



Ohio Oil and Gas Association
Proponent Testimony
Substitute Senate Bill 219

Senate Energy Committee
Senator Brian Chavez, Chairman
November 4, 2025

Chairman Chavez and members of the committee, thank you for the opportunity to provide proponent testimony on Substitute Senate Bill 219.

My name is Rob Brundrett, and I am the President of the Ohio Oil and Gas Association (OOGA). OOGA is a 78-year-old statewide trade association. Our association includes members that represent all aspects of Ohio's oil and gas industry - upstream, midstream, and downstream.

I would like to use my time today to talk about items that have been changed or added in the substitute bill and hopefully address some of the critiques by opponents of the bill.

Protecting the Oil and Gas Well Fund and Other Well Plugging Items

As introduced, Senate Bill 219 created a custodial fund to ensure that the Oil and Gas Well Fund would be protected from rotary raids that divert plugging dollars to other state initiatives. Two prime historical examples of this were when the Kasich administration used portions of the fund for lawsuit settlements and when the DeWine administration originally introduced the "All Ohio Fund" two budgets ago allowing OBM to seed that fund with an unlimited amount of Oil and Gas Well Fund dollars. As pointed out by both opponents and proponents, Ohio's well plugging program has done a nice job over the past decade and we want to see that continue.

The only true way to protect the Oil and Gas Well Fund is to pass a constitutional amendment. While theoretically possible, that is a high bar to jump. The next best way to protect any funds in state government is through a custodial fund. However, the DeWine administration has vetoed a variety of legislatively passed solutions to add protection to the fund, including a custodial fund in the past budget and uncodified language two budgets ago making the fund exempt from rotary raids.

Considering opposition from the administration, Substitute Senate Bill 219 adds explicit language to the law outlining how and why the fund can be used. While OOGA feels that a custodial fund would be the strongest option to ensure sustainable funding to plug wells into the future, the additional protective language following two budgets worth of vetoes is a step in the right direction. We would encourage the committee to delete the language creating the environmental and remediation fund in order to eliminate the creation of duplicative funds in the state treasury and just add Section 1509.075 (E) to the current Oil and Gas Well Fund statute.

The bill allows for up to ten expedited drilling permits for producers per year. In an effort to mirror the drilling language, the bill now also allows for up to ten expedited permits per year for plugging wells. These are wells that are plugged by operators and are not part of the state plugging program for orphan wells.

Opponent testimony has opposed the idea of expedited permits, citing the lack of public participation. Current law already allows for expedited permits to drill, even for injection wells. The change, therefore, does not impact any right of public involvement that exists today, and the public's right to notice and comment continues to exist in Rule 1501:9-3-05(E)(3).

The bill also requires updates to the insurance requirements for contractors working with the Landowner Pass Through program. We are reviewing those changes for any unintended consequences.

Finally, the bill allows the state to receive or keep any carbon credits that might be associated with any orphan well that is plugged through the state program. OOGA has been supportive of the state holding that credit regardless of whoever plugs the well.

Road Use Maintenance Agreements

The sub bill made edits to the Road Use Maintenance Agreements (RUMAs) provisions. As pointed out in previous testimony, RUMAs are important tools for both the industry and for local governments. As introduced the bill attempted to describe how RUMAs and other industry local government agreements were practiced. However, understanding the importance of RUMAs, the bill reverts to current law requiring the use of RUMAs, while maintaining the three-year cap that can be continually extended.

State Lands Leasing

Substitute Senate Bill 219 makes several changes to Ohio's State Lands Leasing Program. The Leasing Program remains a frustrating process arguably for both supporters and detractors, though for different reasons.

First the bill updates and clarifies the timelines associated with the nomination, bidding, and signing of any state lands lease. Current law uses a quarter system that is up for interpretation on how to apply the deadlines. This bill would provide 90 days for the Oil and Gas Land Management Commission to approve or deny any nomination. It would give the Commission 60 days from approval to accept a winning bid, and all leases must be signed by both parties within 30 days of awarding a lease.

The bill also clarifies that the General Assembly sets the economic terms for bidding and not the Oil and Gas Land Management Commission.

A third change to the Program is regarding the tolling of leases. The bill allows leases to be tolled in certain situations, including lawsuits and during environmental assessments, each of which can potentially take years to finish and void a lease before an operator is ever allowed to drill.

Bonding

The bill makes a change to bonding for operators. Current law allows for sworn financial statements in lieu of a surety bond. The bill eliminates this option for operators.

Conceptually, OOGA is not opposed to this provision, but we are still reviewing it and reserve the right for future comment, as we had not seen this language prior to the substitute bill.

Other Items

The bill eliminates the requirement that all orders issued, and notices given by the Chief of the Division of Oil and Gas Resources Management must be done in accordance with the Administrative Procedure Act. Instead, it requires the Chief to adopt rules that establish procedures for notices and serving orders and compliance notices. The bill also makes updates to the Oil and Gas Commission appeals. This ODNR language was at one time in the operating budget but was not in the final bill. OOGA was and remains supportive of this ODNR-backed provision.

Additionally, the bill includes language from Senate Bill 312 and House Bill 522 that deals with local government royalties from operations in the Wayne National Forest. OOGA has never taken a position on this issue and defers to the committee members on this topic.

Finally, the bill clarifies that Ohio law allows for the practice of simultaneous operations, which is currently permitted in Ohio's rules.

Conclusion

Mr. Chairman and members of the committee, thank you once again for the opportunity to provide testimony on Substitute Senate Bill 219. I will be happy to try and answer questions from the committee.