division.

(Y) Maintain all equipment that is or is to be used at a well and all equipment at the surface location of a well in good operating condition according to best management practices that are recognized by the oil and gas industry;

(Z) Provide access roads to the surface location of a well in order for emergency responders to be able to access the location in an emergency. The roads used for ingress and egress to the surface location of a well shall be made of concrete or asphalt and shall be of sufficient width to enable emergency vehicles to turn around. In addition, a permittee shall maintain the roads at all times, including keeping the roads free of snow. If an access road crosses a drainage channel, a permittee shall install culverts, which shall be of a size that is appropriate for the drainage area and shall be approved by the municipal engineer or county engineer, as applicable, prior to the installation of the culverts.

(AA) Locate a truck loading area or parking area in a location that is not on an access road to the surface location of a well and that is not on a public right-of-way;

(BB) Remove immediately from a municipal or township road all debris resulting from the drilling of or production from a well.

Sec. 1509.08. Upon receipt of an application for a permit required by section 1509.05 of the Revised Code, or upon receipt of an application for a permit to plug and abandon under section 1509.13 of the Revised Code, the chief of the division of mineral resources management shall determine whether the well is or is to be located in a coal bearing township.

Whether or not the well is or is to be located in a coal bearing township, the chief, by order, may refuse to issue a permit required by section 1509.05 of the Revised Code to any applicant who at the time of applying for the permit is in material ~~or~~ and substantial violation of this chapter or rules adopted or orders issued under it. The chief shall refuse to issue a permit to any applicant who at the time of applying for the permit has been found liable by a final nonappealable order of a court of competent jurisdiction for damage to streets, roads, highways, bridges, culverts, or drainways pursuant to section 4513.34 or 5577.12 of the Revised Code until the applicant provides the chief with evidence of compliance with the order. No applicant shall attempt to circumvent this provision by applying for a permit under a different name or business organization name, by transferring responsibility to another person or entity, by abandoning the well or lease, or by any other similar act.

If the well is not or is not to be located in a coal bearing township, ~~or if it is to be located in a coal bearing township, but the landowner submits an affidavit attesting to ownership of~~

~~the property in fee simple, including the coal, and has no objection to the well, the chief shall may issue the permit in accordance with this chapter and rules adopted under it.~~

If the application to drill, reopen, or convert concerns a well that is or is to be located in a coal bearing township, the chief immediately shall notify the owner or lessee of any affected mine that the application has been filed and send to the owner or lessee two copies of the map accompanying the application setting forth the location of the well. The chief also immediately shall send notice and a copy of the application to all of the following: the clerk of the legislative authority of the municipal corporation or the clerk of the board of the township trustees of the township, as applicable, in which the well is or is to be located; the fire chief of the fire department within whose jurisdiction the well is or is to be located; and the director of environmental protection. The notice sent to the applicable fire chief shall request that the fire chief determine if there would be adverse effects from the well or proposed well to the health and safety of persons residing in the municipal corporation or township, as applicable. The notice sent to the director shall request that the director determine if the well or proposed well would violate applicable air, soil, or water pollution control standards.

~~If the owner or lessee of the mine, the applicable fire chief, or the director objects to the location of the well or objects to any location within fifty feet of the original location as a possible site for relocation of the well, the owner or lessee, the applicable fire chief, or the director, not later than twenty-two days after receipt of the notice of the filing of the application, shall notify the chief of the objection, giving the reasons for the objection and, if applicable, indicating on a copy of the map the particular location or locations within fifty feet of the original location to which the owner or lessee objects as a site for possible relocation of the well, within six days after the receipt of the notice. If~~

If either the applicable fire chief or the director objects to the application, the chief shall not approve the application until the fire chief sends a letter to the chief that withdraws the fire chief's objections or the director issues an opinion that recommends that the application be approved. The objection to the application by the applicable fire chief or the director shall stay the application pending the withdrawal of the objection.

~~If the chief receives no objections from the owner or lessee of the mine within ten days after the receipt of the notice by the owner or lessee, or if in the opinion of the chief the objections offered by the owner or lessee are not sufficiently well founded, the applicable fire chief, or the director, the chief immediately shall notify the owner or lessee of those findings may approve the application and issue the permit in accordance with this chapter and rules adopted under it. ~~The~~ If the chief denies the application, the owner or lessee of the mine may appeal the decision of the chief to the reclamation commission under section 1513.13 of the Revised Code. The appeal shall be filed within fifteen days, notwithstanding provisions in divisions (A)(1) of section 1513.13 of the Revised Code; to the contrary, from the date on which the owner or lessee receives the notice. ~~If the appeal is not filed within that time, the chief immediately shall approve the application and issue the permit if the provisions of this chapter pertaining to the issuance of such a permit have been complied with.~~~~

If the chief receives an objection from the owner or lessee of the mine as to the location of the well ~~within ten days after receipt of the notice by the owner or lessee, and if in the opinion of the chief the objection is well founded,~~ the chief shall disapprove the application and request the owner or lessee to suggest a new proposed location for the well, provided

~~that the suggested new location shall not be a location within fifty feet of the original location to which the owner or lessee has objected as a site for possible relocation of the well if the chief has determined that the objection is well founded. The chief immediately shall notify the applicant for the permit of the disapproval and any suggestion as to a new proposed location for the well. The applicant may withdraw the application or amend the application to drill the well at the location suggested by the chief, or the applicant may appeal the disapproval of the application by the chief to the reclamation commission.~~

~~If the chief receives no objection from the owner or lessee of a mine as to the location of the well applicable fire chief or the director or an objection from the applicable fire chief or the director is withdrawn, but does receive the chief receives an objection from the owner or lessee of an affected mine as to one or more locations within fifty feet of the original location as possible sites for relocation of the well within ten days after receipt of the notice by the owner or lessee, and if in the opinion of the chief the objection is well founded the location of the well, the chief nevertheless shall not approve the application and issue a permit if the provisions of this chapter pertaining to the issuance of such a permit have been complied with, incorporating as a term or condition of the permit that the applicant is prohibited from commencing drilling at any location within fifty feet of the original location that has been disapproved by the chief. The applicant may appeal to the reclamation commission the terms and conditions of the permit prohibiting the commencement of drilling at any such location disapproved by the chief unless the owner or lessee of the affected mine withdraws the objection. The chief immediately shall notify the applicant of the objection. Not later than sixty days after receipt of the notification, the applicant shall amend or withdraw the application. The chief shall not approve an application or amended application unless the objection is withdrawn.~~

~~Any such appeal shall be filed within fifteen days, notwithstanding provisions in division (A)(1) of section 1513.13 of the Revised Code to the contrary, from the date the applicant receives notice of the disapproval of the application, any other location within fifty feet of the original location, or terms or conditions of the permit, or the owner or lessee receives notice of the chief's decision. No approval or disapproval of an application shall be delayed by the chief for more than fifteen days from the date of sending the notice of the application to the mine owner or lessee as required by this section.~~

~~All appeals provided for in this section shall be treated as expedited appeals. The reclamation commission shall hear any such appeal in accordance with section 1513.13 of the Revised Code and issue a decision within thirty days of the filing of the notice of appeal.~~

~~The chief shall not issue a permit to drill a new well or reopen a well that is or is to be located within ~~three hundred~~ one thousand feet of any opening of any mine used as a means of ingress, egress, or ventilation for persons employed in the mine, nor within one hundred thousand feet of any building or inflammable structure connected with the mine and actually used as a part of the operating equipment of the mine, ~~unless the chief determines that life or property will not be endangered by drilling and operating the well in that location.~~~~

Sec. 1509.081. (A) If a proposed well will be drilled within a one-mile radius of an existing well that was drilled into or through the same geologic formation in which the proposed well will be drilled and if hydrogen sulfide was found in the drilling of the existing well, the permittee shall install monitoring equipment in accordance with the American petroleum

institute publication API RP49, "Recommended Practices for Safe Drilling of Wells Containing Hydrogen Sulfide," to detect the presence of hydrogen sulfide during the drilling of the proposed well.

(B) If during the drilling of a well a permittee discovers, detects, or encounters hydrogen sulfide with a concentration of twenty parts per million or greater, the permittee shall do all of the following:

(1) Drill the well in accordance with the American petroleum institute publication API RP49, "Recommended Practices for Safe Drilling of Wells Containing Hydrogen Sulfide";

(2) Notify the division of mineral resources management of the location of the well and the concentration of hydrogen sulfide;

(3) Operate the well in a manner that presents no danger to the health and safety of the public and the environment.

(C) The division shall maintain a database that contains the information required in division (B)(2) of this section. The division shall make the database available to all permittees.

Sec. 1509.09. A well may be drilled under a permit only at the location designated on the map required in section 1509.06 of the Revised Code. ~~The~~ Except as provided in this section, the location of a well may shall not be changed after the issuance of a permit ~~only with the approval of the chief of the division of mineral resources management unless the permit holder requests the issuance of an emergency drilling permit under this section due to a lost hole under such circumstances that completion of the well is not feasible at the original location.~~ If a ~~permit holder~~ permittee requests a change of location, the ~~permit holder~~ permittee shall return the original permit and file an amended application with a new map indicating the proposed new location.

~~Drilling shall not be commenced at a new location until the original permit bearing a notation of approval by the chief is posted at the well site. However, a permit holder may commence drilling at a new location without first receiving the prior approval required by this section, if all of the following conditions are met:~~

~~(A) Within one working day after spudding the new well, the permit holder files a request for an emergency drilling permit and submits to the chief an application for a permit that meets the requirements of section 1509.06 of the Revised Code, including the permit fee required by that section, with an amended map showing the new location;~~

~~(B) A mineral resources inspector is present before spudding operations are commenced at the location;~~

~~(C) The original well is plugged prior to the skidding of the drilling rig to the new location, and the plugging is witnessed or verified by a mineral resources inspector or, if the well is located in a coal bearing township, both a deputy mine inspector and a mineral resources inspector unless the chief or the chief's authorized representative temporarily waives the requirement, but in any event the original well shall be plugged before the drilling rig is moved from the location;~~

~~(D) The new location is within fifty feet of the original location unless, upon request of the permit holder, the chief agrees to a new location farther than fifty feet from the original location;~~

~~(E) The new location meets all the distance and spacing requirements prescribed by rules adopted under sections 1509.23 and 1509.24 of the Revised Code;~~

~~(F) If the well is located in a coal bearing township, use of the new well location has not been disapproved by the chief and has not been prohibited as a term or condition of the permit under section 1509.08 of the Revised Code.~~

~~If the chief approves the change of location, the chief shall issue an emergency permit within two working days after the filing of the request for the emergency permit. If the chief disapproves the change of location, the chief shall, by order, deny the request and may issue an appropriate enforcement order under section 1509.03 of the Revised Code.~~

Sec. 1509.10. (A) Any ~~person~~ permittee drilling within the state shall, within ~~thirty~~ sixty days after the completion of ~~the well~~ drilling operations to the proposed total depth or after a determination that a well is a dry or lost hole, file with the division of mineral resources management all wireline electric logs and an accurate log designating well completion record on a form that is approved by the chief of the division of mineral resources management that designates:

~~(A)~~(1) The purpose for which the well was drilled;

~~(B)~~(2) The character, depth, and thickness of geological ~~formations~~ units encountered, including ~~fresh water~~, coal seams, mineral beds, associated fluids such as fresh water, brine, and crude oil and, natural gas bearing formations, and sour gas, if such seams, beds, or fluids are known;

~~(C)~~(3) The dates on which drilling operations were commenced and completed;

(4) The types of drilling tools used and the name of the person that drilled the well;

(5) The length in feet of the various sizes of casing and tubing used in drilling the well, the amount removed after completion, the type and setting depth of each packer, ~~and~~ all other data relating to ~~mudding~~ cementing in the annular space behind such casing or tubing, and data indicating completion as a dry, gas, oil, combination oil and gas, brine injection, or artificial brine well or a stratigraphic test;

~~(D)~~(6) The number of perforations in the casing and the intervals of the perforations;

(7) The elevation above mean sea level of the point from which the depth measurements were made, stating also the height of the point above ground level at the well, the total depth of the well, and the deepest geological unit that was penetrated in the drilling of the well;

(8) If applicable, the type, volume, and concentration of acid, and the date on which acid was used in acidizing the well;

(9) If applicable, the type and volume of fluid used to stimulate the reservoir of the well, the reservoir breakdown pressure, the method used for the containment of fluids recovered from the fracturing of the well, the methods used for the containment of fluids when pulled from the wellbore from swabbing the well, the average pumping rate of the well, and the name of the person that performed the well stimulation. In addition, the permittee shall include a copy of the log from the stimulation of the well, a copy of the invoice for each of the procedures and methods described in division (A)(9) of this section that were used on a well, and a copy of the pumping pressure and rate graphs. However, the permittee may redact from the copy of each invoice that is required to be included by division (A)(9) of this section the costs of and charges for the procedures and methods described in division (A)(9) of this section that were used on a well.

(10) The name of the company that performed the logging of the well and the types of wireline electric logs performed on the well.

The ~~log~~ well completion record shall be submitted in duplicate. The first copy shall be retained as a permanent record in the files of the division, and the second copy shall be transmitted by the chief ~~of the division of mineral resources management~~ to the division of geological survey.

~~Any (B)(1) Not later than sixty days after the completion of the drilling operations to the proposed total depth, the permittee shall file all wireline electric log, or radioactivity log, or other geophysical log, if made in connection with the well shall be filed~~ logs with the division of mineral resources management and the chief shall transmit such logs electronically, if available, to the division of geological survey. Such logs may be retained by the ~~owner~~ permittee for a period of not more than six months, or such additional time as may be granted by the chief in writing, after the completion of the well substantially to the depth shown in the application required by section 1509.06 of the Revised Code.

(2) If a well is not completed within sixty days after the completion of drilling operations, the permittee shall file with the division a supplemental well completion record that includes all of the information required by this section within sixty days after the completion of the well.

(C) Upon request in writing by the chief of the division of geological survey prior to the beginning of drilling of the well, the person drilling the well shall make available a complete set of cuttings accurately identified as to depth.

(D) The form of the ~~log~~ well completion record required by this section shall be one that has been approved by the chief of the division of mineral resources management and the chief of the division of geological survey. The filing of a log as required by this section fulfills the requirement of filing a log with the chief of the division of geological survey in section 1505.04 of the Revised Code.

Sec. 1509.11. The ~~owner~~ permittee of any well producing or capable of producing oil or gas shall file with the chief of the division of mineral resources management, on or before the first day of March, a statement of production of oil, gas, and brine for the last preceding calendar year in such form as the chief may prescribe. A permittee that has more than one hundred wells in this state shall submit electronically the statement of production in a format that is approved by the chief. The chief shall include on the form, at the minimum, a

request for the submittal of the information that a person who is regulated under this chapter is required to submit under the "Emergency Planning and Community Right-To-Know Act of 1986," 100 Stat. 1728, 42 U.S.C.A. 11001, and regulations adopted under it, and that the division does not obtain through other reporting mechanisms.

Sec. 1509.12. No ~~owner~~ permittee of any well knowingly shall construct a well, or permit defective casing or tubing in ~~such~~ a well to leak fluids or ~~gas~~ gases, that may cause damage to other permeable strata, underground sources of drinking water, or the surface of the land or that threatens the public health and safety. Upon ~~notice from the discovery that the casing or tubing in a well is defective or that a well was not adequately constructed,~~ the permittee shall notify the chief of the division of mineral resources management within twenty-four hours of the discovery, ~~such owner and the permittee shall immediately repair such the~~ tubing or casing, correct the construction inadequacies, or plug and abandon ~~such the~~ well.

Unless ~~written permission~~ temporary inactive well status is obtained under section 1509.062 of the Revised Code or another option is granted by the chief, any well that is or becomes incapable of producing oil or gas in ~~commercial quantities~~ shall be plugged, but no well shall be required to be plugged under this section that is being used to produce oil or gas for domestic purposes, or that is being lawfully used for a purpose other than production of oil or gas. When the chief finds that a well should be plugged, the chief shall notify the owner to that effect by order in writing and shall specify in ~~such the~~ order a reasonable time within which to comply. No owner shall fail or refuse to plug a well within the time specified in the order. Each day on which such a well remains unplugged thereafter constitutes a separate offense.

Where the plugging method prescribed by rules adopted pursuant to section 1509.15 of the Revised Code cannot be applied or if applied would be ineffective in carrying out the protection that the law is meant to give, the chief, by order, may designate a different method of plugging. The abandonment report shall show the manner in which the well was plugged.

In case of oil or gas wells abandoned prior to September 1, 1951, the board of county commissioners of the county in which ~~such the~~ wells are located may submit to the electors of the county the question of establishing a special fund, by ~~special general~~ levy, by ~~general~~ bond issue, or out of current funds, which shall be approved by a majority of the electors voting upon ~~such that~~ question for the purpose of plugging ~~such the~~ wells. The fund shall be administered by the board and the plugging of oil and gas wells shall be under the supervision of the chief, and the board shall let contracts for ~~such that~~ purpose, provided that ~~such the~~ fund shall not be used for the purpose of plugging oil and gas wells that were abandoned subsequent to September 1, 1951.

Sec. 1509.13. (A) No person shall plug and abandon a well without having a permit to do so issued by the chief of the division of mineral resources management. The permit shall be issued by the chief in accordance with this chapter; and ~~the chief may establish by rule shall be valid for a period of time~~ twenty-four months from the date of issue ~~during which permits will be valid.~~ Application by the ~~owner~~ permittee for a permit to plug and abandon shall be filed as many days in advance as will be necessary for a mineral resources inspector or, if the well is located in a coal bearing township, both a deputy mine inspector and a mineral resources inspector to be present at the plugging. The application shall be filed with the chief upon a form that the chief prescribes and shall contain the following information:

- ~~(A)~~(1) The name and address of the owner permittee;
- ~~(B)~~(2) The signature of the owner permittee or the owner's permittee's authorized agent. When an authorized agent signs an application, it shall be accompanied by a certified copy of the appointment as that agent.
- ~~(C)~~(3) The location of the well identified by section or lot number, city, village, township, and county;
- ~~(D)~~(4) Designation of well by name and number;
- ~~(E)~~(5) The total depth of the well to be plugged;
- ~~(F)~~(6) The date and amount of last production from the well;
- ~~(G)~~(7) A plan for plugging the well that complies with the rules adopted under section 1509.15 of the Revised Code;
- (8) Other data that the chief may require.

If oil or gas has been produced from the well, the application shall be accompanied by a fee of two hundred fifty dollars. If a ~~new dry~~ well has been drilled in accordance with law and the permit is still valid, the ~~permit holder permittee~~ may receive approval to plug the well from a mineral resources inspector ~~or, if the well is located in a coal bearing township, both a deputy mine inspector and a mineral resources inspector~~ so that the well can be plugged and abandoned without undue delay. Unless waived by a mineral resources inspector, the permittee or the permittee's authorized representative shall notify a mineral resources inspector at least twenty-four hours prior to the commencement of the plugging of a well. No well shall be plugged and abandoned without a mineral resources inspector present unless permission has been granted by the chief. The owner permittee of the a well shall give written notice at the same time to the owner of the land upon which the well is located, the owners or agents of adjoining land, adjoining ~~well owners permittees~~ or agents, and ~~if all lessors that receive gas from the well pursuant to a lease agreement.~~ If the well penetrates or passes within one hundred feet of the excavations and workings of a mine, the owner permittee of the well shall give written notice to the owner or lessee of that mine, of the well owner's permittee's intention to abandon the well and of the time when the well owner permittee will be prepared to commence plugging it.

(B) An applicant may file a request with the chief for expedited review of an application for a permit to plug and abandon a well. ~~The chief may refuse to accept a request for expedited review if, in the chief's judgment, acceptance of the request will prevent the issuance, within twenty-one days of filing, of permits for which applications filed under section 1509.06 of the Revised Code are pending.~~ In addition to a complete application for a permit that meets the requirements of this section and the permit fee prescribed by this section, if applicable, a request shall be accompanied by a nonrefundable filing fee of two hundred fifty dollars unless the chief has ordered the applicant to plug and abandon the well. When a request for expedited review is filed, the chief shall immediately begin to process the application and shall issue a permit within seven days of the filing of the request unless the chief, by order, denies the application.

(C) Upon the completion of the proper plugging of a well, the mineral resources inspector that was present for the plugging shall notify the chief that the well was plugged in accordance with the requirements established in this chapter and rules adopted under it. Upon receipt of the notification, the chief shall issue an order that releases the permittee or surety from the obligations under the bond that is required by section 1509.07 of the Revised Code.

(D) This section does not apply to a well plugged or abandoned in compliance with section 1571.05 of the Revised Code.

Sec. 1509.14. ~~Any~~ (A) No person who abandons shall abandon a well, when without plugging it in accordance with this chapter and rules adopted under it. Each day that a well is abandoned and not plugged is a separate offense.

(B) When written permission has been granted by the chief of the division of mineral resources management to abandon and plug the a well without an inspector being present to supervise the plugging, the permittee or the permittee's agent shall make a written report of the abandonment to the chief. The report shall be submitted not later than thirty days after the date of abandonment and shall include all of the following:

~~(A)~~(1) The date of abandonment;

~~(B)~~(2) The name of the ~~owner or operator~~ permittee of the well at the time of abandonment and the post-office address of the ~~owner or operator~~ permittee;

~~(C)~~(3) The location of the well as to township and county and the name of the owner of the surface upon which the well is drilled, with the address thereof;

~~(D)~~(4) The date of the permit to drill;

~~(E)~~(5) The date when drilled;

~~(F)~~(6) The depth of the well;

~~(G)~~(7) The depth of the top of the formation to which the well was drilled;

~~(H)~~(8) The depth of each seam of coal drilled through, if known;

~~(I)~~(9) A detailed report as to how the well was plugged, giving in particular the manner in which the coal and various formations were plugged, and the date of the plugging of the well, including the names of those who witnessed the plugging of the well.

The report shall be signed by the ~~owner or operator~~ permittee, or the agent of the ~~owner or operator~~ permittee, who abandons and plugs the well and verified by the oath of the party so signing. For the purposes of this section, ~~the~~ mineral resources inspectors may take acknowledgments and administer oaths to the parties signing the report.

Sec. 1509.15. When any well is to be abandoned, it shall first be plugged in accordance with a method of plugging adopted by rule by the chief of the division of mineral resources management. The rule shall require the use of best management practices and standards that

are recognized by the oil and gas industry to attain a durable seal on a plugged well that will protect the health and safety of the public and that will prevent damage to the environment. The abandonment report shall show the manner in which the well was plugged.

~~Sec. 1509.17. Any person who drills a well shall, before drilling into the principal or major producing formation therein, encase such well with good and sufficient wrought iron or steel casing so as to exclude all surface, fresh, or salt water from any part of such well penetrating the oil or gas bearing sand or rock or fresh water strata. The method of placing such casing shall be approved by the chief of the division of mineral resources management and shall be in accord with the most approved method used in the operation of such type of well. The chief may, in lieu of the casing method outlined in this section, accept adequate mudding methods with prepared clay in the annular space behind such casing in sufficient quantities to shut off all gas or oil and that will exclude all surface, fresh, or salt water from any part of such well penetrating the oil, gas, or mineral bearing formation, or fresh water strata.~~

~~Written approval from the chief is required in each case. In the operation of a gas well, it is permissible, with the written consent of the chief, to withdraw all casing in such well, leaving only the tubing and the packer therein, provided that such well is filled with prepared clay from the top of such packer to the surface, as each succeeding string of casing in such well is withdrawn.~~

(A) A well shall be constructed in a manner that is approved by the chief of the division of mineral resources management using materials that comply with standards that are recognized by the oil and gas industry for the type and depth of the well and the anticipated fluid pressures that are associated with the well. In addition, a well shall be constructed using sufficient steel or conductor casing in a manner that supports unconsolidated sediments, that protects and isolates all underground sources of drinking water as defined by the Safe Drinking Water Act, and that provides a base for a blowout preventer or other well control equipment that is necessary to control formation pressures and fluids during the drilling of the well and other operations to complete the well. Using steel production casing with sufficient cement, an oil and gas reservoir shall be isolated during well stimulation and during the productive life of the well. In addition, sour gas zones and gas bearing zones that have sufficient pressure and volume to over-pressurize the surface production casing annulus shall be isolated using approved cementing, casing, and well construction practices. However, isolating an oil and gas reservoir shall not exclude open-hole completion. A well shall not be perforated for purposes of well stimulation in any zone that is located around casing that protects underground sources of drinking water without written authorization from the chief. When the well penetrates the excavations of a mine, the casing shall remain intact as provided in section 1509.18 of the Revised Code and be plugged and abandoned in accordance with section 1509.15 of the Revised Code.

(B) The chief may adopt rules in accordance with Chapter 119. of the Revised Code that are consistent with division (A) of this section and that establish standards for constructing a well, for evaluating the quality of well construction materials, and for completing remedial cementing. In addition, the standards established in the rules shall consider local geology and various drilling conditions and shall require the use of reasonable methods that are based on sound engineering principles.

(C) A permittee or a permittee's authorized representative shall notify a mineral resources inspector each time that the permittee or the authorized representative notifies a person to

perform the cementing of the conductor casing, the surface casing, or the production casing. In addition, not later than sixty days after the completion of the cementing of the production casing, a permittee shall submit to the chief a copy of the cement tickets for each cemented string of casing and a copy of all logs that were used to evaluate the quality of the cementing.

(D) The chief shall grant an exemption from this section and rules adopted under it for a well that was constructed prior to the effective date of this amendment if the chief determines that a cement bond log confirms zonal isolation and there is a minimum of five hundred feet between the uppermost perforation of the casing and the lowest depth of an underground source of drinking water.

Sec. 1509.18. ~~Any person~~ A permittee who drills a well within the limits of a mining operation shall give consideration for the safety of the personnel working in ~~such~~ the mine, and, if possible, shall locate ~~such~~ the well so as to penetrate a pillar.

If a well is to be drilled within the limits of a mining operation that may penetrate the excavation of a mine, the hole shall be reduced approximately fifteen feet above the roof of the mine. If roof conditions at the mine warrant, the hole shall be reduced in the rock formation immediately above ~~such~~ the mine, and a string of casing placed upon the shoulder so as to shut off all water, then drilling shall be continued to a point approximately thirty feet below the floor of the mine and another string of casing set. Both strings of casing shall be approximately the same diameter as the diameter of the hole.

If no water is encountered between the bottom of the drive pipe and the approximate casing shoulder above the roof of ~~such~~ the mine, in lieu of the casing method outlined above, it is permissible to use the following casing method: the hole shall be drilled thirty feet below the floor of the mine and a string of casing shall be extended from the surface to a point thirty feet below the floor of the mine with a packer of sufficient size attached to ~~such~~ the string of casing. ~~Such~~ The packer shall be placed so that it will be below all water and will be located in the rock formation immediately above ~~such~~ the mine and shall prevent water or destructive matter from entering therein. Then the annular space above ~~such~~ the packer between the casing and well wall shall be filled with prepared clay a minimum distance of fifty feet.

If a well is drilled within the limits of a mining operation and does not penetrate the excavations of a mine, the hole shall be reduced thirty feet below the coal or mineral that is being mined and a string of casing placed at this point. The annular space behind ~~such~~ the casing shall be filled with neat cement from the casing seat to a point not less than fifty feet above ~~such~~ the seam of coal or mineral that is being mined. The packer method, outlined in this section, is also permissible in this type of well.

It is permissible to attach a release coupling or a right and left nipple to the string of casing that extends through the mine, but ~~such~~ the release coupling or right and left nipple shall be placed in such a manner that it is above the packer or at least twenty feet above the coal or mineral that is being mined.

In wells penetrating the excavation of a mine, the casing shall be enclosed, if possible, with a column extending from the floor to the roof of ~~such~~ the mine, built of brick or other suitable material, subject to the approval of the chief of the division of mineral resources

management. If the chief finds the method prescribed in this section unsafe, inadequate, or not suitable, the chief shall require ~~such~~ the method to be altered in such a manner that it will be safe.

The chief may order the immediate suspension of the drilling or reopening of a well in a coal bearing township after determining that the drilling or reopening activities present an imminent and substantial threat to public health or safety or to a miner's health or safety. Before issuing such an order, the chief shall notify the permittee in any manner that the chief determines would provide reasonable notification of the chief's intent to issue a suspension order. However, the chief may order the immediate suspension of the drilling or reopening of a well in a coal bearing township without prior notification if the chief has made reasonable attempts to notify the permittee and the attempts have failed. If the chief orders the immediate suspension of such drilling or reopening, the chief shall provide the permittee notice of the order as soon as practical.

Not later than five days after the issuance of an order to immediately suspend the drilling or reopening of a well in a coal bearing township, the chief shall provide the permittee an opportunity to be heard and to present evidence that the drilling or reopening activities will not likely result in an imminent and substantial threat to public health or safety or to a miner's health or safety, as applicable. If the chief, after considering all evidence presented by the permittee, determines that the activities do not present such a threat, the chief shall revoke the suspension order.

Notwithstanding any other provision of this chapter, a permittee may appeal a suspension order issued under this section to the reclamation commission in accordance with section 1513.13 of the Revised Code.

Sec. 1509.19. (A) A permittee who elects to stimulate a well shall stimulate the well in a manner that will not endanger underground sources of drinking water. Not later than five days before commencing the stimulation of the well, the permittee shall submit to the chief of the division of mineral resources management a comprehensive list of each substance and the concentration of the substance that will be used in the stimulation of the well. A permittee who elects to stimulate a well shall comply with the rules adopted under division (C) of section 1509.22 of the Revised Code. In addition, such a permittee shall not use hydraulic fracturing fluid that is known to pose a significant risk to human health.

(B) Not later than twenty-four hours before commencing the stimulation of a well, the permittee or the permittee's authorized representative shall notify a mineral resources inspector. If during the stimulation of a well damage to the production casing or cement occurs and results in the circulation of fluids from the annulus of the surface production casing, the permittee shall immediately terminate the stimulation of the well and notify the chief. If the chief determines that the casing and the cement may be remediated in a manner that isolates the oil and gas bearing zones of the well, the chief may authorize the completion of the stimulation of the well. If the chief determines that the stimulation of a well resulted in irreparable damage to the well, the chief shall order that the well be plugged and abandoned within thirty days of the issuance of the order.

For purposes of determining the integrity of the remediation of the casing or cement of a well that was damaged during the stimulation of the well, the chief may require the permittee of the well to submit cement evaluation logs, temperature surveys, pressure tests, or a combination of such logs, surveys, and tests.

(C) A permittee shall notify the chief or a mineral resources inspector within twenty-four hours of a violation of any term or condition of the permit that occurs during hydraulic fracturing.

Sec. 1509.191. (A) If a person who has experienced a diminution of the person's water supply or whose water supply is contaminated believes that the diminution or contamination is the result of the drilling of a well, conversion of a well to a different purpose, or operation of a well, the person may send written notification regarding the person's water supply to the division of mineral resources management and request the division to conduct an investigation of the person's water supply. Not later than ten days after the division's receipt of a written notification, the chief of the division of mineral resources management or the chief's authorized representative shall investigate the water supply that is the subject of the notification. Not later than forty-five days after receipt of the notification, the chief shall determine whether a diminution of the water supply or contamination of the water supply, as applicable, was caused by the drilling, conversion, or operation of a well. If the chief determines that a diminution or contamination of the water supply was caused by the drilling, conversion, or operation of a well, the chief shall order the permittee who is responsible for the well to provide a temporary replacement of the water supply for all of the person's intended uses. The permittee shall provide the temporary replacement of the water supply until a permanent replacement of the water supply is fully implemented. If the chief determines that the diminution or contamination of the water supply was not caused by the drilling, conversion, or operation of a well, the chief shall issue an order stating that the diminution or contamination was not caused by a well and shall send a copy of the order to the person who submitted the notification under this section.

If the chief cannot conclusively determine that the diminution or contamination of the water supply was or was not caused by the drilling, conversion, or operation of a well, the chief shall issue an order indicating the chief's inability to make such a determination. The chief also shall send a notice to the permittee of each well that may have caused the diminution or contamination stating that division (B) of this section may apply.

(B)(1) If a water supply that is the subject of a notification submitted under division (A) of this section is located within one thousand feet from the surface location of a well and diminution of the water supply or contamination of the water supply occurred within six months after completion of drilling or converting the well or after commencement of operation of the well, as applicable, there is a rebuttable presumption that the permittee of the well caused the diminution or contamination of the well. A permittee may rebut the presumption by proving at least one of the following:

(a) The diminution or contamination of the water supply existed prior to the drilling, conversion, or operation of the well.

(b) The person who has experienced the diminution or contamination of the water supply refused to allow the permittee of the well access to the water supply to conduct a survey of the water supply prior to the drilling, conversion, or operation of the well.

(c) The diminution or contamination of the water supply was caused by something other than the drilling, conversion, or operation of the well.

(2) Not later than ten days after receipt of an order or notice from the chief under division

(A) of this section, a permittee of a well to which division (B)(1) of this section applies shall submit all information that the permittee wishes to submit in order to rebut the presumption. Not later than thirty days after receipt of all of the information submitted by a permittee of a well under division (B)(1) of this section or not later than thirty days after a permittee of a well received such an order or notice under division (A) of this section, whichever is earlier, the chief shall determine if the permittee rebutted the presumption. If the chief determines that the permittee rebutted the presumption, the chief shall send notice to the permittee and to the person that submitted the notification under division (A) of this section indicating the chief's determination that the presumption was rebutted. If the chief determines that the permittee failed to rebut the presumption, the chief shall order the permittee to provide a temporary replacement of water supply for all of the person's intended uses. The permittee shall provide the temporary replacement of water supply until a permanent replacement of the water supply is fully implemented.

(C) The chief shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary for the administration of this section. The rules shall establish all of the following:

(1) Requirements governing and procedures for the certification of laboratories to conduct water surveys for the purposes of this section;

(2) Requirements governing and procedures for the collection of water samples for purposes of such a water survey;

(3) Requirements governing and procedures to be used by a permittee to demonstrate pursuant to division (B)(1)(b) of this section that the person who claims to have a diminution or contamination of a water supply refused to allow the permittee of the well access to the water supply to conduct a survey prior to the drilling, conversion, or operation of the well.

(D) For purposes of rebutting the presumption established in division (B)(1) of this section, a permittee shall use an independent laboratory that is certified by the chief to conduct a survey of a water supply that may be required for purposes of that division. A certified independent laboratory that conducts a survey of a water supply shall prepare a report in accordance with this division and send a copy of the report to the division of mineral resources management, the permittee, and the person that submitted the notification under division (A) of this section. A report of a water survey prepared for purposes of this section shall contain all of the following:

(1) The location of the water supply and the name of the surface landowner;

(2) The name of the certified laboratory, the person who conducted the survey, and the date on which the survey was conducted;

(3) A description of where and how samples for the survey were collected;

(4) A description of the type and age, if known, of the water supply;

(5) A description of any treatment of the water supply;

(6) The name of each applicable permittee;

(7) The results of all laboratory analysis conducted on samples from the water supply.

(E) Any person may contract with a certified independent laboratory to survey a water supply in order to support a future claim that diminution or contamination of the water supply, as applicable, was or was not caused by the drilling, conversion, or operation of a well.

Sec. 1509.20. All ~~owners, lessees, permittees~~ or their agents, drilling for or producing crude oil or natural gas, shall use every reasonable precaution in accordance with the most approved methods of operation to stop and prevent waste of oil or gas, or both. Any well productive of natural gas in quantity sufficient to justify utilization shall be utilized or ~~shut~~ shutdown in ~~within ten days after completion~~ accordance with the requirements established in this chapter and rules adopted under it.

The ~~owner~~ permittee of any well producing both oil and gas may burn such gas in flares when ~~the gas is lawfully produced and there is no economic market at the well for the escaping gas,~~ after inspection of the well, the chief of the division of mineral resources management or a mineral resources inspector, in consultation with the permittee, determines that it is necessary to prevent the dangerous accumulation of gas and to protect the health and safety of the public or the workers at the well.

Sec. 1509.21. No person shall, without first having obtained a permit from the chief of the division of mineral resources management, conduct secondary or additional recovery operations, including any underground injection of fluids or carbon dioxide for the secondary or tertiary recovery of oil or natural gas or for the storage of hydrocarbons that are liquid at standard temperature or pressure, ~~unless a rule of the chief expressly authorizes such operations without a permit. Such~~ The permit shall be in addition to any permit required by section 1509.05 of the Revised Code. Secondary or additional recovery operations shall be conducted in accordance with rules and orders of the chief and any terms or conditions of the permit authorizing such operations. In addition, the chief may authorize tests to evaluate whether fluids or carbon dioxide may be injected in a reservoir and to determine the maximum allowable injection pressure. Rules adopted under this section shall include provisions regarding applications for and the issuance of permits; the terms and conditions of permits; entry to conduct inspections and to examine records to ascertain compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder; the provision and maintenance of information through monitoring, recordkeeping, and reporting; and other provisions in furtherance of the goals of this section and the Safe Drinking Water Act. To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit for the underground injection of fluids for the secondary or tertiary recovery of oil or natural gas or for the storage of hydrocarbons that are liquid at standard temperature and pressure, unless the chief concludes that the applicant has demonstrated that the injection will not result in the presence of any contaminant in underground water that supplies or can be reasonably expected to supply any public water system, such that the presence of any such contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons. Rules, orders, and terms or conditions of permits adopted or issued under this section shall be construed to be no more stringent than required for compliance with the Safe Drinking Water Act, unless essential to ensure that underground sources of drinking water will not be endangered.

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

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

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

(B) ~~No person shall store or dispose of brine in violation of a plan approved under division (A) of section 1509.222 or section 1509.226 of the Revised Code, in violation of a resolution submitted under section 1509.226 of the Revised Code, or in violation of rules or orders applicable to those plans or resolutions. A permittee, a person registered to transport brine under section 1509.222 of the Revised Code, and a person to whom a permit has been issued under division (D) of this section jointly and severally shall ensure that brine and other waste substances associated with the exploration or development of oil and gas resources from the permittee's well are stored and disposed of in accordance with this chapter and rules adopted under it and with orders issued by the chief of the division of mineral resources management.~~

(C) ~~The chief of the division of mineral resources management shall adopt rules and issue orders regarding storage and disposal of brine and other waste substances; however, the storage and disposal of brine and the chief's rules relating to storage and disposal are subject to all of the following standards:~~

(1) Brine and other waste substances from any well except an exempt Mississippian well shall be disposed of only by injection into an underground formation, including annular disposal if approved by rule of the chief, which injection shall be subject to division (D) of this section; by surface application in accordance with section 1509.226 of the Revised Code; in association with a method of enhanced recovery as provided in section 1509.21 of the Revised Code; or by other methods approved by the chief for testing or implementing a new technology or method of disposal. Brine from exempt Mississippian wells shall not be discharged directly into the waters of the state.

(2) Muds, cuttings, and other waste substances shall not be disposed of in violation of any rule; accordance with the restoration plan that is included with the applicable permit application as required by division (A)(11) of section 1509.06 of the Revised Code.

(3) ~~Pits may~~ Steel tanks shall be used for containing brine and other waste substances resulting from, obtained from, or produced in connection with drilling, ~~fracturing well stimulation, reworking, reconditioning, plugging back, or plugging operations, but the pits that are located within two thousand five hundred feet of a lake, stream, or other body of water that is used as a source of drinking water. The steel tanks shall be constructed and maintained to prevent the escape of brine and other waste substances. A steel tank or pit may be used at a well that is located more than two thousand five hundred feet from a lake, stream, or other body of water that is used as a source of drinking water if the use is authorized by the chief. A steel tank or pit so used shall be constructed and maintained to~~

prevent the escape of brine and other waste substances.

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

~~(4) Earthen impoundments constructed pursuant to the division's specifications may be used for the temporary storage of brine and other waste substances in association with a saltwater injection well, an enhanced recovery project, or a solution mining project;~~

(5) No pit, earthen impoundment, or dike shall be used for the temporary storage of brine except in accordance with ~~divisions (C)(3) and (4)~~ division (C) of this section.

(6) No pit or dike shall be used for the ultimate disposal of brine or other waste substances.

(D) No person, without first having obtained a permit from the chief, shall inject brine or other waste substances resulting from, obtained from, or produced in connection with oil or gas drilling, exploration, or production into an underground formation ~~unless a rule of the chief expressly authorizes the injection without a permit.~~ The permit shall be in addition to any permit required by section 1509.05 of the Revised Code, and the permit application shall be accompanied by a permit fee of one ~~hundred~~ thousand dollars. ~~The~~

The chief shall adopt rules in accordance with Chapter 119. of the Revised Code regarding the injection into wells of brine and other waste substances resulting from, obtained from, or produced in connection with oil or gas drilling, exploration, or production. The rules shall include provisions regarding applications for and issuance of the permits required by this division, including eligibility requirements for an applicant; terms and conditions of permits; entry to conduct inspections and to examine and copy records to ascertain compliance with this division and rules, orders, and terms and conditions of permits adopted or issued under it; the provision and maintenance of information through monitoring, recordkeeping, and reporting; and other provisions in furtherance of the goals of this section and the Safe Drinking Water Act. To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit for the injection of brine or other waste substances resulting from, obtained from, or produced in connection with oil or gas drilling, exploration, or production unless the chief concludes that the applicant has demonstrated that the injection will not result in the presence of any contaminant in ground water that supplies or can reasonably be expected to supply any public water system, such that the presence of the contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons. Any exception established under the Safe Drinking Water Act for oil and gas drilling operations does not apply if it conflicts with this section or rules adopted under it. The chief may issue an order without a prior adjudication hearing, that requires compliance with this section and rules adopted under it and the terms and conditions of a permit issued under it. This division and rules, orders, and terms and conditions of permits adopted or issued under it shall be construed to be ~~no~~ more stringent than required for compliance with the Safe Drinking Water Act ~~unless essential in order~~ to ensure that underground sources of drinking water will not be endangered.

(E) The ~~owner~~ person holding a permit, or an assignee or transferee who has assumed the obligations and liabilities imposed by this chapter and any rules adopted or orders issued

under it pursuant to section 1509.31 of the Revised Code, and the operator of a well shall be liable for a violation of this section or any rules adopted or orders or terms or conditions of a permit issued under it.

~~(F) An owner shall~~ The chief may order the current permittee to replace the water supply of the holder of an interest in real property who obtains all or part of the holder's supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where the supply has been substantially disrupted by contamination, diminution, or interruption proximately resulting from the ~~owner's permittee's~~ oil or gas operation; ~~or the owner may elect to compensate the holder of the interest in real property for the difference between the fair market value of the interest before the damage occurred to the water supply and the fair market value after the damage occurred if the cost of replacing the water supply exceeds this difference in fair market values. However, during the pendency of any order issued under this division, the owner shall obtain for the holder or shall reimburse the holder for the reasonable cost of obtaining a water supply from the time of the contamination, diminution, or interruption by the operation until the owner has complied with an order of the chief for compliance with this division or such an order has been revoked or otherwise becomes not effective. If the owner elects to pay the difference in fair market values, but the owner and the holder have not agreed on the difference within thirty days after the chief issues an order for compliance with this division, within ten days after the expiration of that thirty-day period, the owner and the chief each shall appoint an appraiser to determine the difference in fair market values, except that the holder of the interest in real property may elect to appoint and compensate the holder's own appraiser, in which case the chief shall not appoint an appraiser. The two appraisers appointed shall appoint a third appraiser, and within thirty days after the appointment of the third appraiser, the three appraisers shall hold a hearing to determine the difference in fair market values. Within ten days after the hearing, the appraisers shall make their determination by majority vote and issue their final determination of the difference in fair market values. The chief shall accept a determination of the difference in fair market values made by agreement of the owner and holder or by appraisers under this division and shall make and dissolve orders accordingly. This division does not affect in any way the right of any person to enforce or protect, under applicable law, the person's interest in water resources affected by an oil or gas operation. Not later than five days after the chief determines that a holder's water supply has been substantially disrupted, the permittee shall provide a temporary replacement of water supply for all of the holder's intended uses. The permittee shall provide the temporary replacement of water supply until a permanent replacement of the water supply is fully implemented. The chief may assess a fine against a permittee for each day that the permittee fails to replace a holder's water supply. A permittee's replacement of a holder's water supply shall not affect the holder's right to bring an action against the permittee for the permittee's negligence in the substantial disruption of the holder's water supply.~~

(G) In any action brought by the state for a violation of division (A) of this section involving any well at which annular disposal is used, there shall be a rebuttable presumption available to the state that the annular disposal caused the violation if the well is located within a one-quarter-mile radius of the site of the violation.

(H) In order to provide money to the division of mineral resources management for the administration of this section, there is levied on the owner of an injection well the following fees:

(1) Five cents per barrel of each substance that is delivered to a well to be injected in the well when the substance is produced within the division of mineral resources management regulatory district in which the well is located or within an adjoining mineral resources management regulatory district;

(2) Twenty cents per barrel of each substance that is delivered to a well to be injected in the well when the substance is not produced within the division of mineral resources management regulatory district in which the well is located or within an adjoining mineral resources management regulatory district.

The owner of an injection well who is issued a permit under this section shall collect the fee levied by this division on behalf of the division of mineral resources management and forward the fee to the division. The chief shall transmit all money received under division (H) of this section to the treasurer of state who shall deposit the money in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code. The owner of an injection well who collects the fee levied by this division may retain up to three per cent of the amount that is collected.

The chief shall adopt rules in accordance with Chapter 119. of the Revised Code establishing requirements and procedures for collection of the fee levied by this division.

(I) In an action under section 1509.04, 1509.32, or 1509.33 of the Revised Code to enforce this section, the court shall grant preliminary and permanent injunctive relief and impose a civil penalty upon the showing that the person against whom the action is brought has violated, is violating, or will violate this section or rules, orders, or terms or conditions of permits adopted or issued thereunder. The court shall not require, prior to granting such preliminary and permanent injunctive relief or imposing a civil penalty, proof that the violation was, is, or will be the result of intentional conduct or negligence. In any such action, any person may intervene as a plaintiff upon the demonstration that the person has an interest that is or may be adversely affected by the activity for which injunctive relief or a civil penalty is sought.

Sec. 1509.221. (A) No person, without first having obtained a permit from the chief of the division of mineral resources management, shall drill a well or inject a substance into a well for the exploration for or extraction of minerals or energy, other than oil or natural gas, including, but not limited to, the mining of sulfur by the Frasch process, the solution mining of minerals, the in situ combustion of fossil fuel, or the recovery of geothermal energy to produce electric power, ~~unless a rule of the chief expressly authorizes the activity without a permit.~~ The permit shall be in addition to any permit required by section 1509.05 of the Revised Code. ~~The~~

The chief shall adopt rules in accordance with Chapter 119. of the Revised Code governing the issuance of permits under this section. The rules shall include provisions regarding the matters the applicant for a permit shall demonstrate to establish eligibility for a permit; the form and content of applications for permits; the terms and conditions of permits; entry to conduct inspections and to examine and copy records to ascertain compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder; provision and maintenance of information through monitoring, recordkeeping, and reporting; and other provisions in furtherance of the goals of this section and the Safe Drinking Water Act. To implement the goals of the Safe Drinking Water Act, the chief shall not issue a permit under this section, unless the chief concludes that the applicant has

demonstrated that the drilling, injection of a substance, and extraction of minerals or energy will not result in the presence of any contaminant in underground water that supplies or can reasonably be expected to supply any public water system, such that the presence of the contaminant may result in the system's not complying with any national primary drinking water regulation or may otherwise adversely affect the health of persons. The chief may issue, without a prior adjudication hearing, orders requiring compliance with this section and rules, orders, and terms and conditions of permits adopted or issued thereunder. This section and rules, orders, and terms and conditions of permits adopted or issued thereunder shall be construed to be ~~no~~ more stringent than required for compliance with the Safe Drinking Water Act, ~~unless essential in order~~ to ensure that underground sources of drinking water will not be endangered.

(B) In order to protect the health and safety of the public, drinking water sources, and the environment, a person who is issued a permit under this section shall do all of the following:

(1) Submit to the chief a comprehensive list of each substance and the corresponding concentration of each substance that will be used in drilling and in hydraulic fracturing and recovery processes in order for the chief to establish a water quality baseline of water supplies that are in close proximity to the proposed well prior to the commencement of drilling or hydraulic fracturing. The permittee shall submit the list not later than six months prior to the start of the drilling or hydraulic fracturing.

(2) In hydraulic fracturing and recovery processes, use hydraulic fracturing fluid that is known not to pose a significant risk to human health;

(3) Use a closed-loop system in drilling operations that occur within two thousand five hundred feet of a drinking water source in order to prevent the contamination of surface and ground water with hydraulic fracturing fluid and to protect drinking water, the health of the public, and the environment;

(4) Notify the chief or a mineral resources inspector within twenty-four hours of a violation of any term or condition of the permit that occurs during drilling operations or hydraulic fracturing.

(C) In an action under section 1509.04 or 1509.33 of the Revised Code to enforce this section, the court shall grant preliminary and permanent injunctive relief and impose a civil penalty upon the showing that the person against whom the action is brought has violated, is violating, or will violate this section or rules, orders, or terms or conditions of permits adopted or issued thereunder. The court shall not require, prior to granting such preliminary and permanent injunctive relief or imposing a civil penalty, proof that the violation was, is, or will be the result of intentional conduct or negligence. In any such action, any person may intervene as a plaintiff upon the demonstration that the person has an interest that is or may be adversely affected by the activity for which injunctive relief or a civil penalty is sought.

Sec. 1509.222. (A)(1) ~~Except as provided in section 1509.226 of the Revised Code, no~~ No person shall transport brine by vehicle in this state unless the business entity that employs the person first registers with and obtains a registration certificate and identification number from the chief of the division of ~~oil and gas~~ mineral resources management.

(2) No more than one registration certificate shall be required of any business entity. Registration certificates issued under this section are not transferable. An applicant shall file an application with the chief, containing such information in such form as the chief prescribes, but including a plan for disposal that provides for compliance with the requirements of this chapter and rules of the chief pertaining to the transportation of brine by vehicle and the disposal of brine so transported and that lists all disposal sites that the applicant intends to use, the bond required by section 1509.225 of the Revised Code, and a certificate issued by an insurance company authorized to do business in this state certifying that the applicant has in force a liability insurance policy in an amount not less than ~~three~~ five hundred thousand dollars bodily injury coverage and ~~three hundred thousand~~ one million dollars property damage coverage to pay damages for injury to persons or property caused by the collecting, handling, transportation, or disposal of brine. The policy shall be maintained in effect during the term of the registration certificate. The policy or policies providing the coverage shall require the insurance company to give notice to the chief if the policy or policies lapse for any reason. Upon such termination of the policy, the chief may suspend the registration certificate until proper insurance coverage is obtained. Each application for a registration certificate shall be accompanied by a nonrefundable fee of five hundred dollars.

(3) If a business entity that has been issued a registration certificate under this section changes its name due to a business reorganization or merger, the business entity shall revise the bond or certificates of deposit required by section 1509.225 of the Revised Code and obtain a new certificate from an insurance company in accordance with division (A)(2) of this section to reflect the change in the name of the business entity.

(B) The chief shall issue an order denying an application for a registration certificate if the chief finds that either of the following applies:

(1) The applicant, at the time of applying for the registration certificate, has been found liable by a final nonappealable order of a court of competent jurisdiction for damage to streets, roads, highways, bridges, culverts, or drainways pursuant to section 4513.34 or 5577.12 of the Revised Code until the applicant provides the chief with evidence of compliance with the order.

~~(2) The applicant's plan for disposal does not provide for compliance with the requirements of this chapter and rules of the chief pertaining to the transportation of brine by vehicle and the disposal of brine so transported~~ the Revised Code pertaining to the protection of public health and safety and the environment and the rules adopted under section 1509.22 of the Revised Code.

(C) No applicant shall attempt to circumvent division (B) of this section by applying for a registration certificate under a different name or business organization name, by transferring responsibility to another person or entity, or by any similar act.

(D) A registered transporter shall apply to revise a disposal plan under procedures that the chief shall prescribe by rule. However, at a minimum, an application for a revision shall list all sources and disposal sites of brine currently transported. The chief shall deny any application for a revision of a plan under this division if the chief finds that the proposed revised plan does not provide for compliance with the requirements of this chapter and rules of the chief pertaining to the transportation of brine by vehicle and the disposal of brine so transported. Approvals and denials of revisions shall be by order of the chief.

(E) The chief may adopt rules, issue orders, and attach terms and conditions to registration certificates as may be necessary to administer, implement, and enforce sections 1509.222 to ~~1509.226~~ 1509.225 of the Revised Code for protection of public health or safety or conservation of natural resources.

Sec. 1509.223. (A) No ~~permit holder~~ permittee or ~~owner~~ lessee of a well shall enter into an agreement with or ~~permit~~ allow any person to transport brine produced from the well who is not registered pursuant to section 1509.222 of the Revised Code ~~or exempt from registration under section 1509.226 of the Revised Code.~~

(B) Each registered transporter shall file with the chief of the division of mineral resources management, on or before the fifteenth day of April, a statement concerning brine transported, including quantities transported and source and delivery points, during the last preceding calendar year, and such other information in such form as the chief may prescribe.

(C) Each registered transporter shall keep on each vehicle used to transport brine a daily log and have it available upon the request of the chief or an authorized representative of the chief or a peace officer. The log shall, at a minimum, include all of the following information:

- (1) The name of the ~~owner~~ permittee or lessee or ~~owners~~ permittees or lessees of the well or wells producing the brine to be transported;
- (2) The date and time the brine is loaded;
- (3) The name of the driver;
- (4) The amount of brine loaded at each collection point;
- (5) The disposal location;
- (6) The date and time the brine is disposed of and the amount of brine disposed of at each location.

No registered transporter shall falsify or fail to keep or submit the log required by this division.

(D) Each registered transporter shall legibly identify with reflective paints all vehicles employed in transporting or disposing of brine. Letters shall be no less than four inches in height and shall indicate the identification number issued by the chief, the word "brine," and the name and telephone number of the transporter.

(E) The chief shall maintain and keep a current list of persons registered to transport brine under section 1509.222 of the Revised Code. The list shall be open to public inspection. It is an affirmative defense to a charge under division (A) of this section that at the time the ~~permit holder~~ permittee or ~~owner~~ lessee of a well entered into an agreement with or ~~permitted~~ allowed a person to transport brine, the person was shown on the list as currently registered to transport brine.

Sec. 1509.224. (A) In addition to any other remedies provided in this chapter, if the chief of the division of mineral resources management has reason to believe that a pattern of the same or similar violations of any requirements of sections 1509.22, 1509.222, or 1509.223 of the Revised Code, or any rule adopted thereunder or term or condition of the registration certificate issued thereunder exists or has existed, and the violations are caused by the transporter's indifference, lack of diligence, or lack of reasonable care, or are willfully caused by the transporter, the chief shall immediately issue an order to the transporter ~~to show cause why the certificate should not be suspended or revoked~~ suspending the transporter's registration certificate. After the issuance of the order, the chief shall provide the transporter an opportunity to be heard and to present evidence at an informal hearing conducted by the chief. If, at the conclusion of the hearing, the chief finds that such a pattern of violations exists or has existed, the chief shall issue an order ~~suspending or~~ revoking the transporter's registration certificate. An order suspending or revoking a certificate under this section may be appealed under sections 1509.36 and 1509.37 of the Revised Code, or notwithstanding any other provision of this chapter, may be appealed directly to the court of common pleas of Franklin county.

(B) Before issuing an order denying a registration certificate; approving or denying approval of an application for revision of a registered transporter's plan for disposal; or to implement, administer, or enforce section 1509.22, 1509.221, 1509.222, 1509.223, or 1509.225, ~~or 1509.226~~ of the Revised Code and rules and terms and conditions of registration certificates adopted or issued thereunder pertaining to the transportation of brine by vehicle and the disposal of brine so transported, the chief shall issue a preliminary order indicating the chief's intent to issue a final order. The preliminary order shall clearly state the nature of the chief's proposed action and the findings on which it is based and shall state that the preliminary order becomes a final order thirty days after its issuance unless the person to whom the preliminary order is directed submits to the chief a written request for an informal hearing before the chief within that thirty-day period. At the hearing the person may present evidence as to why the preliminary order should be revoked or modified. Based upon the findings from the informal hearing, the chief shall revoke, issue, or modify and issue the preliminary order as a final order. A final order may be appealed under sections 1509.36 and 1509.37 of the Revised Code.

Sec. 1509.225. (A) Before being issued a registration certificate under section 1509.222 of the Revised Code, an applicant shall execute and file with the division of mineral resources management a surety bond for ~~fifteen thousand~~ one hundred thousand dollars to provide immediate compensation for damage and injury resulting from transporters' violations of sections 1509.22, 1509.222, and 1509.223 of the Revised Code, all rules and orders of the chief of the division of mineral resource management relating thereto, and all terms and conditions of the registration certificate imposed thereunder. The applicant may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or negotiable certificates of deposit issued by any bank organized or transacting business in this state, or certificates of deposit issued by any building and loan association as defined in section 1151.01 of the Revised Code, having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If certificates of deposit are deposited with the chief in lieu of a surety bond, the chief shall require the bank or building and loan association that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by any of the agencies and instrumentalities created under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as

amended, and regulations adopted under it, including at least the federal deposit insurance corporation, bank insurance fund, and savings association insurance fund.

Such securities shall be security for the repayment of the certificate of deposit. Immediately upon a deposit of cash or certificates with the chief, the chief shall deliver it to the treasurer of state who shall hold it in trust for the purposes for which it has been deposited.

(B) The surety bond provided for in this section shall be executed by a surety company authorized to do business in this state. The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by an attorney in fact, with a certified copy of the power of attorney attached thereto. The chief shall not approve such a bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state. All bonds shall be given in a form to be prescribed by the chief.

(C) If a registered transporter is found liable for a violation of section 1509.22, 1509.222, or 1509.223 of the Revised Code or a rule, order, or term or condition of a certificate involving, in any case, damage or injury to persons or property, or both, the court may order the forfeiture of any portion of the bond, cash, or other securities required by this section in full or partial payment of damages to the person to whom the damages are due. The treasurer of state and the chief shall deliver the bond or any cash or other securities deposited in lieu of bond, as specified in the court's order, to the person to whom the damages are due; however, execution against the bond, cash, or other securities, if necessary, is the responsibility of the person to whom the damages are due. The chief shall not release the bond, cash, or securities required by this section except by court order or until two years after the date on which a registration is terminated.

(D) This section does not preclude recourse under an insurance policy that is required by section 1509.222 of the Revised Code.

Sec. 1509.23. ~~(A) Rules of the~~ The chief of the division of mineral resources management may specify, in consultation with the technical advisory council on oil and gas created in section 1509.38 of the Revised Code, shall adopt rules that require the implementation and use of best operating practices that are recognized by the oil and gas industry to be followed in the drilling of wells and production of oil and gas for protection of public the health or and safety or of persons working at a well site and of the public and to prevent minimize damage to natural resources, including specification the environment. The rules shall require a permittee and all persons working at a well to utilize those practices. In addition, the rules shall establish requirements for all of the following:

- (1) Appropriate drilling and extraction devices and techniques;
- (2) Minimum distances that wells and other excavations, structures, and equipment shall be located from water wells, streets, roads, highways, rivers, lakes, streams, ponds, other bodies of water, railroad tracks, public or private recreational areas, zoning districts, and buildings or other structures;
- (3) Other methods of operation;
- (4) Procedures, methods, and equipment ~~and other requirements for equipment~~ to prevent

and contain discharges of oil from oil production facilities and oil drilling and workover facilities consistent with and equivalent in scope, content, and coverage to section 311(j)(1)(c) of the "Federal Water Pollution Control Act Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, as amended, and regulations adopted under it.

The rules adopted under this division shall not conflict with any provision of this chapter.

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

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

Sec. 1509.24. The chief of the division of mineral resources management, with the approval of the technical advisory council on oil and gas created in section 1509.38 of the Revised Code, ~~may shall~~ shall adopt, amend, or rescind rules relative to minimum acreage requirements for drilling units and minimum distances ~~from which~~ between an existing well in a drilling unit and a new well that 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, in that drilling units, and other wells for the purpose of conserving oil and gas reserves. ~~Rules~~ unit. In addition, the rules shall address and attempt to accomplish all of the following:

(A) Prevention of the waste of oil and gas reserves;

(B) Protection of the health and safety of the public, employees of a permittee or operator, and workers at a well site;

(C) Minimization of the impact on the environment in furtherance of the requirements established in this chapter and rules adopted under it and of the goals of the Safe Drinking Water Act.

~~Rules~~ Rules adopted under this section ~~and special orders made under section 1509.25 of the Revised Code~~ shall apply only to new wells to be drilled or existing wells to be deepened, plugged back, or reopened to a source of supply different from the existing pool for the purpose of extracting oil or gas in their natural state.

Sec. 1509.26. ~~The~~ Two or more owners of adjoining tracts may agree to pool ~~such the~~ the tracts to form a drilling unit that conforms to the minimum acreage and distance requirements of the division of mineral resources management established in rules adopted

under section 1509.24 ~~or 1509.25~~ of the Revised Code. ~~Such~~ The agreement shall be in writing, a copy of which shall be submitted to the division with the application for a permit required by section 1509.05 of the Revised Code. Parties to the agreement shall designate one of their number as the applicant for ~~such~~ the permit.

Sec. 1509.30. The holder of a royalty interest in any natural gas well may request the ~~owner~~ permittee to report to ~~him~~ the holder, no more frequently than the payment period in ~~his~~ the holder's contract with the ~~owner~~ permittee, any or all of the following:

(A) The volume of natural gas for which ~~he~~ the holder was or is being paid for the most recent period in ~~his~~ the holder's contract with the ~~owner~~ permittee, and for any other previous periods within two years of the date of production for which the ~~owner~~ permittee has not already given ~~him~~ the holder such a report within the most recent six months;

(B) The price per thousand cubic feet paid to the holder for ~~such~~ the gas;

(C) The volume of natural gas ~~which~~ that was shown to have passed through the ~~owner's~~ permittee's meter for the field containing the holder's well.

The ~~owner~~ permittee shall preserve records of such volume for ~~at least two~~ three years after the ~~date the record is made~~ termination of the lease agreement with the holder. Upon receipt by the ~~owner~~ permittee or ~~his~~ the permittee's agent of a request by the holder pursuant to this section, the ~~owner~~ permittee shall supply the information to the holder within ~~fifteen days, or the end of the current payment period in the contract, whichever is later~~ fourteen days of receipt of the request.

If the holder's well is metered, the ~~owner~~ permittee shall in such a report also inform the holder of the volume of natural gas ~~which~~ that was shown to have passed through ~~such~~ the meter during the period.

The volume of gas required to be reported by this section shall be indicated on the basis of a standard cubic foot of gas.

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

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

(C) The owner person holding a permit under section 1509.05 of the Revised Code is responsible for all obligations and liabilities imposed by this chapter and any rules, orders, and terms and conditions of a permit adopted or issued under it, and no assignment or transfer by the owner person relieves the owner person of the obligations and liabilities until and unless the assignee or transferee files with the division the information described in divisions (A)(1), (2), (3), (4), (5), (10), (11), and (12), and (13) of section 1509.06 of the Revised Code; obtains liability insurance coverage required by section 1509.07 of the Revised Code, except when none is required by that section; and executes and files a surety bond, negotiable certificates of deposit or irrevocable letters of credit, or cash, as described in that section. Instead of a bond, but only upon acceptance by the chief of the division of mineral resources management, the assignee or transferee may file proof of financial responsibility, described in section 1509.07 of the Revised Code. Section 1509.071 of the Revised Code applies to the surety bond, cash, and negotiable certificates of deposit and irrevocable letters of credit described in this section. Unless the chief approves a modification, each assignee or transferee shall operate in accordance with the plans and information filed by the permit holder pursuant to section 1509.06 of the Revised Code.

(D) If a mortgaged property that is being foreclosed is subject to an oil or gas lease, pipeline agreement, or other instrument related to the production or sale of oil or natural gas and the lease, agreement, or other instrument was recorded subsequent to the mortgage, and if the lease, agreement, or other instrument is not in default, the oil or gas lease, pipeline agreement, or other instrument, as applicable, has priority over all other liens, claims, or encumbrances on the property so that the oil or gas lease, pipeline agreement, or other instrument is not terminated or extinguished upon the foreclosure sale of the mortgaged property. If the owner of the mortgaged property was entitled to oil and gas royalties before the foreclosure sale, the oil or gas royalties shall be paid to the purchaser of the foreclosed

property.

Sec. 1509.32. Any person adversely affected may file with the chief of the division of mineral resources management a written complaint alleging failure to restore disturbed land surfaces in violation of section 1509.072 or 1509.22 of the Revised Code or a rule adopted thereunder.

~~Upon~~ Not later than five days after receipt of a complaint, the chief shall cause an investigation to be made of the lands where the alleged violation has occurred and. Not later than thirty days after receipt of the complaint, the chief shall prepare and complete a report that discusses in detail the chief's findings and shall make the report available to the public. The chief shall send copies of the investigation report to the person who filed the complaint and to the owner person who, according to the records of the chief, is responsible for the restoration of the site. Upon finding a violation, the chief shall order the owner responsible person to eliminate the violation within a specified time immediately. If The responsible person shall complete the restoration of the site within thirty days after the issuance of the order unless the chief authorizes a longer period of time because weather conditions prevented the completion of the site restoration within the thirty-day period.

If the owner person fails to eliminate the violation within the time specified authorized, the chief may shall request the prosecuting attorney of the county in which the violation occurs or the attorney general to bring appropriate action to secure compliance with such sections the applicable section or rule. If the chief fails to bring an appropriate action to secure compliance with such sections within twenty days after the time specified Notwithstanding an order issued under this section or any other action or inaction by the chief, the person filing the complaint may request the prosecuting attorney of the county in which the violation occurs to bring an appropriate action to secure compliance with such sections the applicable section or rule. The division of mineral resources management may shall cooperate with any state or local agency to provide technical advice or minimum standards for the restoration of various soils and land surfaces or to assist in any investigation.

Sec. 1509.33. (A) Whoever violates sections 1509.01 to 1509.31 of the Revised Code, or any rules adopted or orders or terms or conditions of a permit or registration certificate issued pursuant to these sections for which no specific penalty is provided in this section, shall pay a civil penalty of not less than two hundred fifty dollars nor more than four thousand one million dollars for each offense.

(B) Whoever violates section 1509.221 of the Revised Code or any rules adopted or orders or terms or conditions of a permit issued thereunder shall pay a civil penalty of not ~~more~~ less than two thousand five hundred dollars nor more than one million dollars for each violation.

(C) Whoever violates division (D) of section 1509.22 ~~or division (A)(1) of section 1509.222~~ of the Revised Code shall pay a civil penalty of not less than ~~two ten thousand five hundred~~ dollars nor more than twenty thousand one million dollars for each violation.

(D) Whoever violates division (C)(2) of section 1509.071 or division (A) or (B) of section 1509.22 of the Revised Code shall pay a civil penalty of not less than two thousand five hundred dollars nor more than ~~ten thousand~~ one million dollars for each violation.

(E) Whoever violates division (A) of section 1509.223 of the Revised Code shall pay a civil penalty of not less than five hundred dollars nor more than ten thousand dollars for each violation.

(F) Whoever violates section 1509.072 of the Revised Code or any rules adopted or orders issued to administer, implement, or enforce that section shall pay a civil penalty of not less than five hundred dollars nor more than five thousand dollars for each violation.

(G) Whoever violates division (A) of section 1509.14 of the Revised Code shall pay a civil penalty of not less than one thousand dollars for each violation.

~~(H)~~ In addition to any other penalties provided in this chapter, whoever violates ~~division (B) of section 1509.22 or~~ division (A)(1) of section 1509.222 or knowingly violates division (A) of section 1509.223 of the Revised Code is liable for any damage or injury caused by the violation and for the cost of rectifying the violation and conditions caused by the violation. If two or more persons knowingly violate one or more of ~~such those~~ divisions in connection with the same event, activity, or transaction, they are jointly and severally liable under this division.

~~(H)~~(I) The attorney general, upon the request of the chief of the division of mineral resources management, shall commence an action under this section against any person who violates sections 1509.01 to 1509.31 of the Revised Code, or any rules adopted or orders or terms or conditions of a permit or registration certificate issued pursuant to these sections. Any action under this section is a civil action, governed by the Rules of Civil Procedure and other rules of practice and procedure applicable to civil actions. The remedy provided in this division is cumulative and concurrent with any other remedy provided in this chapter, and the existence or exercise of one remedy does not prevent the exercise of any other; ~~except that no.~~ A person ~~shall~~ may be subject to both a civil penalty under division (A), (B), (C), or (D) of this section and a criminal penalty under section 1509.99 of the Revised Code for the same offense.

Sec. 1509.34. (A) If a permittee fails to pay the fees imposed by this chapter or the taxes levied on the severance of oil and gas under section 5749.02 of the Revised Code, or if the chief of the division of mineral resources management incurs costs under division (E) of section 1509.071 of the Revised Code to correct conditions associated with the owner's well that the chief reasonably has determined are causing imminent health or safety risks, the division of mineral resources management shall have a priority lien against that permittee's interest in the applicable well in front of all other creditors for the amount of any such unpaid fees and taxes and costs incurred. The chief shall file a statement in the office of the county recorder of the county in which the applicable well is located of the amount of the unpaid fees and taxes and costs incurred as described in this division. The statement shall constitute a lien on the permittee's interest in the well as of the date of the filing. The lien shall remain in force so long as any portion of the lien remains unpaid or until the chief issues a certificate of release of the lien. If the chief issues a certificate of release of the lien, the chief shall file the certificate of release in the office of the applicable county recorder.

(B) The chief promptly shall issue a certificate of release of a lien under either of the following circumstances:

(1) Upon the repayment in full of the amount of unpaid fees imposed by this chapter or

taxes levied on the severance of oil and gas under section 5749.02 of the Revised Code or costs incurred by the chief under division (E) of section 1509.071 of the Revised Code to correct conditions associated with the permittee's well that the chief reasonably has determined are causing imminent health or safety risks;

(2) Any other circumstance that the chief determines to be in the best interests of the state.

(C) The chief may modify the amount of a lien under this section. If the chief modifies a lien, the chief shall file a statement in the office of the county recorder of the applicable county of the new amount of the lien.

(D) A permittee regarding which the division has recorded a lien against the permittee's interest in a well in accordance with this section shall not transfer a well, a lease, or mineral rights to another permittee or person until the chief issues a certificate of release for each lien against the permittee's interest in the well.

(E) All money from the collection of liens under this section shall be deposited in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code.

Sec. 1509.35. (A) There is hereby created an oil and gas commission consisting of ~~five~~ nine members appointed by the governor. Terms of office shall be for ~~five~~ three years, commencing on the fifteenth day of October and ending on the fourteenth day of October; ~~except that the terms of the first five members of the board shall be for one, two, three, four, and five years, respectively, as designated by the governor at the time of the appointment.~~ Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of ~~such~~ that term. Any member shall continue in office subsequent to the expiration date of the member's term until a successor takes office, or until a period of sixty days has elapsed, whichever occurs first. Each vacancy occurring on the commission shall be filled by appointment within sixty days after the vacancy occurs. One of the appointees to the commission shall be a person who, by reason of the person's previous vocation, employment, or affiliations, can be classed as a representative of a major petroleum company. ~~One~~ Five of the appointees to the commission shall be ~~a person~~ persons who, by reason of ~~the person's~~ their previous ~~vocation~~ vocations, employment, or affiliations, can be classed as ~~a representative~~ representatives of the public. One of the appointees to the commission shall be a person who, by reason of the person's previous training and experience, can be classed as a representative of independent petroleum operators. One of the appointees to the commission shall be a person who, by reason of the person's previous training and experience, can be classed as one learned and experienced in oil and gas law. One of the appointees to the commission shall be a person who, by reason of the person's previous training and experience, can be classed as one learned and experienced in geology. Not more than ~~three~~ five members shall be members of the same political party. This division does not apply to temporary members appointed under division (C) of this section.

(B) ~~Three~~ Five members constitute a quorum and no action of the commission is valid unless it has the concurrence of at least a majority of the members voting on that action. The commission shall keep a record of its proceedings.

(C) If the chairperson of the commission determines that a quorum cannot be obtained for the purpose of considering a matter that will be before the commission because of vacancies or recusal of its members, the chairperson may contact the technical advisory council on oil and gas created in section 1509.38 of the Revised Code and request a list of members of the council who may serve as temporary members of the commission. Using the list provided by the council, the chairperson may appoint temporary members to the commission. The appointment of temporary members shall be for only the matter for which a quorum cannot be obtained. The number of temporary members appointed by the chairperson shall not exceed the number that is necessary to obtain a quorum for the matter. A temporary member of the commission has the same authority, rights, and obligations as a member of the commission, including the right to compensation and other expenses as provided in this section. The authority, rights, and obligations of a temporary member cease when the temporary member's service on the commission ends.

(D) Each member shall be paid an amount fixed pursuant to division (J) of section 124.15 of the Revised Code per diem when actually engaged in the performance of work as a member and when engaged in travel necessary in connection with ~~such that~~ work. In addition to such compensation each member shall be reimbursed for all traveling, hotel, and other expenses necessarily incurred in the performance of work as a member.

(E) The commission shall select from among its members a chairperson, a vice-chairperson, and a secretary. These officers shall serve for terms of one year.

(F) The governor may remove any member of the commission from office for inefficiency, neglect of duty, malfeasance, misfeasance, or nonfeasance.

(G) The commission, in accordance with Chapter 119. of the Revised Code, shall adopt rules to govern its procedure.

Sec. 1509.36. Any person claiming to be aggrieved or adversely affected by an order by the chief of the division of mineral resources management may appeal to the oil and gas commission for an order vacating or modifying ~~such the~~ order.

The person so appealing to the commission shall be known as appellant and the chief shall be known as appellee. Appellant and appellee shall be deemed to be parties to the appeal.

The appeal shall be in writing and shall set forth the order complained of and the grounds upon which the appeal is based. The appeal shall be filed with the commission within thirty days after the date upon which the appellant received notice by registered mail of the making of the order complained of. Notice of the filing of the appeal shall be filed with the chief within three days after the appeal is filed with the commission.

Upon the filing of the appeal the commission promptly shall fix the time and place at which the hearing on the appeal will be held, and shall give the appellant and the chief at least ~~ten~~ thirty days' written notice thereof by mail. The commission may postpone or continue any hearing upon its own motion ~~or upon application of appellant or of the chief.~~

The filing of an appeal provided for in this section does not automatically suspend or stay execution of the order appealed from, but upon application by the appellant the commission may suspend or stay such execution pending determination of the appeal upon such terms as

the commission considers proper.

Either party to the appeal or any interested person who, pursuant to commission rules has been granted permission to appear, may submit such evidence as the commission considers admissible.

For the purpose of conducting a hearing on an appeal, the commission may require the attendance of witnesses and the production of books, records, and papers, and it may, and at the request of any party it shall, issue subpoenas for witnesses or subpoenas duces tecum to compel the production of any books, records, or papers, directed to the sheriffs of the counties where such witnesses are found. The subpoenas shall be served and returned in the same manner as subpoenas in criminal cases are served and returned. The fees of sheriffs shall be the same as those allowed by the court of common pleas in criminal cases. Witnesses shall be paid the fees and mileage provided for under section 119.094 of the Revised Code. Such fees and mileage expenses incurred at the request of the appellant shall be paid in advance by the appellant, and the remainder of ~~such~~ those expenses shall be paid out of funds appropriated for the expenses of the division of mineral resources management.

In case of disobedience or neglect of any subpoena served on any person, or the refusal of any witness to testify to any matter regarding which the witness may be lawfully interrogated, the court of common pleas of the county in which ~~such~~ the disobedience, neglect, or refusal occurs, or any judge thereof, on application of the commission or any member thereof, shall compel obedience by attachment proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from ~~such~~ that court or a refusal to testify therein. Witnesses at such hearings shall testify under oath, and any member of the commission may administer oaths or affirmations to persons who so testify.

At the request of any party to the appeal, a stenographic record of the testimony and other evidence submitted shall be taken by an official court shorthand reporter at the expense of the party making the request therefor. ~~Such~~ The record shall include all of the testimony and other evidence and the rulings on the admissibility thereof presented at the hearing. The commission shall pass upon the admissibility of evidence, but any party may at the time object to the admission of any evidence and except to the rulings of the commission thereon, and if the commission refuses to admit evidence the party offering same may make a proffer thereof, and ~~such~~ the proffer shall be made a part of the record of ~~such~~ the hearing.

If upon completion of the hearing the commission finds that the order appealed from was lawful and reasonable, it shall make a written order affirming the order appealed from; if the commission finds that the order was unreasonable or unlawful, it shall make a written order vacating the order appealed from and making the order that it finds the chief should have made. Every order made by the commission shall contain a written finding by the commission of the facts upon which the order is based.

Notice of the making of the order shall be given forthwith to each party to the appeal by mailing a certified copy thereof to each such party by certified mail.

The order of the commission is final unless vacated by the court of common pleas of Franklin county in an appeal as provided for in section 1509.37 of the Revised Code. Sections 1509.01 to 1509.37 of the Revised Code, providing for appeals relating to orders by the chief or by the commission, or relating to rules adopted by the chief, do not

constitute the exclusive procedure that any person who believes the person's rights to be unlawfully affected by those sections or any official action taken thereunder must pursue in order to protect and preserve those rights, nor do those sections constitute a procedure that that person must pursue before that person may lawfully appeal to the courts to protect and preserve those rights.

Sec. 1509.38. ~~There is hereby created in the division of mineral resources management a technical advisory council on oil and gas, which shall consist of eight members to be appointed by the governor with the advice and consent of the senate. Three members shall be independent oil or gas producers, operators, or their representatives, operating and producing primarily in this state, three members shall be oil or gas producers, operators, or their representatives having substantial oil and gas producing operations in this state and at least one other state, one member shall represent the public, and one member shall represent persons having landowners' royalty interests in oil and gas production. All members shall be residents of this state, and all members, except the members representing the public and persons having landowners' royalty interests, shall have at least five years of practical or technical experience in oil or gas drilling and production. Not more than one member may represent any one company, producer, or operator.~~

~~Terms of office shall be for three years, commencing on the first day of February and ending on the thirty-first day of January. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. A vacancy in the office of a member shall be filled by the governor, with the advice and consent of the senate. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.~~ There is hereby created in the division of mineral resources management a technical advisory council on oil and gas, which shall consist of the five members to be appointed by the governor with the advice and consent of the senate. One of the members shall be a person who, by reason of the person's previous training and experience, is a representative of independent petroleum operators. One of the members shall be a person who, by reason of the person's previous training and experience, is a person learned and experienced in oil and gas law. One of the members shall be a person who, by reason of the person's previous training and experience, is a person learned and experienced in geology. Two of the members shall be persons who, by reason of their previous vocations, employment, or affiliations, are representatives of the public. All members shall be residents of this state, and all members, except the members representing the public, shall have at least five years of practical or technical experience in oil or gas drilling and production.

Terms of office shall be for three years, commencing on the first day of February and ending on the thirty-first day of January. A member shall hold office from the date of appointment until the end of the term for which the member was appointed. A vacancy in the office of a member shall be filled by the governor, with the advice and consent of the senate. A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. A member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first.

The council shall select from among its members a chairperson, a vice-chairperson, and a secretary. All members are entitled to their actual and necessary expenses incurred in the performance of their duties as members, payable from the appropriations for the division.

The governor may remove any member for inefficiency, neglect of duty, or malfeasance in office.

The council shall hold at least one regular meeting in each quarter of a calendar year and shall keep a record of its proceedings. Special meetings may be called by the chairperson and shall be called by the chairperson upon receipt of a written request signed by two or more members of the council. A written notice of the time and place of each meeting shall be sent to each member of the council. Five members constitute a quorum, and no action of the council is valid unless five members concur.

The council, when requested by the chief of the division of mineral resources management, shall consult with and advise the chief and perform other duties that may be lawfully delegated to it by the chief. The council may participate in hearings held by the chief under this chapter and has powers of approval as provided in ~~sections~~ section 1509.24 and 1509.25 of the Revised Code. The council shall conduct the activities required, and exercise the authority granted, under Chapter 1510. of the Revised Code.

The council, upon receiving a request from the chairperson of the oil and gas commission under division (C) of section 1509.35 of the Revised Code, immediately shall prepare and provide to the chairperson a list of its members who may serve as temporary members of the oil and gas commission as provided in that division.

Sec. 1509.50. In addition to paying the applicable taxes levied on the severance of oil and gas under section 5749.02 of the Revised Code, an owner shall pay an oil and gas regulatory cost recovery assessment of ten cents per barrel of oil or one-half cent per one thousand cubic feet of natural gas, as applicable, that is sold from all of the owner's wells located in this state. The owner shall collect from each person who has a revenue interest in a well of the owner that person's pro rata share of the assessment.

The minimum amount of the assessment for every quarterly period, which periods are specified in section 5749.06 of the Revised Code, shall be either the amount of fifteen dollars multiplied by the total number of the owner's wells or the amount of the owner's severance taxes levied under section 5749.02 of the Revised Code plus the oil and gas regulatory cost recovery assessment imposed by this section, whichever is greater. An owner shall pay the assessment at the time and using the procedures that are established in section 5749.06 of the Revised Code for the collection of the taxes levied on the severance of oil and gas under section 5749.02 of the Revised Code. All money collected pursuant to this section shall be deposited in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code.

The oil and gas regulatory cost recovery assessment imposed by this section shall be treated the same and equivalent for all purposes as the taxes levied on the severance of oil and gas under section 5749.02 of the Revised Code. However, the assessment imposed by this section is not a tax under Chapter 5749. of the Revised Code.

Sec. 1509.99. (A) Whoever violates sections 1509.01 to 1509.31 of the Revised Code or

any rules adopted or orders or terms or conditions of a permit issued pursuant to these sections for which no specific penalty is provided in this section shall be fined not less than one hundred nor more than one thousand dollars for a first offense; for each subsequent offense ~~such~~ the person shall be fined not less than two hundred nor more than two thousand dollars.

(B) Whoever violates section 1509.221 of the Revised Code or any rules adopted or orders or terms or conditions of a permit issued thereunder shall be fined not more than five thousand dollars for each day of violation.

(C) Whoever knowingly violates section 1509.072, division (A), ~~(B)~~, or (D) of section 1509.22, division (A)(1) or (C) of section 1509.222, or division (A) or (D) of section 1509.223 of the Revised Code or any rules adopted or orders issued under division (C) of section 1509.22 or rules adopted or orders or terms or conditions of a registration certificate issued under division (E) of section 1509.222 of the Revised Code shall be fined ten thousand dollars or imprisoned for six months, or both for a first offense; for each subsequent offense ~~such~~ the person shall be fined twenty thousand dollars or imprisoned for two years, or both. Whoever negligently violates ~~such~~ those divisions, sections, rules, orders, or terms or conditions of a registration certificate shall be fined not more than five thousand dollars.

(D) Whoever violates division (C) of section 1509.223 of the Revised Code shall be fined not more than five hundred dollars for a first offense nor more than one thousand dollars for a subsequent offense.

(E) The prosecuting attorney of the county in which the offense was committed or the attorney general may prosecute an action under this section.

Sec. 1565.07. The superintendent in charge of a mine shall direct the mine foreperson in such manner as is necessary to secure compliance with this chapter and Chapters 1561., 1563., and 1567. and ~~sections~~ section 1509.18 ~~and 1509.19~~ of the Revised Code. The superintendent may act as mine foreperson, but if the superintendent does so act regularly, the superintendent shall obtain a certificate from the chief of the division of mineral resources management in the same manner as the certification of mine foreperson is obtained.

A person designated as a superintendent of an underground coal mine after January 1, 1977, shall, within six months after being so designated, demonstrate to the chief that the person has knowledge of the mining laws of this state governing the operation of underground coal mines either by presenting evidence that the person has passed a mine foreperson examination given by the chief or an examination given by the chief concerning the laws of this state governing the operation of underground coal mines.

No person shall refuse or neglect to comply with this section.

Sec. 1565.13. In case of an injury to person or property, occasioned by a violation of this chapter and Chapters 1561., 1563., and 1567., and ~~sections~~ section 1509.18 ~~and 1509.19~~ of the Revised Code, or any failure to comply with ~~such~~ those chapters or ~~sections~~ that section, by any operator of a mine, a right of action shall accrue to the person injured, for any direct damage ~~he~~ the person injured has sustained thereby. In case of loss of life by reason of such

failure or neglect, a right of action shall accrue to the widow, and children, or if there are none, then to the parents and next of kin, of the person whose death was so caused, for like recovery of damages for the injury they have sustained. Any operator of a mine who has complied with Chapter 4123. of the Revised Code, is exempt as provided in section 4123.74 of the Revised Code, and not liable for damages at common law or by statute for injury or death of any employee.

Sec. 1571.05. (A) Whenever any part of a gas storage reservoir or any part of its protective area underlies any part of a coal mine, or is, or within nine months is expected or intended to be, within two thousand linear feet of the boundary of a coal mine that is operating in a coal seam any part of which extends over any part of the storage reservoir or its protective area, the operator of ~~such the~~ reservoir, if the reservoir operator or some other reservoir operator has not theretofore done so, shall:

(1) Use every known method that is reasonable under the circumstance for discovering and locating all wells drilled within the area of ~~such the~~ reservoir or its protective area that underlie any part of ~~such the~~ coal mine or its protective area;

(2) Plug or recondition all known wells drilled within the area of ~~such the~~ reservoir or its protective area that underlie any part of ~~such the~~ coal mine.

(B) Whenever an operator of a gas storage reservoir is notified by the operator of a coal mine, as provided in division (B) of section 1571.03 of the Revised Code, that ~~such the~~ coal mine operator believes that part of the boundary of ~~such the~~ mine is within two thousand linear feet of a well that is drilled through the horizon of ~~such the~~ coal mine and into or through the storage stratum or strata of ~~such the~~ reservoir within the boundary of ~~such the~~ reservoir or within its protective area, ~~such the~~ reservoir operator shall plug or recondition ~~such the~~ well as in this section prescribed, unless it is agreed in a conference or is ordered by the chief of the division of mineral resources management after a hearing, as provided in section 1571.10 of the Revised Code, that the well referred to in the notice is not such a well as is described in division (B) of section 1571.03 of the Revised Code.

Whenever an operator of a gas storage reservoir is notified by the operator of a coal mine as provided in division (C) or (D) of section 1571.03 of the Revised Code, that part of the boundary of ~~such the~~ mine is, or within nine months is intended or expected to be, within two thousand linear feet of a well that is drilled through the horizon of ~~such the~~ mine and into or through the storage stratum or strata of ~~such the~~ reservoir within the boundary of ~~such the~~ reservoir or within its protective area, ~~such the~~ reservoir operator shall plug or recondition ~~such the~~ well as in this section prescribed.

Whenever the operator of a coal mine considers that the use of a well such as in this section described, if used for injecting gas into, or storing gas in, or removing gas from, a gas storage reservoir, would be hazardous to the safety of persons or property on or in the vicinity of the premises of ~~such the~~ coal mine or ~~such the~~ reservoir or well, the coal mine operator may file with the division objections to the use of ~~such the~~ well for such purposes, and a request that a conference be held as provided in section 1571.10 of the Revised Code, to discuss and endeavor to resolve by mutual agreement whether or not ~~such the~~ well shall or shall not be used for such purposes, and whether or not ~~such the~~ well shall be reconditioned, inactivated, or plugged. ~~Such~~ The request shall set forth the mine operator's reasons for such objections. If no approved agreement is reached in ~~such the~~ conference, the gas storage well inspector shall within ten days after the termination of ~~such the~~ conference,

file with the chief a request that the chief hear and determine the matters considered at the conference as provided in section 1571.10 of the Revised Code. Upon conclusion of the hearing, the chief shall find and determine whether or not the safety of persons or of the property on or in the vicinity of the premises of ~~such the~~ coal mine, or ~~such the~~ reservoir, or ~~such the~~ well requires that ~~such the~~ well be reconditioned, inactivated, or plugged, and shall make an order consistent with ~~such that~~ determination, provided that the chief shall not order a well plugged unless the chief first finds that there is underground leakage of gas therefrom.

The plugging or reconditioning of each well described in a notice from a coal mine operator to a reservoir operator as provided in division (B) of section 1571.03 of the Revised Code, which must be plugged or reconditioned, shall be completed within such time as the gas storage well inspector may fix in the case of each such well. The plugging or reconditioning of each well described in a notice from a coal mine operator to a reservoir operator as provided in division (C) of section 1571.03 of the Revised Code, which must be plugged or reconditioned, shall be completed by the time ~~such the~~ well, by reason of the extension of the boundary of ~~such the~~ coal mine, is within two thousand linear feet of any part of the boundary of ~~such the~~ mine. The plugging or reconditioning of each well described in a notice from a coal mine operator to a reservoir operator, as provided in division (D) of section 1571.03 of the Revised Code, which must be plugged or reconditioned, shall be completed by the time ~~such the~~ well, by reason of the opening of ~~such the~~ new mine, is within two thousand linear feet of any part of the boundary of ~~such the~~ new mine. A reservoir operator who is required to complete the plugging or reconditioning of a well within a period of time fixed as in this division prescribed, may prior to the end of ~~such that~~ period of time, notify the division and the mine operator from whom the reservoir operator received a notice as provided in division (B), (C), or (D) of section 1571.03 of the Revised Code, in writing by registered mail, that the completion of the plugging or reconditioning of the well referred to in ~~such the~~ notice will be delayed beyond the end of the period of time fixed therefor as in this section provided, and that the reservoir operator requests that a conference be held for the purpose of endeavoring to reach an agreement establishing a date subsequent to the end of ~~such that~~ period of time, on or before which ~~such the~~ reservoir operator may complete ~~such the~~ plugging or reconditioning without incurring any penalties for failure to do so as provided in this chapter. If such a reservoir operator sends to such a mine operator and to the division a notice and request for a conference as in this division provided, ~~such the~~ reservoir operator shall not incur any penalties for failure to complete the plugging or reconditioning of ~~such the~~ well within the period of time fixed as in this division prescribed, unless ~~such the~~ reservoir operator fails to complete the plugging or reconditioning of ~~such the~~ well within the period of time fixed by an approved agreement reached in ~~such the~~ conference, or fixed by an order by the chief upon a hearing held in the matter in the event of failure to reach an approved agreement in the conference.

Whenever, in compliance with this division, a well is to be plugged by a reservoir operator, ~~such the~~ operator shall give to the division notice thereof, as many days in advance as will be necessary for the gas storage well inspector or a deputy mine inspector to be present at ~~such the~~ plugging. ~~Such The~~ notification shall be made on blanks furnished by the division and shall show the following information:

- (1) Name and address of the applicant;
- (2) The location of the well identified by section or lot number, city or village, and township and county;

(3) The well name and number of each well to be plugged.

(C) The operator shall give written notice at the same time to the owner of the land upon which the well is located, the owners or agents of the adjoining land, and adjoining well owners or agents of the operator's intention to abandon the well, and of the time when the operator will be prepared to commence plugging and filling the same. In addition to giving such notices, ~~such the~~ reservoir operator shall also at the same time send a copy of ~~such the~~ notice by registered mail to the coal mine operator, if any, who sent to the reservoir operator the notice as provided in division (B), (C), or (D) of section 1571.03 of the Revised Code, in order that ~~such the~~ coal mine operator or the coal mine operator's designated representative; may attend and observe the manner in which ~~such the~~ plugging of ~~such the~~ well is done.

If the reservoir operator plugs ~~such the~~ well without an inspector from the division being present to supervise the plugging, the reservoir operator shall send to the division and to the coal mine operator a copy of the report of the plugging of ~~such the~~ well, including in ~~such the~~ report:

- (1) The date of abandonment;
- (2) The name of the owner or operator of ~~such the~~ well at the time of abandonment and the well owner's or operator's post office address;
- (3) The location of ~~such the~~ well as to township and county and the name of the owner of the surface upon which ~~such the~~ well is drilled, with the address thereof;
- (4) The date of the permit to drill;
- (5) The date when drilled;
- (6) Whether ~~such the~~ well has been mapped;
- (7) The depth of the well;
- (8) The depth of the top of the sand to which the well was drilled;
- (9) The depth of each seam of coal drilled through;
- (10) A detailed report as to how ~~such the~~ well was plugged, giving in particular the manner in which the coal and various sands were plugged, and the date of the plugging of ~~such the~~ well, including therein the names of those who witnessed the plugging of the well.

~~Such~~ The report shall be signed by the operator or the operator's agent who plugged ~~such the~~ well and verified by the oath of the party so signing. For the purposes of this section, a deputy mine inspector may take acknowledgements and administer oaths to the parties signing ~~such the~~ report.

Whenever, in compliance with this division, a well is to be reconditioned by a reservoir operator, ~~such the~~ operator shall give to the division notice thereof as many days before ~~such the~~ reconditioning is begun as will be necessary for the gas storage well inspector, or a

deputy mine inspector, to be present at ~~such the~~ reconditioning. No well shall be reconditioned if an inspector of the division is not present unless permission to do so has been granted by the chief. The reservoir operator, at the time of giving notice to the division as in this section required, also shall send a copy of ~~such the~~ notice by registered mail to the coal mine operator, if any, who sent to the reservoir operator the notice as provided in division (B), (C), or (D) of section 1571.03 of the Revised Code, in order that ~~such the~~ coal mine operator or the coal mine operator's designated representative; may attend and observe the manner in which ~~such the~~ reconditioning of ~~such the~~ well is done.

If the reservoir operator reconditions ~~such the~~ well when no inspector of the division is present to supervise the reconditioning, the reservoir operator shall make written report to the division describing the manner in which ~~such the~~ reconditioning was done, and shall send to the coal mine operator a copy of ~~such the~~ report by registered mail.

(D) Wells that are required by this section to be plugged shall be plugged in the manner specified in sections 1509.13 to ~~1509.19~~ 1509.17 of the Revised Code, and the operator shall give the notifications and reports required by divisions (B) and (C) of this section. No such well shall be plugged or abandoned without the written approval of the division, and no such well shall be mudded, plugged, or abandoned without the gas storage well inspector or a deputy mine inspector present unless written permission has been granted by the chief or the gas storage well inspector. If such a well has been plugged prior to the time plugging thereof is required by this section, and, on the basis of the data, information, and other evidence available it is determined that ~~such the~~ plugging was done in the manner required by this section, or was done in accordance with statutes prescribing the manner of plugging wells in effect at the time ~~such the~~ plugging was done, and that there is no evidence of leakage of gas from ~~such the~~ well either at or below the surface, and that ~~such the~~ plugging is sufficiently effective to prevent the leakage of gas from ~~such the~~ well, the obligations imposed upon ~~such the~~ reservoir operator by this section as to plugging the well; shall be considered fully satisfied. The operator of a coal mine any part of the boundary of which is, or within nine months is expected or intended to be, within two thousand linear feet of ~~such the~~ well; may at any time raise a question as to whether the plugging of ~~such the~~ well is sufficiently effective to prevent the leakage of gas therefrom, and the issue so made shall be determined by a conference or hearing as provided in section 1571.10 of the Revised Code.

(E) Wells that are to be reconditioned as required by this section shall be, or shall be made to be:

(1) Cased in accordance with the statutes of this state in effect at the time ~~such the~~ wells were drilled, with ~~such the~~ casing being, or made to be, sufficiently effective in that there is no evidence of any leakage of gas therefrom;

(2) Equipped with a producing string and well head composed of new pipe, or pipe as good as new, and fittings designed to operate with safety and to contain the stored gas at maximum pressures contemplated.

When a well that is to be reconditioned as required by this section; has been reconditioned for use in the operation of ~~such the~~ reservoir prior to the time prescribed in this section, and on the basis of the data, information, and other evidence available it is determined that at the time ~~such the~~ well was so reconditioned the requirements prescribed in this division were met, and that there is no evidence of underground leakage of gas from ~~such the~~ well, and that ~~such the~~ reconditioning is sufficiently effective to prevent underground leakage from

the well, the obligations imposed upon ~~such the~~ reservoir operator by this section as to reconditioning ~~such the~~ well shall be considered fully satisfied. Any operator of a coal mine any part of the boundary of which is, or within nine months is expected or intended to be, within two thousand linear feet of ~~such the~~ well; may at any time raise a question as to whether the reconditioning of ~~such the~~ well is sufficiently effective to prevent underground leakage of gas therefrom, and the issue so made shall be determined by a conference or hearing as provided in section 1571.10 of the Revised Code.

If the gas storage well inspector at any time finds that a well that is drilled through the horizon of a coal mine and into or through the storage stratum or strata of a reservoir within the boundary of ~~such the~~ reservoir or within its protective area; is located within the boundary of ~~such the~~ coal mine or within two thousand linear feet of ~~such the~~ mine boundary, and was drilled prior to the time the statutes of this state required that wells be cased, and that ~~such the~~ well fails to meet the casing and equipping requirements prescribed in this division, the gas storage well inspector shall promptly notify the operator of ~~such the~~ reservoir thereof in writing, and ~~such the~~ reservoir operator upon receipt of ~~such the~~ notice; shall promptly recondition ~~such the~~ well in the manner prescribed in this division for reconditioning wells, unless, in a conference or hearing as provided in section 1571.10 of the Revised Code, a different course of action is agreed upon or ordered.

(F)(1) When a well within the boundary of a gas storage reservoir or within ~~such the~~ reservoir's protective area penetrates the storage stratum or strata of ~~such the~~ reservoir, but does not penetrate the coal seam within the boundary of a coal mine, the gas storage well inspector may, upon application of the operator of ~~such the~~ storage reservoir, exempt ~~such the~~ well from the requirements of this section. Either party affected by ~~such the~~ action of the gas storage well inspector may request a conference and hearing with respect to ~~such the~~ exemption.

(2) When a well located within the boundary of a storage reservoir or a reservoir's protective area is a producing well in a stratum above or below the storage stratum, the obligations imposed by this section shall not begin until ~~such the~~ well ceases to be a producing well.

(G) When retreat mining reaches a point in a coal mine when the operator of ~~such the~~ mine expects that within ninety days retreat work will be at the location of a pillar surrounding an active storage reservoir well, the operator of ~~such the~~ mine shall promptly send by registered mail notice to that effect to the operator of ~~such the~~ reservoir. Thereupon the operators may by agreement determine whether it is necessary or advisable to temporarily inactivate the well. If inactivated, the well shall not be reactivated until a reasonable period of time has elapsed, such period of time to be determined by agreement by the operators. In the event that the parties cannot agree upon either of the foregoing matters, ~~such the~~ question shall be submitted to the gas storage well inspector for a conference in accordance with section 1571.10 of the Revised Code.

(H)(1) The provisions of this section that require the plugging or reconditioning of wells shall not apply to such wells as are used to inject gas into, store gas in, or remove gas from; a gas storage reservoir when the sole purpose of ~~such the~~ injection, storage, or removal; is testing. The operator of a gas storage reservoir who injects gas into, stores gas in, or removes gas from; a reservoir for the sole purpose of testing; shall be subject to all other provisions of this chapter that are applicable to operators of reservoirs.

(2) If the injection of gas into, or storage of gas in, a gas storage reservoir any part of which, or of the protective area of which, is within the boundary of a coal mine; is begun after September 9, 1957, and if ~~such the~~ injection or storage of gas is for the sole purpose of testing, the operator of ~~such the~~ reservoir shall send by registered mail to the operator of ~~such the~~ coal mine and to the division at least sixty days' notice of the date upon which ~~such the~~ testing will be begun.

If at any time within the period of time during which testing of a reservoir is in progress, any part of ~~such the~~ reservoir or of its protective area comes within any part of the boundary of a coal mine, the operator of ~~such the~~ reservoir shall promptly send notice to that effect by registered mail to the operator of ~~such the~~ mine and to the division.

(3) Any coal mine operator who receives a notice as provided for in division (H)(2) of this section; may within thirty days of the receipt thereof; file with the division objections to ~~such the~~ testing. The gas storage well inspector also may, within the time within which a coal mine operator may file ~~such an~~ objection, place in the files of the division objections to ~~such the~~ testing. The reservoir operator shall comply throughout the period of the testing operations with all conditions and requirements agreed upon and approved in the conference on such objections conducted as provided in section 1571.10 of the Revised Code, or in an order made by the chief following a hearing in the matter as provided in section 1571.10 of the Revised Code. If in complying with ~~such the~~ agreement or order either the reservoir operator or the coal mine operator encounters or discovers conditions that were not known to exist at the time of ~~such the~~ conference or hearing and that materially affect ~~such the~~ agreement or order, or the ability of the reservoir operator to comply therewith, either operator may apply for a rehearing or modification of the order.

(I) In addition to complying with all other provisions of this chapter and any lawful orders issued thereunder, the operator of each gas storage reservoir shall keep all wells drilled into or through the storage stratum or strata within the boundary of the operator's reservoir or within the reservoir's protective area in such condition, and operate the same in such manner, as to prevent the escape of gas therefrom into any coal mine, and shall operate and maintain ~~such the~~ storage reservoir and its facilities in such manner and at such pressures as will prevent gas from escaping from ~~such the~~ reservoir or its facilities into any coal mine.

Sec. 5749.06. Each severer liable for the tax imposed by section 5749.02 of the Revised Code shall make and file returns with the tax commissioner in the prescribed form and as of the prescribed times, computing and reflecting therein the tax as required by this chapter and the oil and gas regulatory cost recovery assessment imposed by section 1509.50 of the Revised Code.

The returns shall be filed for every quarterly period, which periods shall end on the thirty-first of March, the thirtieth day of June, the thirtieth day of September, and the thirty-first day of December of each year, as required by this section, unless a different return period is prescribed for a taxpayer by the tax commissioner.

A separate return shall be filed for each calendar quarterly period, or other period, or any part thereof, during which the severer holds a license as provided by section 5749.04 of the Revised Code, or is required to hold ~~such the~~ license, and ~~such the~~ return shall be filed within forty-five days after the last day of each such calendar month, or other period, or any part thereof, for which ~~such the~~ return is required and shall include remittance payable to the treasurer of state of the amount of tax due. All such returns shall contain such

information as the commissioner may require to fairly administer the tax.

All returns shall be signed by the severer, shall contain the full and complete information requested, and shall be made under penalty of perjury.

If the commissioner believes that quarterly payments of tax would result in a delay ~~which~~ that might jeopardize the collection of such tax payments, the commissioner may order that such payments be made weekly, or more frequently if necessary, such payments to be made not later than seven days following the close of the period for which the jeopardy payment is required. Such an order shall be delivered to the taxpayer personally or by certified mail and shall remain in effect until the commissioner notifies the taxpayer to the contrary.

Upon good cause the commissioner may extend the period for filing any notice or return required to be filed under this section, and may remit all or a part of penalties that may become due under this chapter.

Any tax not paid by the day the tax is due shall bear interest computed at the rate per annum prescribed by section 5703.47 of the Revised Code on that amount of tax due from the day that ~~such~~ the amount was originally required to be paid to the day of actual payment or to the day an assessment was issued under section 5749.07 or 5749.10 of the Revised Code, whichever occurs first.

The severer shall make all payments payable to the treasurer of state. ~~All~~ Except for the amounts received from the oil and gas regulatory cost recovery assessment imposed by section 1509.50 of the Revised Code, all amounts that the tax commissioner receives under this section shall be deemed to be revenue from taxes imposed under this chapter. The tax commissioner shall immediately forward to the treasurer of state all amounts received under this section.

Section 2. That existing sections 1509.01, 1509.02, 1509.03, 1509.04, 1509.05, 1509.06, 1509.061, 1509.07, 1509.071, 1509.072, 1509.08, 1509.09, 1509.10, 1509.11, 1509.12, 1509.13, 1509.14, 1509.15, 1509.17, 1509.18, 1509.20, 1509.21, 1509.22, 1509.221, 1509.222, 1509.223, 1509.224, 1509.225, 1509.23, 1509.24, 1509.26, 1509.30, 1509.31, 1509.32, 1509.33, 1509.35, 1509.36, 1509.38, 1509.99, 1565.07, 1565.13, 1571.05, and 5749.06 and sections 1509.226, 1509.25, 1509.27, 1509.29, 1509.40, and 1509.41 of the Revised Code are hereby repealed.

Section 3. (A) The Technical advisory Council on Oil and Gas created in section 1509.38 of the Revised Code as that section existed prior to its amendment by this act is abolished.

(B) Not later than ninety days after the effective date of this section, the Governor, with the advice and consent of the Senate, shall appoint the initial members of the Technical Advisory Council on Oil and Gas that is created in section 1509.38 of the Revised Code as amended by this act. In doing so, the Governor shall provide for staggered terms of office for members of the Council.

Section 4. (A) The members who are serving on the Oil and Gas Commission created in section 1509.35 of the Revised Code on the effective date of the amendment by this act to that section shall hold office until their terms expire unless they are removed under division (F) of that section. Any person appointed to the Commission after the effective date of the

amendment to that section shall be appointed for a term of three years as specified in that amendment.

(B) Not later than ninety days after the effective date of this section, the Governor shall appoint four additional members to the Oil and Gas Commission in accordance with the amendment by this act to section 1509.35 of the Revised Code. Of the additional members appointed by the Governor, one member's term shall expire in 2011, one member's term shall expire in 2012, and two members' terms shall expire in 2013.