May 15, 2025

DELIVERY VIA EMAIL
CSIPublicComments@governor.ohio.gov & dogrm.rules@dnr.ohio.gov

Ohio Common Sense Initiative
Riffe Building, 30th Floor
77 S. High Street
Columbus OH 43215

Re: **Proposed Rule Package: Well Plugging**

Dear Mr. Joseph Baker:

On May 1, 2025, the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management ("Division") filed with the Ohio Common Sense Initiative ("CSI") for review a rule package regarding the plugging of oil and gas wells. The Ohio Oil and Gas Association ("OOGA or Association") participated in the public comment process below and appreciates the opportunity to submit the attached comments and observations here.

BACKGROUND

The Association is one of the largest and most active state-based oil and natural gas associations in the United States and has been the representative of Ohio's oil and gas producing industry since 1947. Its members range from small business entities—similar to small family farms—to large, multi-national corporations that are involved in all aspects of the exploration, development, production, and marketing of crude oil and natural gas resources in Ohio. Its members often rely on the Association as their primary sources of information on industry trends, activities, tax changes, legislation and regulatory issues. As a consequence, the Association frequently participates in federal and state regulatory actions affecting the oil and gas industry, such as the one here.

SUMMARY

OOGA has been engaged throughout the entirety of the well plugging rules process and has put forth a myriad of suggestions for the proposed rule and engaged in an in-person stakeholder meeting.

The general theme of the Association's concerns is that the proposed rule package creates more onerous, expensive rules for no real technical benefit. To our knowledge there is no serious issues with how wells are being plugged currently in the state. These new rules offer little to no regulatory, environmental or safety benefit, and will only increase operational and compliance costs and create more roadblocks to plugging

wells throughout the state. In ODNR's Business Impact Analysis, the Agency states that it costs roughly $10,000 to plug a vertical well and $250,000 to plug a horizontal well and that the proposed rules shouldn't cause increased compliance costs for industry, when in fact the state is paying on average more than $100,000 to plug orphan wells. Our members agree that it is important to plug wells no longer in production. In order to ensure wells are plugged the state should ensure the rules are not an obstacle to plugging. The current rules oversee a more than adequate regulatory framework for plugging. The new rules submitted to CSI only create more roadblocks instead of removing roadblocks. Below, the Association has replied to ODNR's responses on the affected parties' comments and has outlined the financial impacts of the proposed rules.

RESPONSES TO BIA ATTACHMENT #4

Rules Where the Division Has Not Proposed Changes, but OOGA Has Provided Suggested Changes to the Rule. The Division Does Not Agree with Modifications to these Rules:

- **"Plugging plan" definition, OAC 1501:9-11-01 –**

  ODNR RESPONSE IN BIA: "While OOGA suggests the Plugging Plan definition should be modified so that the list of required items (including identification and description of wellbore obstructions) would only be included in the plan "if known," the Division maintains a prudent operator should know or reasonably be able to determine all items in the list, including wellbore obstructions. A clean wellbore is important to ensure a proper plug is achieved. A key component to a successful plugging operation is planning. Construction details, mechanical equipment in the well, and well obstructions all will influence plugging design. Knowing about the wellbore obstruction and planning for it will save time and money. Equipment and tool needs can be planned for and scheduled ahead of the project, limiting operational delays. Informed decisions can be made to determine if recovery is practical or impossible as the job progresses.

  OOGA RESPONSE: Oftentimes it is impossible for an operator to know all downhole conditions on a well. Many active wells transfer from operator-to-operator during their productive lives and a complete history of downhole equipment, either places or lost in a wellbore, may not pass from one operator to another. Many historic orphan wells placed back into production by an operator have little to no information in the ODNR database.

  While there may not be a direct cost associated with the language, there is a compliance issue. An operator, out of compliance, may be subject to delays in

permitting or outright refusal of permits due to outstanding administrative code violations.

- **Requirements to plug or plug back a well, OAC 1501:9-11-02 –**

  ODNR RESPONSE IN BIA: "OOGA suggests plug or plug back permits issued to one entity should be transferrable to another entity. ORC 1509.05 and ORC 1509.13 require each person plugging or plugging back a well to have been issued a permit by the Chief. Additionally, ORC 1509.06 requires that a copy of the permit, including the name, current address, and telephone number of the permit holder, would be present at the wellsite during plugging back operations. Since the law requires the Division to issue plug and plug back permits based on applications, the Division does not believe it has the authority to transfer these permits."

  OOGA RESPONSE: The Association recommends that the Division allow for the transfer of permits. During the plugback operations, OOGA recommends allowing the new owner to submit their name, address and phone number and have the Chief reprint the permit instead of submitting pages of application that have the same data as previously submitted.

- **Requirements for plugging with cement, OAC 1501:9-11-08 –**

  ODNR RESPONSE IN BIA: OOGA states the Division's requirements for placement and minimum amounts of cement add cost with no technical benefit. The standards and requirements for cement plugs proposed in the rule are consistent with widely accepted adopted industry standards and practices. The rule provides for minimum plug sizes to: isolate the producing formation or injection zone, prevent fluid movement between formations, fluid movement to surface, protect the underground sources of drinking water from fluid movement that will create a hazard to life, limb and property. Ultimately, it is cheaper to properly plug a well than the drill it out and re-plug the well.

  OOGA RESPONSE: The Division has increased the amount of cement required for what industry refers to as the "bottom plug" from 100' above the reservoir rock to 400' above. In 1982 and 1993, ODNR's requirement was 100'. The issue with the proposed language is that most depleted reservoirs cannot support a 400' column of cement slurry and displacement water during placement. By the next day operators may only have 300' above the reservoir even if the plug job is

efficient. To meet these new requirements, operators would still be forced to place another 100' plug on top of the 300' and then shut down operations again to wait on the cement to set and check to see if the 400' threshold was met.

In addition, the Division has added another plug to the rule which industry commonly calls a "rip plug" for no technical benefit, which adds and additional expense of $2,000+ depending on verification requirements.

Move Tubing back in	$600
Rig time and tong run tubing back in	$3,000
Cement Crew pump 15 sks	$3,000
Water truck/ disposal and dozer	$1440
Rig Finish pulling tubing, tongs and tag	$1,500
Haul tubing away	$600
Total	$10,140

Rules Where the Division Has Proposed Changes, but Does Not Agree With OOGA's Suggested Modification of the Rule:

- **Requirements to plug or plug back a well, OAC 1501:9-11-02 –**

ODNR RESPONSE IN BIA: OOGA has commented that (1) a formal plug back plan should not be required and that an informal communication process is all that is needed and (2) the Division should explain why a formal plug back plan should be submitted and approved by a Division inspector. The Division's position is that plug back plans should be subject to the same review and approval as plugging plans. A written plugging plan is protection for the operator and the Division. A plan gives an inspector the ability to review and confirm that the procedures achieve the objectives of the rule. Additionally, it allows the person to submit a plan that is lawful and cost effective. Notably, the current rules require a plan to plug or plug back. Furthermore, in practice, the process for submittal and approval of plug back plans is done via email which provides a quick and easy process for operators while maintaining a formal record."

OOGA RESPONSE: OOGA's comment did not say a formal plan should not be required. Rather, the Association was inquiring as to why ODNR views plugging plans and plug back plans as the same and what the Division was trying to accomplish with the rule change. The Association believes that plugging and plug back are similar exercise and are already covered by the existing rule.

- **Objectives and methods for plugging wells, OAC 1501:9-11-03 –**

ODNR RESPONSE IN BIA: OOGA generally objects that various testing and plug verification requirements and standards delineated in the rule are unclear, unrealistic, or unnecessary. The Division disagrees and avers that requirements and standards set forth in the rule are consistent with industry best practices and are necessary to protect public health and safety, and the state's natural resources. Plugs are required to isolate formations. If the plugs are not verified, the formations may not be isolated and may result in gases and fluids not staying in the formation.

OOGA RESPONSE: Suggested corrections to Division wording are not an objection to testing, only clarifying the need as testing can cause unneeded expenses. Information on the completion report reflects the rules in statute at the time. Conditions such as "insufficient cement" are subjective and should not be applied to wellbore construction rules in decades-old statute.

This vague language makes it possible for the ODNR inspector to require additional testing, such as bond logs (minimum cost of $4,000), that may or may not be necessary to determine current downhole conditions. There may be a more cost-effective method to collect the necessary information.

Bond log – minimum of $4,000
Service rig – 6 hrs. @ $375.00/hr. = $2,250.00
Ancillary rig equipment – 6 hrs. @ $300/hr. = $1,800.00

Also, the proposed language requiring 500 psi compressive strength prior to plug placement verification is unnecessary. Oilfield cements used for plugging operations in Ohio will not reach a compressive strength of 500 psi for at least 8 hours. ODNR proposed language will greatly reduce the number of cement plugs that can be set in a day. There is no additional technical benefit waiting for cement to reach 500 psi compressive strength in order to verify the top of the cement plug.

For each plug to be verified:
Service rig – 8 hrs. @ $375.00/hr. = $3,000.00
Ancillary rig equipment – 8 hrs. @ $300/hr. = $2,400.00

Cementing charge – minimum $3,500 per call out

The Division has also suggested adhering to the American Petroleum Institute's (API) Recommended Practice document API RP-65-3 in the proposed rule. These recommended practices are written to use literally anywhere in the world, which covers a very broad spectrum of wellbore designs and wellbore geology. The geology in Ohio is specific to Ohio and the oil and gas regulations established in Ohio have been established to cover Ohio wellbore designs to achieve zonal isolation of Ohio geology.

ODNR stated in the Business Impact Analysis; Reason for Submission; Item 5 to the Common Sense Initiative: "Ohio's plugging rules address state-specific conditions, for example, state-specific geology……" The oil and gas industry concurs. This statement supports the proposal to strike the language referring to API Recommended Practice (RP) 65-3 "Wellbore Plugging and Abandonment".

- **Notification and supervision of plugging operations, OAC 1501:9-11-04 –**
  ODNR RESPONSE IN BIA: OOGA objects to the requirement that an operator notify the appropriate mine inspector prior to commencing plugging operations in a coal bearing township. The change to this rule is a clarification that notification to the appropriate inspector must be made prior to commencing plugging to allow the mine inspector to be present at the plugging as is set forth in ORC 1509.13(B).

  OOGA also asked that the Division exempt persons plugging orphan wells from the process to obtain permission to continue plugging operations when a Division inspector is unavailable to witness the plugging. The Division maintains plugging procedures should be consistent throughout the State, whether plugging a well with a known owner or an orphan well. The Division's process is an efficient, inexpensive process where an electronic form can be submitted and a record of an approval is established.

  OOGA RESPONSE: In previous years, the mine inspector contact information was included on the plugging permit. At some point this piece of information was omitted. The oil and gas industry does not have ready access to mine inspector contact information and cannot account for turnover of mine inspectors.

While this is not a significant cost issue, there is a time element for an operator to locate the mine inspector information and give notice.

Currently, when it comes to the witnessing of plugging operations, regulations allow for the owner of the well or the owner's agent to witness the plugging operations and file an affidavit of facts regarding plug placement if an inspector cannot be present. The proposed language should be 100% consistent with the current language in the regulations as the plugging operation is exactly the same. The affidavit should be in the same form with the only change being administrative to allow the responsible party to execute the document. The plugging contractor should not have to fill out form seeking permission.

The language as proposed by ODNR forces the plugging contractor to fill out a form and have it approved by the chief prior to plugging operations. This causes time delays which in turn costs money for the plugging contractor.

Service rig – 8 hrs. @ $375.00/hr. = $3,000.00 per day
Ancillary rig equipment – 8 hrs. @ $300/hr. = $2,400.00 per day

- **Plugging materials requirements, OAC 1501:9-11-07 –**

ODNR RESPONSE IN BIA: OOGA objects to new plugging material requirements. Specifically, that limestone and extender materials cannot exceed fifty per cent by volume when a cement blend is used for a plug. Additionally, OOGA objects to the requirement that the test temperature of the cement slurry for a plug has to be within ten degrees Fahrenheit of the formation equilibrium temperature of the cemented interval. The Division maintains that cement blends should meet minimum strength requirements and not be potentially weakened by over-use of pozzolanic, limestone, or extender materials. Regarding the test temperature of the cement slurry for a plug, cement curing and performance is dependent on temperature and composition of the cement. All of the curing and performance data is documented based on composition and temperature. Test conditions must reasonably mimic actual bore hole temperatures, otherwise the test would not confirm that the plug will hold under actual wellbore conditions.

OOGA RESPONSE: In wells with a hydrogen sulfide bearing zone, ODNR prefers a sulfate resistant cement system. A cement blend of 50% cement and 50% pozzolan (commonly referred to as 50/50 Poz) is an accepted cement

system for this application. Other additives may be added to the 50/50 Poz blend such as accelerator to shorten cement setting time, salt for expansion capabilities as well as additional additives. These additives can give the blend beneficial characteristics. The 50/50 Poz blend with additives has been successfully used over the years and is preferred by ODNR. If the cement blend is already 50% pozzolan, any additional additives will exceed the 50% threshold and cause the cement blend to not conform to the regulations as proposed by ODNR.

The proposed language eliminates the use of a cement system preferred by ODNR and is an ineffective way to address the limestone content concern in the new Type L and Type 1L cements.

In regard to test conditions, ODNR's proposed language could be viewed as necessary for all cement slurries to be tested. That is not the case. There are catalogues of cement test data for existing oilfield cements accumulated over several decades. In Ohio, very rarely is there a need to test a cement system using existing oilfield cements.

ODNR's proposed language, as written, has unintended consequences. If cement systems have to be tested on a regular basis, that is an added cost to a well operator.

Cement testing – approx. $1000/test

- **Requirements for plugging with cement, OAC 1501:9-11-08 –**

ODNR RESPONSE IN BIA: OOGA maintains that several of the Division's requirements for placement of cement, recovery of uncemented casing and tubing, removing packers and bridge plugs, and removal of other wellbore obstructions are overly restrictive and unnecessary. The standards and requirements for cement plugs proposed in the rule are consistent with widely accepted adopted industry standards and practices. Removal of all casing, tubing, packers, etc., ensures that the cement will bond to the formation and prevent pathway for fluids and gases to migrate. Thus, a proper cement plug occurs and ensures plug placement at the required intervals.

Additionally, OOGA objects to a requirement for written approval of a new plugging plan or, alternatively, suggests a strict timeline for Division's the written

approval. The Division avers that the initial plugging plan is reviewed and approved by the Division and that a new plan should be reviewed and approved as well. Submission of a new plan when wellbore conditions rendered the prior plan impracticable or unworkable and written approval is prudent and establishes a record of the review and approval.

OOGA RESPONSE: As the regulation is currently written, a well operator must place a cement plug a minimum of 400 feet above the top of the lowest interval tested or produced. For the bottom plug, it has become the practice of ODNR to go into the well and verify the top of the cement plug. If the top of the cement plug is fewer than 400 feet above the top of the lowest interval tested or produced, ODNR has required the operator to replace the amount of cement lost back to 400 feet. As long as the top of the cement plug is above the producing interval and the operator has demonstrated the producing interval is effectively isolated, adding cement back to 400 feet does nothing to improve the plugging of the well.

No technical information has been presented that 400 feet of cement is more effective in isolating a producing interval than 100 feet of properly placed cement or 200 feet of properly placed cement. The true test of a properly placed cement plug, regardless of plug thickness, is to demonstrate the cement plug has effectively isolated the producing zone.

Service rig – 8 hrs. @ $375.00/hr. = $3,000.00 per day
Ancillary rig equipment – 8 hrs. @ $300/hr. = $2,400.00 per day
Cementing charge – minimum $3,500 per call out
Water truck, fluid disposal & dozer - $1,500.00
Trucking, trailers, tongs, etc. - $2,700.00
Total = In excess of $13,000.00

The purpose of the Big Lime plug is to isolate potential flow zones, including a potential hydrogen sulfide bearing zone. If the casing can be cut or ripped and removed below the depth of the Big Lime plug and the Big Lime plug is properly placed, the Big Lime is effectively isolated and there is no need for an additional cement plug at that point.

The additional cement plug is added cost without technical benefit to plugging the well.
Service rig – 8 hrs. @ $375.00/hr. = $3,000.00 per day
Ancillary rig equipment – 8 hrs. @ $300/hr. = $2,400.00 per day
Cementing charge – minimum $3,500 per call out

ODNR's proposed language states to make a good faith effort to "Remove obstructions in the wellbore that inhibit….." then later states "Remove packers and bridge plugs that inhibit..." The effectiveness of this proposed regulation hinges on the term "good faith effort". A collaborative effort between the ODNR inspector and the well operator is imperative when diagnosing the disposition of the obstruction in the wellbore and determining a cost-effective method to get cement placed as close to the desired depth as possible when the obstruction in the wellbore cannot be removed or driven below the desired depth of the cement plug. The cost of attempting to remove an obstruction in the wellbore can be significant; possibly doubling or tripling the cost to plug the well. Identifying whether it is practical or mechanically possible to remove an obstruction in the wellbore is key to balancing the cost of placing cement plugs with effectively placing cement plugs for zonal isolation.

The proposed language requires written approval from the Chief when wellbore conditions necessitate a change to the approved plugging plan. A well inspector should be able to employ technological means to secure a record of approval of the appropriate change to the plugging plan in a timely manner.

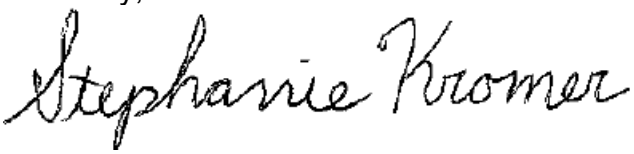
Time delays can add numerous days to plug the well.
Service rig – 8 hrs. @ $375.00/hr. = $3000.00 per day
Ancillary rig equipment – 8 hrs. @ $300/hr. = $2400.00 per day

When an ODNR inspector is on location, the inspector is witnessing the plugging operation and submits the plugging report. It is redundant for the well operator to also submit a plugging report. The time spent completing and submitting the form costs money.

The Association appreciates the opportunity to comment on ODNR's proposed well plugging package through the Common Sense Initiative. We would ask that CSI carefully review our comments and recommend that the rule either be rescinded or

amended to ensure that Ohio's well plugging rules work as intended and create a framework to allow for more wells to be plugged in a timely fashion. We look forward to continuing to work with the Division and CSI in this rulemaking effort and welcome any questions on the Association's comments.

Sincerely,



Stephanie Kromer
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