
DEPARTMENT OF NATURAL RESOURCES

Oil and Gas

Stratigraphic wells

- Establishes the Ohio Department of Natural Resource's (ODNR's) regulatory authority over stratigraphic wells, which are boreholes that are drilled on a tract solely to conduct research of the subsurface geology.
- Specifies that the regulatory authority over stratigraphic wells includes the following:
 - The permitting process;
 - Insurance and bonding requirements;
 - Plugging requirements;
 - Setback requirements; and
 - Notice and enforcement procedures.

Enforcement of oil and gas law and notice

- Broadens the ability for the Chief of the Division of Oil and Gas Resources Management to enforce the laws governing oil and gas by allowing the Chief to issue violation orders and take enforcement action against *any person* that violates the oil and gas laws and who is subject to those laws, instead of only well owners.
- Requires a person to have committed a material and substantial violation before the Chief may issue an order requiring that person (who is causing an imminently dangerous condition) to cease oil and gas operations and suspending or revoking an unused permit.
- Clarifies that the Chief may notify a drilling contractor, transporter, service company, or other similar entity of the compliance status of a person subject to the oil and gas laws, rather than only allowing the Chief to provide the notice regarding the status of a well owner as in current law.
- Requires the Chief to provide notice under the oil and gas laws in accordance with law, rather than as prescribed by rules adopted by the Chief, as in current law.
- Eliminates a corresponding requirement that the Chief's rules provide for notice by publication.

Injection well fees

- Alters the distribution of oil and gas brine disposal fees collected by an injection well owner and levies fees on brine received by the owner in excess of the current limit of 500,000 barrels per calendar year.

Hunting and fishing

- Allows a full-time student who is enrolled in any accredited Ohio public or private college or university to obtain a resident hunting license, fishing license, deer permit, and wild turkey permit, regardless of residency.

Parks and watercraft

Fire extinguishers on watercraft

- Regarding the requirement to have fire extinguishers on board powercraft:
 - Eliminates the exemption for powercraft propelled by an electric motor; and
 - Adds that powercraft of open construction that are not carrying passengers for hire are exempt from fire extinguisher requirements only if the powercraft are not capable of entrapping explosive or flammable gases or vapors.
- With certain exceptions, generally requires 5-B and 20-B portable fire extinguishers on class A, 1, 2, or 3 powercraft, depending on the class, rather than B-1 or B-2 fire extinguishers, depending on the class, as in current law.
- With certain exceptions, generally requires class 4 powercraft to have the number and type of 20-B portable fire extinguishers specified by gross tonnage as prescribed by federal regulations.
- Requires all portable and semi-portable fire extinguishers for use on a vessel to comply with specified requirements, including being on board the vessel, being readily accessible, and being maintained in good and serviceable condition.

Personal flotation device labeling

- Eliminates a requirement that the label on an approved personal flotation device have a specified designation concerning flotation device type (e.g., type 1, 2, 3, 4, or 5 personal flotation device).

Obtaining a watercraft or outboard motor title

- Increases the period of time that a purchaser has to obtain a watercraft or outboard motor title from 30 days to 60 days.

Parks and Watercraft Federal Grants Fund

- Creates the Parks and Watercraft Federal Grants Fund consisting of federal funds received by ODNR for parks and watercraft projects approved by the Director and any other money credited to the fund.
- Requires the Chief of the Division of Parks and Watercraft to use money in the fund for parks and watercraft projects approved by the ODNR Director.

Other provisions

Performance Bond Refund Fund

- Creates the Performance Bond Refund Fund, which consists of money received by ODNR from other entities as performance security.
- Disposes of money in the fund as follows:
 - If work for which the performance bond was required is completed, the money is refunded to the pledging entity; or
 - If a performance bond is forfeited, the money must be transferred to the appropriate fund within the state treasury.

ODNR administration of capital projects

- Allows ODNR, for FY 2024 and FY 2025, to administer certain capital facility projects commenced within those fiscal years, regardless of estimated cost, without the assistance of the Ohio Facilities Construction Commission (OFCC).
- Requires ODNR to do both of the following:
 - Comply with the procedures and guidelines established in the law governing public improvement contracts; and
 - Track all project information in the Ohio Administrative Knowledge System (OAKS) capital improvements application pursuant to OFCC guidelines as though ODNR is administering the project pursuant to all generally applicable laws.

Oil and gas

Stratigraphic wells

(R.C. 1509.051, 1509.01, and 1509.03)

The bill establishes ODNR's regulatory authority over stratigraphic wells. Stratigraphic wells are boreholes that are drilled on a tract solely to conduct research of the subsurface geology. Generally, under the bill, stratigraphic wells are subject to all the current laws that govern oil and gas wells, which include (1) the permitting process, (2) insurance and bonding requirements, (3) plugging requirements, (4) setback requirements, and (5) notice and enforcement procedures.

However, the bill does establish new requirements specific to stratigraphic wells and exempts stratigraphic wells from certain requirements that apply to oil and gas wells, as follows:

- Allows the Chief of the Division of Oil and Gas Resources Management to prescribe a different application form for a permit to drill a stratigraphic well;
- Prohibits a person from submitting more than three applications per year for a permit to drill a stratigraphic well unless otherwise approved by the Chief;

- Prohibits a stratigraphic well from being transferred to another person;
- Prohibits the surface location of a stratigraphic well from being within 150 feet from the property line of the tract on which the well is drilled;
- Requires a stratigraphic well to be plugged one year after the well is spudded; and
- Specifies that all of the following do not apply to stratigraphic wells:
 - The ability to receive temporary inactive well status;
 - Filing requirements for statements of production of oil, gas, and brine;
 - Minimum acreage requirements for a drilling unit;
 - Rules governing horizontal well site construction;
 - Rules governing saltwater operations and class II disposal wells;
 - Rules governing oil and gas waste facilities;
 - Rules governing enhanced recovery projects (injecting gas, water, or other fluids to change the pressure in a reservoir to recover oil or other hydrocarbons); and
 - Rules governing solution mining projects (involving a well or group of wells and associated facilities under one owner utilized for the solution mining of minerals).

Enforcement of oil and gas law and notice provisions

(R.C. 1509.03 and 1509.04)

The bill broadens the authority of the Chief of the Division of Oil and Gas Resources Management to enforce the laws governing oil and gas. It does so by allowing the Chief to issue violation orders and take enforcement action against *any person* who violates the oil and gas laws and who is subject to those laws. Current law allows the Chief to take these actions only against well owners.

Under current law, if there is a material or substantial violation of the oil and gas law, the Chief may issue an order to immediately suspend drilling, operating, or plugging activities that are related to the violation and revoke any unused permit if either of the following apply:

1. A well owner has failed to comply with a material and substantial violation order; or
2. A well owner is causing, engaging in, or maintaining a condition or activity that presents an imminent danger to the health or safety of the public or that results in or is likely to result in substantial damage to Ohio's natural resources.

The bill broadens (1) above so that it applies to any person (instead of just a well owner). It also alters (2) above so that it applies only to a person who has committed a material and substantial violation (instead of applying it to well owners).

The bill clarifies that the Chief may notify a drilling contractor, transporter, service company, or other similar entity of the compliance status of a person subject to the oil and gas laws. Under current law, the Chief can only provide that status notification about a well owner.

When the Chief must provide notice under the oil and gas laws, the bill requires the Chief to do so in accordance with law. Current law requires the Chief to provide notice as prescribed by rules adopted by the Chief. The bill also eliminates a corresponding requirement that the rules provide for notice by publication.

Injection well fees

(R.C. 1509.22)

Current law levies fees on the injection of oil and gas brine into an injection well. The injection well owner is required to collect the fee on behalf of the ODNR Division of Oil and Gas Resources Management for deposit in the Oil and Gas Well Fund. The fee is levied at a rate of 5¢ per barrel on brine that is produced within the ODNR district where the injection well is located, and 20¢ per barrel on brine produced outside of that district.

The fee is levied on a maximum of 500,000 barrels per year injected into the owner's well. If an owner receives more than 500,000 barrels in a calendar year, the owner must first calculate the fee on brine received from outside the district, then calculate the fee received from in-district brine until the 500,000 barrel maximum is reached. For example, if an owner receives 350,000 barrels of brine from outside of the district and 300,000 barrels of brine from inside the district in a calendar year, the owner must levy the fee as follows:

1. First, at 20¢ per barrel on the 350,000 barrels of brine received from outside the district; and
2. Second, at 5¢ per barrel on 150,000 barrels of brine received from inside the district (for a total of 500,000 barrels in the calendar year). (The owner does not need to collect and remit the fee on the remaining 150,000 barrels of in-district brine.)

The bill alters the manner in which the oil and gas brine disposal fees are collected and distributed by doing the following:

1. Eliminating the 500,000 barrel limit on the amount of brine injected in an owner's well in a calendar year on which the injection well fee is levied;
2. Eliminating the requirement that, if an owner receives more than 500,000 barrels of brine in a calendar year, the owner must first calculate the fees on brine received from outside the district at 20¢ per barrel;
3. Specifying that the Division continues to receive 100% of any fee collected by an owner on the first 500,000 barrels injected in a calendar year; and
4. Specifying that, on brine disposed of after the first 500,000 barrels, 100% of the fees go to the county if the injection well is located entirely in an incorporated area of the county or, if the well is located wholly or partially in the unincorporated area of the county, 50% goes to the county and 50% goes to the township where the injection well is located.

The bill retains the owner's authority to keep up to 3% of the fees collected before remitting the remainder to either ODNR or the local government.

Hunting and fishing

Licenses for college students

(R.C. 1531.01)

The bill allows a full-time student who is enrolled in any accredited Ohio public or private college or university to obtain a resident hunting license, fishing license, deer permit, and wild turkey permit, regardless of residency. To obtain one of those resident licenses or permits, the student must apply to ODNR and attest to the individual's full-time student status in a manner determined by the Chief of the Division of Wildlife. Generally, the fee for a resident license or permit is cheaper than a nonresident license or permit.

Parks and watercraft

Fire extinguishers on watercraft

(R.C. 1547.27)

Current law generally requires powercraft to carry fire extinguishers. However, this requirement does not apply to powercraft propelled by an electric motor and powercraft that are less than 26 feet in length designed for use with an outboard motor, of open construction, and not carrying passengers for hire. A powercraft is any water vessel propelled by machinery, fuel, rockets, or similar device.

The bill modifies the above provisions by doing both of the following:

1. Eliminating the exemption for powercraft propelled by an electric motor; and
- 2 Adding that powercraft of open construction that are not carrying passengers for hire are only exempt from fire extinguisher requirements if the powercraft are not capable of entrapping explosive or flammable gases or vapors.

Due to changes in the U.S. Coast Guard's federal regulations according to ODNR, the bill changes the types of fire extinguishers that a powercraft must carry. The bill generally requires any water vessel not equipped with fixed fire extinguishing systems in machinery to carry the following:

Type of powercraft	Current law	The bill
Class A and class 1	One B-1 fire extinguisher	One 5-B portable extinguisher
Class 2 powercraft	At least two B-1 fire extinguishers or at least one B-2 fire extinguisher	At least two 5-B portable fire extinguishers or at least one 20-B portable fire extinguisher
Class 3 powercraft	At least three B-1 fire extinguishers or at least one B-2 fire extinguisher	At least three 5-B portable fire extinguishers or at least one 20-B portable fire extinguisher

Type of powercraft	Current law	The bill
Class 4 powercraft	No requirements	Have the number and type of 20-B portable fire extinguishers specified by gross tonnage as prescribed by federal regulations

According to ODNR, federal regulations allow different fire extinguishers for recreational vessels with a model year earlier than 2018, provided the extinguishers are maintained in good condition. If the older fire extinguishers need to be replaced, the new fire extinguishers must comply with the requirements established under the bill.

The bill requires all portable and semi-portable fire extinguishers for use on a vessel to:

1. Be on board the vessel and be readily accessible;
2. Be of an approved type;
3. Not be expired or appear to have been previously used;
4. Be maintained in good and serviceable working condition, which means all of the following: (a) if the fire extinguisher has a pressure gauge or indicator, the reading or indicator is in the operable range or position, (b) the fire extinguisher's lock pin is firmly in place, (c) the fire extinguisher's discharge nozzle is clean and free of obstruction, and (d) the fire extinguisher does not show visible signs of significant corrosion or damage.

Personal flotation device labeling

(R.C. 1547.25)

The bill eliminates a requirement that the label on an approved personal flotation device have one or more of the following designations:

1. Conditional approval;
2. Performance type;
3. Type 1, 2, 3, 4, or 5 personal flotation device;
4. Throwable personal flotation device; or
5. Wearable personal flotation device.

The bill retains the requirement that the appropriate use for each flotation device must be indicated on the device's label. A personal flotation device is a U.S. Coast Guard approved personal safety device designed to provide buoyancy to support a person in the water.¹⁴²

¹⁴² R.C. 1546.01, not in the bill.

Obtaining a watercraft or outboard motor title

(R.C. 1548.03)

The bill increases the period of time that a purchaser has to obtain a watercraft or outboard motor title from 30 days to 60 days. Under current law, a person is prohibited from selling or otherwise disposing of a watercraft or outboard motor without delivering to the purchaser a physical certificate of title. However, a purchaser may take possession of and operate a watercraft or outboard motor without a certificate of title for up to 30 days (60 days under the bill) if both of the following apply:

1. The purchaser has been issued a dealer's dated bill of sale or notarized bill of sale (in the case of a casual sale); and
2. The purchaser has the bill of sale in their possession.

Parks and Watercraft Federal Grants Fund

(R.C. 1546.24)

The bill creates the Parks and Watercraft Federal Grants Fund consisting of both of the following:

1. Federal funds received by ODNR for parks and watercraft projects approved by the ODNR Director. The Chief of the Division of Parks and Watercraft must use money in the fund for those projects.
2. Any other money credited to the fund.

The Chief must use money in the fund for parks and watercraft projects approved by the Director.

Other provisions

Performance Bond Refund Fund

(R.C. 1501.16)

The bill creates the Performance Bond Refund Fund, which consists of money received by ODNR from other entities as performance security. The bill disposes of money in the fund as follows:

1. If work for which the performance bond was required is completed, the money is refunded to the pledging entity; or
2. If a performance bond is forfeited, the money must be transferred to the appropriate fund within the state treasury.

ODNR administration of capital projects

(Section 343.60)

The bill allows ODNR, for FY 2024 and FY 2025, to administer certain capital facility projects commenced within those fiscal years, regardless of estimated cost, without the assistance of the Ohio Facilities Construction Commission (OFCC), which generally administers

capital facility projects on behalf of state agencies. The bill specifies that those projects are the following:

1. Dam repairs administered by the ODNR's Division of Engineering;
2. Projects or improvements administered by the Division of Parks and Watercraft and funded via the Waterways Safety Fund;
3. Projects or improvements administered by the Division of Parks and Watercraft; and
4. Activities conducted by ODNR to maintain ODNR's roads.

The bill requires ODNR to do both of the following:

1. Comply with the procedures and guidelines established in the law governing public improvement contracts; and
2. Track all project information in the Ohio Administrative Knowledge System (OAKS) capital improvements application pursuant to OFCC guidelines as though ODNR is administering the project pursuant to all generally applicable laws.

Finally, the bill states that nothing in these provisions interferes with ODNR's general powers.