

TOPICAL SUMMARY OF OHIO OIL AND GAS LAW

Chapter 1509 Ohio Revised Code (ORC)
Chapter 1501 Ohio Administrative Code (OAC)

- I. Bonding
 - A. A surety bond for single well is \$5,000.00, \$10,000.00 for two wells, or a blanket bond for all wells of \$15,000.00 (1501:9-1-03 (A) OAC).
 - B. Alternatives to a surety bond:
 1. Exempt domestic well owners may demonstrate financial responsibility by filing a financial statement (1501:9-1-03(F) OAC). New exempt domestic well owners are limited to one well under the financial statement. Multiple wells must be bonded with a surety bond, certificate of deposit, cash bond or irrevocable letter of credit.
 2. Non-domestic well owners may continue to file proof of financial responsibility only if they have received prior approval of their financial statement from the Division of Mineral Resources Management (DMRM) prior to January 1, 1993.
 3. Cash or certificate of deposit or irrevocable letter of credit may be deposited in the amount equal to the bond required (1509:07 ORC).
- II. Insurance (1509.07 ORC)
 - A. Liability and bodily injury coverage not less than \$1,000,000 must be maintained until all wells are plugged or transferred to another insured owner. In urban areas, all well owners shall obtain liability insurance of not less than \$3,000,000 for bodily injury and property damage coverage.
 - B. Exempt domestic in non-urban areas and exempt Mississippian well owners do not have to file proof of insurance coverage.
- III. Permit Application Requirements
 - A. Permit to drill, deepen, reopen, convert or plug-back a well in non-urban areas:
 1. Fees (1509.06(G) ORC):
 - a. Non-refundable application fee is \$500.00.
 - b. Additional fee for expedited review is a non-refundable \$250.00.
 2. Application information (Form #1) requires an original form plus two copies to be submitted (1509.05, 1509.06 ORC, 1501:9-1-02 OAC).
 3. An original plus one copy of the plan for restoring the land surface (Form #4) (1509.06(L), 1509.072 ORC).
 4. An original and four copies of a map prepared by an Ohio registered surveyor (1501:9-1-02, 1501:9-1-04, 1501:9-1-05 OAC, 1509.06(N) ORC).
 5. In coal-bearing townships, the oil and gas affidavit may be filed if the property is held by fee simple ownership (1509.08 ORC).
 6. Permits are valid for 24 months in non-urban areas.
 7. Permits will be issued in 10 to 21 days in non-urban areas unless an expedited review is approved.
 8. In addition to the standard permit fee, there is a \$5000.00 fee for mandatory pooling applications. An operator may submit no more than 5 mandatory pool applications per year.
 9. Permit to re-issue fee is \$250.00 plus application, plat and restoration plan.
 - B. Permit to change the well locations (1509.09 ORC):
 1. Submit an amended surveyor's map.

2. A non-refundable permit fee of \$250.00.
 3. Emergency drilling permit due to lost hole may be issued within two days if specific conditions are met. Drilling may continue without a new permit with DMRM's approval.
- C. Permit to plug and abandon (1509.13 ORC):
1. Application fee is a non-refundable \$250.00.
 2. Permit information (Form #1) requires an original and two copies to be submitted.
 3. Expedited review requires an additional \$500.00 fee that is non-refundable.
 4. Plugging permits are valid for 24 months.
- D. Revised drilling units (1509.061 ORC):
1. Owner must submit a written request and file a revised and certified surveyor's plat when changing unit boundaries.
 2. Processing fee is \$50.00.

IV. Urban Drilling Rules - House Bill 278 /Senate Bill 165

On June 30, 2010 Senate Bill 165 became the effective law of Ohio. It represents the first major change to ORC 1509 in 25 years and reaffirms that the DMRM has the sole and exclusive authority to regulate the permitting, location, spacing and production operations of oil and gas wells. Ohio's oil and gas law and the rules adopted under it constitute a comprehensive plan with respect to all aspects of the siting, drilling and operations of oil and gas wells.

Pursuant to passage of HB 278, on August 11, 2005, the DMRM began enforcement of "urban drilling" rules. The rules are a listing of terms and conditions that the agency could attach to drilling permits issued for wells and associated facilities that are to be located within "urban areas." An urban area is defined as an area where a well or a production facility of a well is: 1) located within a municipality, or 2) within a township that has an unincorporated population of more than 5,000 in the most recent federal decennial census. As a result of SB 165, additional new rules will be implemented to address some of the revisions to the statute.

The following summarizes significant rules impacting urban wells. It is not complete. Members are encouraged to access more complete and in depth information on House Bill 278, the urban drilling rules, permit and operating requirements and information identifying urban areas at www.ooga.org/industry-studies-links/advocacy-issues.php or by accessing the ODNR/DMRM website <http://www.ohiodnr.com/mineral/oil/tabid/10371/Default.aspx>

- A. Definitions: several added – see rule at www.ooga.org/industry-studies-links/advocacy-issues.php.
- B. Permits (1501:9-1-02 OAC)(1509:06 ORC):
1. Mapping: Plats require the name of the urbanized area. Aerial photographs and topographic "overlays" at a scale of 1"=200' must show the location of the well, tank battery, access road, and flow lines. In addition, a 500-foot radius must be shown around the well on the aerial photo.
 2. Notification of application for a permit is required to all property owners within 500 feet of the surface location of a well. In addition, the notification must also be sent to the local urban authority.
 3. Urban area permit fees are: \$750.00 for townships with populations between 10,000 and 15,000; \$1000.00 for townships with population greater than 15,000 or any municipality regardless of population.
 4. Prior to issuing a permit to drill in an urban area, the DMRM will conduct a site review to identify and evaluate any site-specific conditions that may be attached to the permit.
 5. Permits are valid for 12 months in urban areas.

6. Permits will be issued in 18-30 days in urban areas.
 7. Site Construction: No site construction shall commence until the permit is issued. Site construction shall comply with Best Management Practices (BMP) posted at <http://www.ohiodnr.com/mineral/oil/tabid/10371/Default.aspx>.
 8. Access Roads: Durable surfaces, turnarounds and no parking on public roads without approval of the local authorities.
 9. Water Sampling: Required on all water wells located within a radius of 300 feet from the well. BMPs for water sampling have been published at <http://www.ohiodnr.com/mineral/oil/tabid/10371/Default.aspx>.
- C. Drilling and deepening operations (1501:9-9-03 OAC):
1. Blow-out Preventor (BOP) required within 200 feet of structures and in all urban areas.
 2. Fencing: during drilling, fencing must be used to restrict access to the drilling operation. Danger signs must be posted. Fence must be maintained until pits are removed.
 3. Fluid drilling /Flaring/Flare Notification: In urban areas, fluid drilling shall be established prior to penetration of the Onondaga Limestone unless air drilling is otherwise authorized by the Chief. (1509.073 ORC) Where a flare is expected, the permittee must notify local emergency response prior to and at the time of flare.
 4. Pit Closure: Once the rig has been removed, pits must be closed within 14 days.
- D. Spacing of wells (1509:021 ORC):
1. Set back requirements: The surface location of a new well may be no closer than 150 feet to any property line not within drilling unit without the landowner's written approval if directional drilling is to be used. This setback distance may be reduced to no less than 100 feet upon approval of the Chief.
 2. The surface location of a new well or a tank battery may be no closer than 150 feet to an occupied dwelling without the written consent of the owner of the land on which the dwelling is located. This setback distance may be reduced to no less than 100 feet upon approval of the Chief.
 3. The surface location of a new well may be no closer than 200 feet to an occupied dwelling that has become part of a unit as a result of mandatory pooling unless the owner of the land on which the dwelling is located gives written consent in which case the well may not be closer than 100 feet to the dwelling.
 4. The surface location of a new well may be no closer than 150 feet to a property that has become part of a unit as a result of mandatory pooling unless the owner of the land gives written consent in which case the well may not be closer than 75 feet to the property.
 5. The location of a tank battery may be no closer than 150 feet to an occupied dwelling located on a property that has become part of a unit as a result of mandatory pooling unless the owner of the land gives written consent in which case the tank battery may not be closer than 100 feet to the dwelling.
 6. The location of a new tank battery may be no closer than 75 feet to a property that has become part of a unit as a result of mandatory pooling unless the owner of the land gives written consent in which case the tank battery may not be located on the property.
 7. The surface location of a new well may be no closer than 100 feet to an occupied private dwelling or public building, no closer than 50 feet to a public road or railroad track, no closer than 50 feet to a tank battery or 100 feet to another well. The Chief may authorize a well to be located closer than 100 feet to another well if the applicant provides a written statement that by locating the wells closer than 100 feet it will reduce impact to the landowner or to the immediate surface environment.
- E. Producing operations (1501:9-9-05 OAC):

1. Signage: Additional information and signs required (two emergency numbers – local 911 and company, property address or “nearest address” to access road location)
 2. Fencing: Wellhead, tank battery and separator must be fenced. Specifications are provided. Gates and locks are specified.
 3. Locks: Gates, electrical boxes and brine/oil pick-up lines shall be locked. Keys are to be provided to DMRM representatives and local emergency responders on request.
 4. Tanks: Charcoal filters, vent stacks with low-pressure relief valves, tank hatch lids with seals and lightning arrestors must be in place. If a tank battery with 6 or more tanks (capacity > than 700 barrels) is to be located within 75 feet from property not in drilling unit, the landowner must approve.
 5. Landscaping: Wells and tank batteries must be “screened” (evergreens or similar stock no less than six feet in height).
 6. Operations/Maintenance: Servicing of wells must occur between 7:00 a.m. and 7:00 p.m. with the exception of emergencies.
- F. Prevention of pollution and contamination (1501:9-1-07 OAC):
1. Drainage Controls: Must follow BMPs for well site construction posted at <http://www.dnr.state.oh.us/mineral/oil/index.html>.

V. Reporting

- A. Drilling information (1509.10 ORC):
1. Well Completion Record (Form #8) must be submitted in duplicate within sixty days of drilling to total depth.
 2. All geophysical logs made must be submitted.
 3. Copies of the job summary, invoice and pressure-rate graph of the stimulation treatment must be submitted with the well completion record. Copies of cementing tickets should also be submitted.
- B. Production (1509.11 ORC):
1. One Production Report (Form #10) must be submitted for each well producing or capable of producing.
 2. Reports are due March 31 of the calendar year after the production took place.
 3. If an owner has more than 100 wells, electronic filing is mandatory.
- C. Temporary Inactive Status (1509.062 ORC)
1. The owner of a well that has not been completed, or has not produced within one year after completion, or has reported no production for two or more consecutive reporting periods shall plug the well, obtain temporary inactive well status or otherwise perform an activity as approved by the Chief.
 2. The Chief may require the owner of a well that has an annual reported production of less than 100 mcf or 15 barrels of oil or a combination thereof to apply for temporary inactive status for the well.
 3. To apply for temporary inactive status, the owner must be in compliance with all terms and conditions of ORC 1509 and OAC 1501.
 4. Application shall be made using Form 1, the permit application form. The application shall include a well drawing or plat (1" =400') showing the location of the well and tank battery. The latitude and longitude of the well should be shown on the plat. In addition, a description that the well is of future utility and that there is a viable plan to utilize the well within a reasonable period of time.
 5. There should be a statement that the well poses no threat to the health and safety of people, property or the environment.
 6. The fee for a temporary inactive permit is \$100.00 for the first twelve months. A renewal permit is \$250.00 and each subsequent renewal is \$500.00. After the third renewal, a surety bond not to exceed \$10,000.00 per well may be required.
 7. Upon approval of temporary inactive status, the well must be shut in, all fluids

removed from storage tanks and pipelines and the location must be maintained in a manner that prevents damage to the health and safety of people and the environment.

8. The owner of the well shall inspect the well at least once every six months and submit a record of the inspection to DMRM.

VI. Ohio law requires that the owner of a well provide certain notifications at critical points during the siting, permitting, drilling and completion of an oil and gas well.

VII. Drilling Operations (Also refer to Section IV - Urban Drilling Rules)

A. Drilling pits:

1. Must be constructed and maintained to prevent escape of brine (1509.22(C)(3) ORC).
2. May not be used for ultimate disposal of brine (1509.22(C)(6) ORC).

Requirement	Time Frame	Setting	Description
Pre-Site Review (1509.06 (H))	Pre Permit Issuance	Urban	Arrange for DMRM to conduct a site review to identify site-specific permit terms and conditions
Notify all real property owners within 500' of well location (1509.06 (A) 9)	Pre Permit Application	Urban	<ul style="list-style-type: none"> • Inside/Out of unit • By regular mail • Landlords notifies tenants
Municipal or Township Executive Authority (1509.06 (A) 9)	Pre Permit Application	Urban	<ul style="list-style-type: none"> • Notice by regular mail • Sworn statement with application
Rig Moves / Spud (1509.06 (J))	24 hours prior to spud	Urban/Rural	Notify inspector
Conductor and Surface Casing (1509.17(C))	When calling out cement	Urban/Rural	Notify inspector
Long String (1509.17 (C))	When calling out cement	Urban/Rural	Notify inspector
Frac (1509.06 (J))	24 hours prior to frac	Urban/Rural	Notify inspector
Reopening, converting or plugback (1509.06(J))	24 hours before rig moves	Urban/Rural	Notify inspector
Plug (1509.13 (C))	24 hours prior to plug job	Urban/Rural	Notify inspector

B. Casing (1509.17 ORC):

1. A well shall be constructed in a manner approved by the Chief using materials that comply with industry standards for the depth and type of well.
2. Sufficient steel casing shall be set to support unconsolidated material, protect and isolate all underground sources of drinking water and provide a base for well control equipment necessary to control all pressures and fluids encountered while drilling and completing the well.
3. An oil and gas reservoir shall be isolated with steel casing and sufficient cement during stimulation and throughout the productive life of the well.
4. All sour gas zones and gas bearing zones that have sufficient pressure to over-pressurize the surface casing shall be isolated using approved casing, cementing and construction practices. Isolating a reservoir shall not exclude open-hole completion.
5. A well shall not be perforated for purposes of stimulation in any zone that is located around casing that protects underground sources of drinking water unless authorized by the Chief. The Chief may authorize such completion if it can be demonstrated by a cement bond log that there is zonal isolation of the perforated interval and that there is at least 500 feet between the uppermost perforation and the lowest depth of the underground source of drinking water.

C. Spacing (1501:9-1-04 OAC):

TABLE 1			
Well Depth (feet)	Minimum Acreage Per Well	Minimum Distance (feet) Between Wells In Same Pool	Minimum Distance (feet) From Unit Boundary
0-1,000	1	200	100
1,000-2,000	10	460	230
2,000-4,000	20	600	300
4,000 or deeper	40	1,000	500

D. Drilling and deepening operations 1501:9-9-03 OAC):

1. No fires within 50 feet of a drilling operation when oil or gas are exposed to atmosphere, unless properly vented and controlled.
2. Working chemical fire extinguisher required on location.
3. When drilling within 200 feet of an inhabited structure, cable tool rigs must have a valve in good working condition, and rotary rigs must have a BOP able to control normal hydrostatic pressure for the deepest pool penetrated. BOP must have a pressure bleed-off device.
4. Air rotary operations must have a rotating air head in good working condition, with stripper rubbers able to control normal hydrostatic pressure for the deepest pool penetrated.

E. Special permit conditions:

1. The Chief may issue a permit subject to special terms and conditions when he finds that there is a substantial risk that the proposed operation will result in violations that will present an imminent danger to public health or safety or damage to the environment (1509.06(F) ORC).
2. No person shall violate a term or condition of a permit (1509.03 ORC).
3. Rose Run conditions summary:
 - a. Surface casing must be set and cemented at a depth of at least 10% of the total depth.
 - b. A BOP, chained to the rig substructure, shall be tested prior to drilling below surface casing. The minimum test pressure is 500 psi.
 - c. A staked and chained discharge line must be vented into a pit at least 80 feet from the well.
 - d. A staked and chained kill line at least 4 inches in diameter must be vented at least 60 feet from the well.
 - e. To control high-pressure gas the owner may drill into the Rose Run on a fluid system or maintain a lit smudge from a depth of 400 feet from the expected Rose Run top to total depth.
 - f. Waste disposal (See XII).

VIII. Producing Operations (Also refer to Section IV - Urban Drilling Rules)

A. Waste of oil or gas (1509.20 ORC, 1501:9-9-05 (B) OAC):

1. Owner must use every reasonable precaution to prevent waste.
2. Gas may not be vented to atmosphere, must be flared if there is no economic market. Flares must be a minimum of 100 feet from the well, production tanks and existing inhabited structures.

B. Spill control (1509.22(C) ORC):

1. A dike or pit may be used for spill prevention and control.
2. Dikes or pits must be constructed and maintained to prevent escape of brine.

- 3. Dikes or pits must be kept reasonably free of brine or other wastes.
- 4. Dikes or pits may not be used for ultimate disposal of brine.
- C. Safety (1501:9-9-05 OAC):
 - 1. Minimum distances:

Table 2					
	Inhabited Dwelling	Road	Tank	Well	Separator
Oil Tank	100'	50'	3'	50'	10'
Mechanical Separator	100'		10'	50'	
Indirect Fire Heater	100'		50'	50'	
Direct Fire Heater (excluding under tank)	100'		50'	50'	50'

- 2. Under tank and internal tank oil heating are prohibited while oil is being produced into the same tank.
 - 3. Surface equipment must be pressure rated to withstand operating pressure.
 - 4. Identification:
 - a. Legible identification at or near wellhead or tank must include:
 - 1) Owner;
 - 2) Lease name;
 - 3) Well number;
 - 4) County;
 - 5) Emergency telephone number.
 - b. If multiple wells are produced into common tank(s), each wellhead must be identified.
 - c. Change of ownership must be posted at wellhead or tanks within 60 days of transfer.
 - D. Pipelines (1501:9-10-01-06 OAC):
 - 1. Identification: Owner must identify pipeline route on ground surface and maintain record at company office showing: location, identification, type and size of oil and gas pipelines used at production operations, except for pipelines in existence prior to April 10, 1981.
 - 2. Strength: All pipelines and fittings shall be designed to withstand greatest anticipated operating pressure.
 - 3. Burial: Metal pipelines, installed after April 10, 1981, shall be buried at least 24 inches below ground surface unless:
 - a. Land is not expected to be cultivated.
 - b. Ground conditions prevent efficient burial.
 - c. Lease agreement prohibits burial.
 - E. Waste disposal (See XII).
- IX. Work Over/Reconditioning Operations (1501:9-9-04 OAC) (Also refer to Section IV - Urban Drilling Rules)
- A. Safety:
 - 1. No fires within 50 feet if oil or gas are exposed to atmosphere.
 - 2. Must have chemical fire extinguisher in good working order.
 - 3. Must use pits or tanks to contain all muds, cuttings or oil.
 - 4. No well may flow oil or gas uncontrolled.
 - B. Waste disposal (See XII).
- X. Plugging Operations (Also refer to Section IV - Urban Drilling Rules)

- A. Any well which becomes "incapable of production" shall be plugged unless written permission is granted by the Chief (1509.12 ORC).
- B. Oversight (1509.15 ORC):
 - 1. A DMRM inspector must approve plugging methods/materials prior to commencement.
 - 2. The well owner shall notify the inspector at least 24 hours prior to commencement, or as soon as possible for lost or dry holes.
- C. Methods:
 - 1. Rotary drilled holes will be plugged with cement, unless otherwise approved by an inspector. At minimum, cement will be placed across the following intervals:
 - a. 50 feet below the base, to 200 feet above top of lowest reservoir (Bottom hole may be plugged with prepared clay, if approved by inspector).
 - b. 50 feet below to 100 feet above each succeeding reservoir.
 - c. 100 feet below to 100 feet above the base of the surface casing.
 - d. Minimum of 100 feet below surface to 30 inches below grade level.
 - 2. Cable tool drilled holes may be plugged with prepared clay or cement. If plugged with prepared clay, clay must be placed across the following intervals:
 - a. Total depth to 500 feet above top of lowest reservoir.
 - b. 50 feet below base to 200 feet above succeeding reservoirs.
 - c. 50 feet below base of fresh water to 30 inches below grade level.
 - 3. The DMRM encourages cooperative efforts between coal and oil and gas owners to plug wells in accordance with Mine Safety and Health Administration (MSHA) standards, where there are mineable coal seams.

XI. Restoration (1509.072 ORC)

- A. Two months after the date drilling is completed in non-urban areas and 14 days after drilling to total depth in urban areas the well owner/agent shall empty and fill in all pits;
- B. Within six months from the date drilling began in non-urban areas and within three months from the date drilling began in urban areas, the well owner/agent shall grade or terrace and plant, seed or sod the land disturbed, where necessary, to bind the soil and prevent substantial erosion and sedimentation;
- C. Within three months after a well that has produced oil or gas is plugged in an urbanized area and within six months after a well that has produced oil or gas is plugged in all other areas or after the plugging of a dry hole unless the Chief approves a longer time period, the well owner/agent shall remove all storage structures, supplies and equipment, fill in remaining excavations, and grade or terrace and plant, seed or sod the land disturbed, where necessary, to bind the soil and prevent substantial erosion and sedimentation.

XII. Idle and Orphan Wells

- A. Funding of the "oil and gas well plugging special account" (1509.071 ORC):
 - 1. All monies collected from bond forfeitures.
 - 2. Monies allocated from annual severance tax revenues.
- B. Expenditures (1509.071 ORC):
 - 1. Plug wells or properly restore land for abandoned wells for which no funds are available, or bond has been forfeited.
 - 2. Correct conditions that the Chief reasonably has determined are causing imminent health or safety risks.

XIII. Waste Disposal

- A. Brine disposal:
 - 1. Prohibitions:
 - a. No person shall place brine in surface or ground water, or on the land in such

quantities or in such a manner that causes or could reasonably be anticipated to cause:

- 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 (Section 1509.22(A) ORC).
 - b. No person shall dispose brine in violation of the plan required by Section 1509.06(I) or 1509.222 ORC.
 - c. No person shall dispose brine in violation of a brine spreading resolution required by Section 1509.226 ORC.
 2. Options (Section 1509.22 (C) ORC):
 - a. Injection:
 - 1) Permitted conventional Class II injection well.
 - 2) Permitted enhanced recovery injection well.
 - 3) Permitted annular disposal well.
 - b. Surface application for dust or ice control in accordance with an approved resolution.
 - c. Any other method approved by the Chief for testing or implementing a new technology.
 3. Exempt Mississippian Wells (Section 1509.22 (C) ORC):
 - a. Definition:
 - 1) Drilled and completed before January 1, 1980;
 - 2) Located in an unglaciated part of state;
 - 3) 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 underlain by Permian stratigraphy;
 - 4) Used primarily to provide oil or gas for domestic use.
 - b. Disposal methods:
 - 1) Not restricted to the disposal options listed under XII. A. 2.
 - 2) May not discharge brine directly into the waters of the state.
 - 3) May not dispose brine in violation of Section 1509.22(A) ORC.
 - 4) May not dispose oil in violation of Section 1509.20 ORC.
- B. Solid Waste Disposal (1509.22(B)(2) ORC);
1. Muds, cuttings and other waste substances shall not be disposed in violation of any rule.

XIV. Underground Injection Control (UIC)

- A. Permit to drill or convert to saltwater injection (1501:9-3-06 OAC):
 1. Non-refundable application fee of \$1000.00(1509.22(D) ORC).
 2. Area of Review (1501:9-3-06 (B)(1) & (2) OAC):
 - a. Injection of greater than 200 barrels per day, per year, radius of one-half mile.
 - b. Injection of maximum of 200 barrels per day, per year, radius of one-quarter mile.
 3. Legal Notice (1501:9-3-06(E)(1) OAC).
- B. Construction or conversion to saltwater injection:
 1. Permitted after June 1, 1982 (1501:9-3-05(A) OAC):
 - a. Surface casing set 50 feet below deepest underground source of drinking water (USDW) and sealed with cement.
 - b. Isolation of injected fluids by casing mechanically centralized and enclosed in cement not less than 300 feet above top of injection zone.
 - c. Injection of saltwater through tubing and a packer set no more than 100 feet above the injection zone.
 2. Permitted before June 1, 1982 (1501:9-3-05(B) OAC):
 - a. Surface casing set through the deepest USDW and sealed with cement or clay.

3. Initial testing (1501:9-3-05(C) OAC):
 - a. Prior to injection, a pressure test of the annulus between the tubing and casing is required. The test pressure is the maximum allowable injection pressure (1501:9-3-07(D) OAC), or 300 psi, whichever is greater, for 15 minutes with no more than 5 percent decline.
- C. Operation, monitoring and reporting (1501:9-3-07 OAC):
 1. No fluids other than saltwater from oil and gas operations or standard well treatment fluids may be injected.
 2. Injection owners must monitor injection pressures and injection volumes daily, as well as the annulus at least monthly at a pressure sufficient to detect leaks, and report to the DMRM annually.
 3. If monitoring is not feasible, must perform a mechanical integrity test once every 5 years.
- D. Fees (1509.221(B)ORC):
 1. \$.05 per each barrel of a substance that is delivered for injection when the substance is produced within a DMRM regulatory district or within an adjoining mineral resources management regulatory district;
 2. \$.20 per each barrel of a substance that is delivered for injection when the substance is not produced within a DMRM regulatory district or within an adjoining mineral resources management regulatory district;
 3. The fee is levied upon and is collected by the owner of the injection well on behalf of DMRM;
 4. The maximum number of barrels of substance per injection well upon which a fee may be levied is 500,000 barrels per year.
- E. Enhanced recovery operations (1509.21 ORC and 1501:9-5 OAC):
 1. Non-refundable application fee is \$500.00(1509.06(G) ORC).
 2. Other requirements - see XIII. A., B. and C. above, as well as 1501:9-5-05, 1501:9-5-09, and 1501:9-5-10 OAC.
- F. Annular disposal (1501:9-3-11 OAC):
 1. Construction requirements (after June 19, 1989):
 - a. Surface casing set at least 50 feet below the deepest USDW and cemented to surface.
 - b. Six hours notice required.
 2. Construction practices prior to June 19, 1989, must meet standards at that time.
 3. Mechanical integrity:
 - a. Initial:
 - 1) Electric bridge plug set at base of surface casing, surface casing filled with fresh water, pressure tested to 300 psi for 15 minutes with no more than 5 percent decline, or
 - 2) Positive differential gas pressure test.
 - b. Shall demonstrate mechanical integrity at least once every 5 years after initial test.
 4. Volume limitations:
 - a. If surface casing is sealed with clay, may dispose maximum average of 5 barrels per day, per year.
 - b. If surface casing is sealed with cement, may dispose maximum average of 10 barrels per day, per year.
 5. No pressure, except gravity, allowed.
 6. Annual report due April 15th.
- G. Brine transporter (1509.22 ORC):
 1. Non-refundable registration fee of \$500.00.
 2. Annual report due April 15th.

3. Daily logs required.
 4. Truck identification.
 5. Insurance: \$300,000 Liability and \$300,000 Property Damage coverage for the collecting, handling, transportation or disposal of brine.
 6. \$15,000 Surety Bond, or in lieu of bond, cash or negotiable Certificate of Deposit.
- H. Surface application of brine on private property (1509.226 ORC):
1. County Commissioners must adopt a resolution subject to minimum standards.
 2. One public hearing must be conducted.
 3. Notice of public hearing must be published in a newspaper of general circulation at least 5 days prior to the hearing.
 4. Annual report due April 15th for brine applied during preceding calendar year.
 5. Non-refundable fee of \$50.00 payable to the County.
 6. Resolution valid for one year.
- I. Surface application of brine on roads/other surface controlled by counties, townships or municipalities (1509.226 ORC):
1. Board of County Commissioners, Townships Trustees, or the legislative authority of a municipal corporation may adopt a resolution subject to minimum standards.
 2. Resolution is valid for one year, and from month to month thereafter, until the legislative authority, by resolution, terminates the authority granted.
 3. One public hearing must be conducted.
 4. Notice of public hearing must be published in a newspaper of general circulation at least 5 days prior to the hearing.
 5. Annual report is due April 15th for brine applied during preceding calendar year.
 6. Only produced brine may be spread on a road. Drilling fluids, flow back water or other fluids used to treat a well may not be spread on a road.
- XV. Well Transfers (1509.3 ORC)
- A. When a well is assigned or otherwise transferred between producers, the assignor shall notify the DMRM within thirty (30) days after the date of transfer. The notification should be made on a form approved by DMRM (Form 7) and shall be accompanied by a transfer fee of \$100.00 for each well transferred.
 - B. When a well is assigned or otherwise transferred to a landowner for use as an exempt domestic well, the assignor shall submit an application for the transfer that contains the required documents and a non-refundable fee of \$100.00.
 - C. The Chief may approve the application if the assignor attaches a release of the oil and gas leases that are in the drilling unit and the release is such that the new ownership coincides with the fee simple interest of the surface tract.
 - D. If the owner does not release the leases or if the fee simple tract being transferred is less than five (5) acres, the new exempt domestic well owner shall post a \$5000.00 bond to ensure proper plugging of the well.
- XVI. Cost Recovery Assessment (1509.50 ORC)
- A. Except for exempt domestic well owners, an oil and gas regulatory cost recovery assessment is imposed on a quarterly basis for all well owners. The assessment shall be either of the following:
 1. If the sum of ten cents (\$.10)per barrel of oil for all the wells, one-half of one cent (\$.005) per thousand cubic feet of gas for all the wells and the amount of the severance tax levied on all of the wells of the owner is greater than the sum of fifteen dollars (\$15.00) for each well owned, the assessment is the sum of \$.10 per barrel of oil and \$.005 per thousand cubic feet of gas for all of the wells o the owner.
 2. If the sum of ten cents (\$.10) per barrel of oil for all the wells, one-half of one cent

- (\$0.005) per thousand cubic feet of gas for all the wells and the amount of the severance tax levied on all of the wells of the owner is less than the sum of \$15.00 for each well owned, the assessment is the sum of \$15.00 for each well owned less the amount of severance tax levied for all the wells of the owner.
- B. The oil and gas cost recovery assessment for a well that becomes an exempt domestic well after June 30, 2010 shall be sixty dollars (\$60.00) to be paid to DMRM on the first day of July of each year.