

## TOPICAL SUMMARY OF OHIO OIL AND GAS LAW

Following is a topical summary of Chapter 1501. of the Ohio Administrative Code and Chapter 1509. of the Ohio Revised Code.

- I. Bonding
  - A. A surety bond for a single well is \$5,000.00, \$10,000.00 for two wells, or a blanket bond three or more wells of \$15,000.00 (1501:9-1-03, 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). Exempt domestic well owners may also file a one-time fee of \$50.00 in lieu of a surety bond. 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 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 each in the amount of \$300,000.00 must be maintained until plugging.
  - B. Exempt domestic and exempt Mississippian well owners do not have to file proof of insurance coverage.
- III. Permit Applicant Requirements
  - A. Permit to drill, reissue, deepen, reopen or plug-back a well
    - 1. Fees (1509.06(N), ORC)
      - a. Non-refundable application fee is \$250.00.
      - b. Additional fee for expedited review is a non-refundable \$500.00.
    - 2. Application for a Permit (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 a Restoration Plan (Form #4) for restoring the land surface (1509.06(L) and 1509.072, ORC).
    - 4. An original and four copies of a map prepared by an Ohio registered surveyor (1501:9-1-02, 1501:9-1-05, OAC; 1509.06(N), ORC).
    - 5. In coal-bearing townships, the Division of Mineral Resources Management Affidavit may be filed if the property is held by fee simple ownership (1509.09, ORC).
  - B. Permit to change the well location (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 Division of Mineral Resources Management approval.

- C. Permit to plug and abandon (1509.13, ORC)
    - 1. Application fee is a non-refundable \$50.00.
    - 2. Application for a Permit (Form #1) requires an original and two copies to be submitted.
    - 3. Expedited review requires an additional \$250.00 fee that is non-refundable.
  - 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. Reporting
- A. Drilling information (1509.10, ORC)
    - 1. Well Completion Record (Form #8) must be submitted in duplicate within thirty days after completion of a well.
    - 2. Any geophysical log made must be submitted.
  - B. Production (1509.11, ORC)
    - 1. An Annual Statement of Production (Form #10) must be submitted for each well producing or capable of producing.
    - 2. Reports are due March 1st of the calendar year after the production took place.
- V. Drilling Operations
- 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).
    - 3. Must be closed within 5 months after drilling has commenced.
  - B. Casing (1509.17, ORC)
    - 1. Casing must be installed to exclude all surface, fresh, or salt water from any part of a well penetrating the oil and gas bearing or fresh water strata.
    - 2. Casing must be installed prior to drilling into principal or major producing formation.
    - 3. Chief may approve mudding of casing, or withdrawal of all casing except tubing set on a packer.
  - C. Spacing (1501:9-1-04, OAC)

| Well Depth<br>(feet) | Minimum<br>Acreage<br>Per Well | Minimum<br>Distance (feet)<br>Between Wells<br>in Same Pool | Minimum<br>Distance (feet)<br>From Unit<br>Boundary |
|----------------------|--------------------------------|-------------------------------------------------------------|-----------------------------------------------------|
| 0 - 1000             | 1                              | 200                                                         | 100                                                 |
| 1000 - 2000          | 10                             | 460                                                         | 230                                                 |

|                |    |      |     |
|----------------|----|------|-----|
| 2000 - 4000    | 20 | 600  | 300 |
| 4000 or deeper | 40 | 1000 | 500 |

D. Safety (1501:9-9-03, OAC)

1. No well may be drilled nearer than:
  - a. 100 feet from an inhabited dwelling or public building;
  - b. 50 feet from traveled part of public street, road or highway;
  - c. 50 feet to a railroad track; or
  - d. 100 feet to any other oil and gas well.
2. No fires within 50 feet of a drilling operation when oil or gas are exposed to atmosphere, unless properly vented and controlled.
3. Working chemical fire extinguisher required on location.
4. When drilling within 200 feet of an inhabited structure, cable tool rigs must have a valve, and rotary rigs must have a blowout preventer (BOP) able to control normal hydrostatic pressure for the deepest pool penetrated. BOP must have a pressure bleed-off device.
5. 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 and safety (1509.06(N), ORC).
2. No person shall violate a term or condition of a permit (1509.03, ORC).

VI. Producing Operations

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. If there is no economic market, gas may be flared in order to produce oil.

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)

| Setbacks | Inhabited Dwelling | Road   | Tank  | Well   | Separator |
|----------|--------------------|--------|-------|--------|-----------|
| Oil Tank | 100 ft.            | 50 ft. | 3 ft. | 50 ft. | 10 ft.    |

|                                           |         |    |        |        |        |
|-------------------------------------------|---------|----|--------|--------|--------|
| Mechanical Separator                      | 100 ft. | -- | 10 ft. | 50 ft. | --     |
| Indirect Fire Heater                      | 100 ft. | -- | 50 ft. | 50 ft. | --     |
| Direct Fire Heater (excluding under tank) | 100 ft. | -- | 50 ft. | 50 ft. | 50 ft. |

1. Minimum distances
  2. Under tank oil and gas internal tank 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:
      - i. Owner
      - ii. Lease name
      - iii. Well number
      - iv. County
      - v. 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(6), 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; and/or
    - c. lease agreement prohibits burial.
  4. Waste disposal (see XI).
- VII. Work Over/Reconditioning Operations (1501:9-9-04, OAC)
- 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 XI)
- VIII. Plugging Operations

- 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. Witnessed by an inspector of the Division of Mineral Resources Management.
  - C. Methods
    - 1. Contact the Division of Mineral Resources Management.
  - D. When plugging is not witnessed by an inspector, a plugging report signed by the well owner or his agent shall be filed with the Division within thirty days after completion of the plugging operation.
- IX. Restoration (1509.07, ORC)
- A. Five months from the date drilling began, the well owner/agent shall empty and fill in all pits;
  - B. Nine months from the date drilling began, 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. Six months after a well is plugged for abandonment, 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.
- X. 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. Twenty percent of 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.
      - a. well are plugged via direct contracts with landowners; or
      - b. by public bidding to private contractors.
    - 2. Correct conditions that the Chief reasonably has determined are causing imminent health or safety risks.
- XI. 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:
        - i. water used for consumption by humans or domestic animals to exceed the standards of the Safe Drinking Water Act.
        - ii. 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 Section 1509.226, 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
      - i. permitted conventional Class II injection well
      - ii. permitted enhanced recovery injection well
      - iii. 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
      - i. drilled and completed before January 1, 1980;
      - ii. located in an unglaciated part of the state;
      - iii. 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; and
      - iv. used primarily to provide oil or gas for domestic use.
    - b. Disposal Methods
      - i. Not restricted to the disposal options listed under XI.A.2.
      - ii. May not discharge brine directly into the waters of the state.
      - iii. May not dispose brine in violation of Section 1509.22(A), ORC.
      - iv. 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 substance shall not be disposed in violation of any rule.
- XII. Underground Injection Control
- A. Permit to drill or convert to saltwater injection (1501:9-3-06, OAC).
    1. Non-refundable application fee of \$100.00 (1509.22(D), ORC).
    2. Area of Review (1501:9-3-06(B)(1) & (2), ORC).
      - 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 of conversion to saltwater injection.
    1. Permitted after June 1, 1982 (1501:9-3-05(A), OAC).
      - a. Surface casing set fifty 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 not 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 Division annually.
  3. If monitoring is not feasible, must perform a mechanical integrity test once every five years.
- D. Enhanced recovery operations (1509.21, ORC and 1501:9-5, OAC).
  1. Non-refundable application fee is \$250.00 (1509.06(N), ORC).
  2. Other requirements - see X, (A), (B), and (C) above, as well as 1501:9-5-05, 1501:9-5-09, and 1501:9-5-10, OAC).
- E. 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 test.
      - i. 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
      - ii. Positive differential gas pressure test.
    - b. Five-year test.
      - i. Shall demonstrate mechanical integrity at least once every 5 years after initial test.
  4. Volume limitations.
    - a. May dispose of maximum average of 10 barrels per day per year.
  5. No pressure except gravity allowed.
  6. Annual report due April 15.
- F. Brine transporter (1509.22, ORC).
  1. Non-refundable registration fee of \$500.00.
  2. Annual report due April 15.
  3. Daily logs required.
  4. Truck identification.
  5. Insurance - \$300,000 liability insurance 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.
- G. 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 five days prior to the hearing.
  4. Annual report due April 15 for brine applied during preceding calendar year.
  5. Non-refundable fee of \$50.00 payable to the county.
  6. Resolution valid for one year.
- H. Surface application of brine on roads/other surface controlled by counties, townships or municipalities (1509.226, ORC).
1. Board of county commissioners, township 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 five days prior to the hearing.
  5. Annual report due April 15 for brine applied during preceding calendar year.

To view Ohio's oil and gas laws and rules online, see [Ohio Revised Code, Chapter 1509](#) and [Ohio Administrative Code 1501:9](#).