



OHIO LEGISLATIVE SERVICE COMMISSION

Sub. Bill Comparative Synopsis

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H.B. 225

132nd General Assembly
(H. Energy & Natural Resources)

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	Previous Version (As Introduced)	Sub. Version (L_132_0206-2)
Idle and orphaned and abandoned wells	Throughout the bill, refers to "idle and orphaned and abandoned wells" (<i>R.C. 1509.071</i>).	Eliminates the reference to abandoned wells because the definition of "idle and orphaned well" under the Oil and Gas Law includes abandoned wells (<i>R.C. 1509.01, not in the bill, and 1509.071 and 1509.151</i>).
Categorization of idle and orphaned wells	Requires the Chief of the Division of Oil and Gas Resources Management to do all of the following: (1) Adopt rules establishing 3 categories of idle and orphaned or abandoned wells: distressed high priority, moderate medium priority, and maintenance low priority; (2) Include a description of what constitutes each category in the rules;	Instead, requires the Chief to do both of the following: (1) Establish a scoring matrix for idle and orphaned wells; and (2) Use the matrix in determining the priority of plugging wells or restoring land surfaces at idle

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	<p>(3) Not later than 60 days after inspecting an idle and orphaned or abandoned well, provide the landowner a written report categorizing the well as distressed high priority, moderate medium priority, or maintenance low priority in accordance with rules; and</p> <p>(4) If the Chief categorized the well as distressed high priority, begin plugging the well not later than six months after the date on which the Chief issued the report to the landowner (R.C. 1509.071(D)(3) and (4) and (J)).</p>	<p>and orphaned well sites that includes a classification system that categorizes idle and orphaned wells as distressed high priority, moderate medium priority, and maintenance low priority (R.C. 1509.071(C)(3) and(4)).</p>
Reporting requirements	<p>Requires the Chief to submit a report to the Technical Advisory Council on Oil and Gas describing the efforts of the Division of Oil and Gas Resources Management to plug idle and orphaned wells, and requires the Chief to include in the report the total number of known idle and orphaned wells in the state and the total number in each county categorized as distressed high priority, moderate medium priority, and maintenance low priority (R.C. 1509.071(B)(3)(a)).</p>	<p>Same, but eliminates the requirement that the report include the total number of idle and orphaned wells in each county categorized as distressed high priority, moderate medium priority, and maintenance low priority (R.C. 1509.071(J)(1)(a)).</p>
Procedures when a well is idle and orphaned	<p>Retains current law that requires the Chief to determine from county recorder records the identity of the owner of the land on which an idle and orphaned well is located, the owner of the oil or gas lease under which the well was drilled, each person owning an interest in the lease, and each person having legal title to, or a lien upon, any of the equipment appurtenant to the well; and requires the Chief to mail notice to such persons (R.C. 1509.071(E)(1)(a) and (b)).</p>	<p>Same, except requires the Chief to make a reasonable attempt to determine the identities of such persons; specifies that the Chief must make a reasonable attempt to identify only the current owner of land on which the well is located and each person owning a right or interest in the oil and gas mineral interests; eliminates the requirement that the Chief identify the person with legal title to equipment (the Chief still must attempt to identify persons with a lien on the equipment);</p>

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	<p>No provision.</p> <p>Retains current law that requires the Chief to include in the notice to each person having legal title to or a lien upon any equipment appurtenant to the well a statement informing the person that the well is to be plugged and offering the person <i>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 the equipment's forfeiture to the state (R.C. 1509.071(E)(1)(c)).</i></p> <p>No provision.</p> <p>No provision.</p>	<p>and eliminates the requirement that the Chief identify the owner of the oil and gas lease under which the well was drilled (R.C. 1509.071(D)(1)(a) and (b)).</p> <p>Specifies that for purposes of reviewing county records, the Chief is not required to review records older than 40 years beginning on the date the Chief determines the well is idle and orphaned (R.C. 1509.071(D)(1)(a)).</p> <p>Instead requires the Chief to include in the notice to each person having a lien upon any equipment appurtenant to the well (<i>not a person having legal title</i>) a statement informing the person that the well is to be plugged and offering the person the opportunity to remove the equipment at the person's own expense to avoid its forfeiture to the state (R.C. 1509.071(D)(1)(b)).</p> <p>Requires the Chief to publish notice that the well is to be plugged in a newspaper of general circulation in the county where the well is located (R.C. 1509.071(D)(1)(d)).</p> <p>Specifies that if the current address of the individuals described above cannot be determined or if the notice provided by mail is returned undeliverable, the Chief may satisfy the above requirements with publication in the newspaper only (R.C. 1509.071(E)(2)).</p>

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	Retains current law specifying that if none of the individuals described above plugs the well within 60 days after the mailing of the notices, the equipment is forfeited to the state (R.C. 1509.071(E)(3)).	Specifies that if none of the individuals described above removes equipment from the well within 30 days after the mailing of the notice or publication in the newspaper, whichever is later, the equipment is forfeited to the state (R.C. 1509.071(D)(3)).
Contracts for plugging idle and orphaned wells	No provision.	Authorizes the Chief to make expenditures to plug an idle and orphaned well pursuant to contracts entered into by other state agencies, and specifies that, if another agency contracts for the work, the Chief must prepare the scope of work for the restoration or plugging (R.C. 1509.071(E)(1)).
Notice prior to entering land to adjoining land owners	No provision.	Eliminates a requirement that the Chief provide notice regarding a plugging project to the owner or agents of adjoining land prior to entering land to begin plugging (R.C. 1509.071(E)(1)).
Notice to an owner or lessee of a mine	No provision.	Authorizes the Chief to include additional information in a notice regarding a plugging project to the owner or lessee of a mine, such as information regarding the authorization that allows the mine operator to plug the idle and orphaned well under current law (R.C. 1509.071(E)(1)).
Contract entered into by a landowner to plug a well	No provision. No provision.	Requires a contractor hired by a landowner to plug an idle and orphaned well to be insured and bonded. Specifies that a landowner is not required to pay the permit application fee otherwise required to be paid by a person who plugs a well.

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	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>Requires the Chief, once plugging has been properly completed, to pay the contractor for the cost of plugging and restoration rather than requiring the Chief to reimburse the landowner after the landowner has paid the contractor as in current law.</p> <p>Authorizes the Chief to reject an application to plug an idle and orphaned well if the Chief determines that plugging of other wells takes priority.</p> <p>Specifies that plugging includes the installation of a vault and vent and restoration. <i>(R.C. 1509.071(E)(2).)</i></p>
Competitive bidding requirements	<p>Retains current law that excludes a contract entered into by the Chief to plug an idle and orphaned well from certain competitive bidding requirements and certain requirements related to the use of licensed professional engineers and surveyors on public works projects.</p> <p>No provision.</p> <p>Retains current law that requires a contractor to obtain a surety bond or letter of credit in an amount equal to 10% of the amount of the contract <i>(R.C. 1509.071(H)).</i></p>	<p>Same, but also excludes the contract from the entire law governing public improvements and professional engineers and surveyors.</p> <p>Applies the above exclusions to other state agencies that enter into a contract to plug an idle and orphaned well.</p> <p>No provision <i>(R.C. 1509.071(G)).</i></p>

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Income tax deduction	Authorizes a personal income tax deduction for compensation paid by the Department of Natural Resources to reimburse a landowner's costs to plug an improperly plugged oil or gas well (R.C. 5747.01(A)(33)).	No provision.

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