

LSC 129 2257-3

129th General Assembly

Regular Session

2011-2012

Sub. H. B. No. 493

A B I L L

To amend sections 1509.022, 1509.06, 1509.19, 1
1509.24, 1509.25, and 1509.31 and to enact 2
sections 1509.081, 1509.311, and 1509.312 of the 3
Revised Code to establish additional requirements, 4
including permit application requirements, 5
governing wells that are drilled into the 6
Marcellus shale formation or a deeper formation, 7
to establish requirements governing oil and gas 8
land professionals, including the registration of 9
such professionals and the creation of disclosure 10
forms that must be presented to a prospective 11
lessor of oil and gas mineral rights and to a 12
prospective seller of mineral rights, and to make 13
other changes in the Oil and Gas Law. 14

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1509.022, 1509.06, 1509.19, 1509.24, 15
1509.25, and 1509.31 be amended and sections 1509.081, 1509.311, 16
and 1509.312 of the Revised Code be enacted to read as follows: 17

Sec. 1509.022. (A) Except as provided in section 1509.021 of 19
the Revised Code, the surface location of a new well that will be 20
drilled using directional drilling may be located on a parcel of 21

land that is not in the drilling unit of the well. 22

(B) On and after the effective date of this amendment, the 23
surface location of a new well shall not be within seven hundred 24
fifty feet from the property line of a parcel of land that is not 25
in the drilling unit of the well if the parcel of land is not 26
located in an urbanized area and the well will have a depth at or 27
below the depth of the top of the Marcellus shale formation. 28

(C) On and after the effective date of this amendment, no 29
portion of a lateral line of a well, which has a depth at or below 30
the depth of the top of the Marcellus shale formation, shall be 31
within seven hundred fifty feet from the property line of a parcel 32
of land that is not in the drilling unit of the well. 33

Sec. 1509.081. (A) On and after the effective date of this 34
section, an oil or gas lease that is necessary for the formation 35
of a drilling unit in which is or will be located a well that will 36
have a depth at or below the depth of the top of the Marcellus 37
shale formation shall include at a minimum all of the following: 38

(1) A requirement that written notice be provided to the 39
lessor by the lessee immediately after the recording of a declared 40
pooled unit in the office of the applicable county recorder that 41
the property or mineral rights, as applicable, that are the 42
subject of the lease are a part of a drilling unit; 43

(2) A requirement that ground water testing be conducted 44
prior to commencement of the drilling of the well and after 45
stimulation of the well. The ground water testing shall be 46
conducted by the department of natural resources, the board of 47
health of the health district in which the proposed well or well 48
is to be or is located, or a person who has received a 49
registration certificate from the chief of the division of oil and 50
gas resources management under section 1509.312 of the Revised 51

Code. In addition, the person who conducts the ground water 52
testing shall provide written results of the testing to the lessor 53
and to the chief. The lessee shall pay the costs of the ground 54
water testing required by this division. 55

(3) A provision that holds the lessor harmless against any 56
claims, losses, including, but not limited to, court costs and 57
attorney fees reasonably incurred, or damages arising from the 58
lessee's actions or operations on the applicable property; 59

(4) A provision that allows the lessor annually to request a 60
written audit of the lessee's production. The audit shall be 61
conducted by an auditor who is independent of the lessee. The 62
lessee shall pay the costs of the audit. 63

(5) A provision that allows the lessor of the property on 64
which the surface facilities of a well will be or are located to 65
receive a lump sum payment in lieu of free gas to the house or 66
other dwelling that is located on the leased property. The amount 67
of money to be paid in full shall not be less than three thousand 68
dollars. 69

(6) A requirement that a lessee timely provide written notice 70
to the lessor of the property on which the surface facilities of a 71
well will be or are located of all serious injuries to or death of 72
a person that occurred on the property and of any damage to the 73
property resulting from the lessee's operations on the property; 74

(7) A requirement that whenever the lessee assigns or 75
otherwise transfers the lessee's interest of the oil or gas lease, 76
the assignor or transferor notify in writing the lessor of the 77
assignment or transfer not later than thirty days after the date 78
of the assignment or transfer. 79

(B) On and after the effective date of this section and 80
notwithstanding section 5301.08 of the Revised Code, an oil or gas 81
lease that is necessary for the formation of a drilling unit in 82

which is or will be located a well that will have a depth at or 83
below the depth of the top of the Marcellus shale formation shall 84
be lawfully executed and properly recorded. In addition, such a 85
lease shall be valid only if the lease is signed by the lessor and 86
lessee before a notary public. 87

(C) On and after the effective date of this section, the 88
minimum rate of a royalty interest for a well that will have a 89
depth at or below the depth of the top of the Marcellus shale 90
formation shall not be less than fifteen per cent of the gross 91
revenue from the sale of oil, liquid natural gas, dry gas, and 92
their constituents for that well. In calculating the gross 93
revenue, no costs or expenses shall be deducted. 94

(D) On and after the effective date of this section, the 95
owner of a well that has a depth at or below the depth of the top 96
of the Marcellus shale formation shall notify in writing all 97
owners of property of any diminution to or contamination of their 98
drinking water supply as a result of the activities of the owner 99
of the well. 100

Sec. 1509.06. (A) An application for a permit to drill a new 101
well, drill an existing well deeper, reopen a well, convert a well 102
to any use other than its original purpose, or plug back a well to 103
a different source of supply, including associated production 104
operations, shall be filed with the chief of the division of oil 105
and gas resources management upon such form as the chief 106
prescribes and shall contain each of the following that is 107
applicable: 108

(1) The name and address of the owner and, if a corporation, 109
the name and address of the statutory agent; 110

(2) The signature of the owner or the owner's authorized 111
agent. When an authorized agent signs an application, it shall be 112
accompanied by a certified copy of the appointment as such agent. 113

(3) The names and addresses of all persons holding the 114
royalty interest in the tract upon which the well is located or is 115
to be drilled or within a proposed drilling unit; 116

(4) The location of the tract or drilling unit on which the 117
well is located or is to be drilled identified by section or lot 118
number, city, village, township, and county; 119

(5) Designation of the well by name and number; 120

(6) The geological formation to be tested or used and the 121
proposed total depth of the well; 122

(7) The type of drilling equipment to be used; 123

(8) If the well is for the injection of a liquid, identity of 124
the geological formation to be used as the injection zone and the 125
composition of the liquid to be injected; 126

(9) For an application for a permit to drill a new well 127
within an urbanized area, a sworn statement that the applicant has 128
provided notice by regular mail of the application to the owner of 129
each parcel of real property that is located within five hundred 130
feet of the surface location of the well and to the executive 131
authority of the municipal corporation or the board of township 132
trustees of the township, as applicable, in which the well is to 133
be located. In addition, the notice shall contain a statement that 134
informs an owner of real property who is required to receive the 135
notice under division (A) (9) of this section that within five days 136
of receipt of the notice, the owner is required to provide notice 137
under section 1509.60 of the Revised Code to each residence in an 138
occupied dwelling that is located on the owner's parcel of real 139
property. The notice shall contain a statement that an application 140
has been filed with the division of oil and gas resources 141
management, identify the name of the applicant and the proposed 142
well location, include the name and address of the division, and 143
contain a statement that comments regarding the application may be 144

sent to the division. The notice may be provided by hand delivery 145
or regular mail. The identity of the owners of parcels of real 146
property shall be determined using the tax records of the 147
municipal corporation or county in which a parcel of real property 148
is located as of the date of the notice. 149

(10) A plan for restoration of the land surface disturbed by 150
drilling operations. The plan shall provide for compliance with 151
the restoration requirements of division (A) of section 1509.072 152
of the Revised Code and any rules adopted by the chief pertaining 153
to that restoration. 154

(11) A description by name or number of the county, township, 155
and municipal corporation roads, streets, and highways that the 156
applicant anticipates will be used for access to and egress from 157
the well site; 158

(12) For an application for a permit to drill a new well that 159
will have a depth at or below the depth of the top of the 160
Marcellus shale formation, both of the following: 161

(a) A copy of an affidavit signed by the applicant certifying 162
that the applicant will pay royalty interest in accordance with 163
the requirements established in division (C) of section 1509.081 164
of the Revised Code to the lessor of each oil and gas lease that 165
is necessary for the formation of the drilling unit on which the 166
proposed well will be located; 167

(b) A copy of an affidavit signed by the applicant certifying 168
that the applicant will comply with the terms of every oil and gas 169
lease that is necessary for the formation of the drilling unit on 170
which the proposed well will be located. 171

(13) Such other relevant information as the chief prescribes 172
by rule. 173

Each application shall be accompanied by a map, on a scale 174
not smaller than four hundred feet to the inch, prepared by an 175

Ohio registered surveyor, showing the location of the well and 176
containing such other data as may be prescribed by the chief. If 177
the well is or is to be located within the excavations and 178
workings of a mine, the map also shall include the location of the 179
mine, the name of the mine, and the name of the person operating 180
the mine. 181

(B) The chief shall cause a copy of the weekly circular 182
prepared by the division to be provided to the county engineer of 183
each county that contains active or proposed drilling activity. 184
The weekly circular shall contain, in the manner prescribed by the 185
chief, the names of all applicants for permits, the location of 186
each well or proposed well, the information required by division 187
(A) (11) of this section, and any additional information the chief 188
prescribes. In addition, the chief promptly shall transfer an 189
electronic copy or facsimile, or if those methods are not 190
available to a municipal corporation or township, a copy via 191
regular mail, of a drilling permit application to the clerk of the 192
legislative authority of the municipal corporation or to the clerk 193
of the township in which the well or proposed well is or is to be 194
located if the legislative authority of the municipal corporation 195
or the board of township trustees has asked to receive copies of 196
such applications and the appropriate clerk has provided the chief 197
an accurate, current electronic mailing address or facsimile 198
number, as applicable. 199

(C) (1) Except as provided in division (C) (2) of this section, 200
the chief shall not issue a permit for at least ten days after the 201
date of filing of the application for the permit unless, upon 202
reasonable cause shown, the chief waives that period or a request 203
for expedited review is filed under this section. However, the 204
chief shall issue a permit within twenty-one days of the filing of 205
the application unless the chief denies the application by order. 206

(2) If the location of a well or proposed well will be or is 207

within an urbanized area, the chief shall not issue a permit for 208
at least eighteen days after the date of filing of the application 209
for the permit unless, upon reasonable cause shown, the chief 210
waives that period or the chief at the chief's discretion grants a 211
request for an expedited review. However, the chief shall issue a 212
permit for a well or proposed well within an urbanized area within 213
thirty days of the filing of the application unless the chief 214
denies the application by order. 215

(D) An applicant may file a request with the chief for 216
expedited review of a permit application if the well is not or is 217
not to be located in a gas storage reservoir or reservoir 218
protective area, as "reservoir protective area" is defined in 219
section 1571.01 of the Revised Code. If the well is or is to be 220
located in a coal bearing township, the application shall be 221
accompanied by the affidavit of the landowner prescribed in 222
section 1509.08 of the Revised Code. 223

In addition to a complete application for a permit that meets 224
the requirements of this section and the permit fee prescribed by 225
this section, a request for expedited review shall be accompanied 226
by a separate nonrefundable filing fee of two hundred fifty 227
dollars. Upon the filing of a request for expedited review, the 228
chief shall cause the county engineer of the county in which the 229
well is or is to be located to be notified of the filing of the 230
permit application and the request for expedited review by 231
telephone or other means that in the judgment of the chief will 232
provide timely notice of the application and request. The chief 233
shall issue a permit within seven days of the filing of the 234
request unless the chief denies the application by order. 235
Notwithstanding the provisions of this section governing expedited 236
review of permit applications, the chief may refuse to accept 237
requests for expedited review if, in the chief's judgment, the 238
acceptance of the requests would prevent the issuance, within 239

twenty-one days of their filing, of permits for which applications
are pending.

(E) A well shall be drilled and operated in accordance with
the plans, sworn statements, and other information submitted in
the approved application.

(F) The chief shall issue an order denying a permit if either
of the following applies:

(1) The applicant failed to include with the application the
affidavits required in division (A)(12) of this section, if
applicable.

(2) The chief finds that there is a substantial risk that the
operation will result in violations of this chapter or rules
adopted under it that will present an imminent danger to public
health or safety or damage to the environment, provided that where
the chief finds that terms or conditions to the permit can
reasonably be expected to prevent such violations, the chief shall
issue the permit subject to those terms or conditions, including,
if applicable, terms and conditions regarding subjects identified
in rules adopted under section 1509.03 of the Revised Code. The

The issuance of a permit shall not be considered an order of
the chief.

(G) Each application for a permit required by section 1509.05
of the Revised Code, except an application to plug back an
existing well that is required by that section and an application
for a well drilled or reopened for purposes of section 1509.22 of
the Revised Code, also shall be accompanied by a nonrefundable fee
as follows:

(1) Five hundred dollars for a permit to conduct activities
in a township with a population of fewer than ten thousand;

(2) Seven hundred fifty dollars for a permit to conduct

activities in a township with a population of ten thousand or 270
more, but fewer than fifteen thousand; 271

(3) One thousand dollars for a permit to conduct activities 272
in either of the following: 273

(a) A township with a population of fifteen thousand or more; 274

(b) A municipal corporation regardless of population. 275

(4) If the application is for a permit that requires 276
mandatory pooling, an additional five thousand dollars. 277

For purposes of calculating fee amounts, populations shall be 278
determined using the most recent federal decennial census. 279

Each application for the revision or reissuance of a permit 280
shall be accompanied by a nonrefundable fee of two hundred fifty 281
dollars. 282

(H) Prior to the issuance of a permit to drill a proposed 283
well that is to be located in an urbanized area, the division 284
shall conduct a site review to identify and evaluate any 285
site-specific terms and conditions that may be attached to the 286
permit. At the site review, a representative of the division shall 287
consider fencing, screening, and landscaping requirements, if any, 288
for similar structures in the community in which the well is 289
proposed to be located. The terms and conditions that are attached 290
to the permit shall include the establishment of fencing, 291
screening, and landscaping requirements for the surface facilities 292
of the proposed well, including a tank battery of the well. 293

(I) A permit shall be issued by the chief in accordance with 294
this chapter. A permit issued under this section for a well that 295
is or is to be located in an urbanized area shall be valid for 296
twelve months, and all other permits issued under this section 297
shall be valid for twenty-four months. 298

(J) A permittee or a permittee's authorized representative 299

shall notify an inspector from the division at least twenty-four 300
hours, or another time period agreed to by the chief's authorized 301
representative, prior to the commencement of drilling, reopening, 302
converting, well stimulation, or plugback operations. 303

Sec. 1509.19. (A) An owner who elects to stimulate a well 304
shall stimulate the well in a manner that will not endanger 305
underground sources of drinking water. Not later than twenty-four 306
hours before commencing the stimulation of a well, the owner or 307
the owner's authorized representative shall notify an oil and gas 308
resources inspector. If during the stimulation of a well damage to 309
the production casing or cement occurs and results in the 310
circulation of fluids from the annulus of the surface production 311
casing, the owner shall immediately terminate the stimulation of 312
the well and notify the chief of the division of oil and gas 313
resources management. If the chief determines that the casing and 314
the cement may be remediated in a manner that isolates the oil and 315
gas bearing zones of the well, the chief may authorize the 316
completion of the stimulation of the well. If the chief determines 317
that the stimulation of a well resulted in irreparable damage to 318
the well, the chief shall order that the well be plugged and 319
abandoned within thirty days of the issuance of the order. 320

For purposes of determining the integrity of the remediation 321
of the casing or cement of a well that was damaged during the 322
stimulation of the well, the chief may require the owner of the 323
well to submit cement evaluation logs, temperature surveys, 324
pressure tests, or a combination of such logs, surveys, and tests. 325

(B) An owner who elects to stimulate a well shall submit to 326
the chief a complete listing of all of the chemicals and other 327
substances that will be used in the stimulation of the well. The 328
list shall be submitted on a form or in a manner prescribed by the 329
chief. 330

Sec. 1509.24. (A) The Except as otherwise provided in 331
division (C) of this section, the chief of the division of oil and 332
gas resources management, with the approval of the technical 333
advisory council on oil and gas created in section 1509.38 of the 334
Revised Code, may adopt, amend, or rescind rules relative to 335
minimum acreage requirements for drilling units and minimum 336
distances from which a new well may be drilled or an existing well 337
deepened, plugged back, or reopened to a source of supply 338
different from the existing pool from boundaries of tracts, 339
drilling units, and other wells for the purpose of conserving oil 340
and gas reserves. The rules relative to minimum acreage 341
requirements for drilling units shall require a drilling unit to 342
be compact and composed of contiguous land. 343

(B) Rules adopted under this section and special orders made 344
under section 1509.25 of the Revised Code shall apply only to new 345
wells to be drilled or existing wells to be deepened, plugged 346
back, or reopened to a source of supply different from the 347
existing pool for the purpose of extracting oil or gas in their 348
natural state. 349

(C) On and after the effective date of this amendment, the 350
maximum acreage of a drilling unit for a well that will have a 351
depth at or below the depth of the top of the Marcellus shale 352
formation shall not exceed one thousand two hundred eighty acres. 353
The drilling unit shall be compact and composed of contiguous 354
land. The chief may adopt rules for the administration of this 355
division. 356

Sec. 1509.25. The chief of the division of oil and gas 357
resources management, upon the chief's own motion or upon 358
application of an owner, may hold a hearing to consider the need 359
or desirability of adopting a special order for drilling unit 360
requirements in a particular pool different from those established 361

under division (A) of section 1509.24 of the Revised Code. The 362
chief shall notify every owner of land within the area proposed to 363
be included within the order, of the date, time, and place of the 364
hearing and the nature of the order being considered at least 365
thirty days prior to the date of the hearing. Each application for 366
such an order shall be accompanied by such information as the 367
chief may request. If the chief finds that the pool can be defined 368
with reasonable certainty, that the pool is in the initial state 369
of development, and that the establishment of such different 370
requirements for drilling a well on a tract or drilling unit in 371
the pool is reasonably necessary to protect correlative rights or 372
to provide effective development, use, or conservation of oil and 373
gas, the chief, with the written approval of the technical 374
advisory council on oil and gas created in section 1509.38 of the 375
Revised Code, shall make a special order designating the area 376
covered by the order, and specifying the acreage requirements for 377
drilling a well on a tract or drilling unit in the area, which 378
acreage requirements shall be uniform for the entire pool. The 379
order shall specify minimum distances from the boundary of the 380
tract or drilling unit for the drilling of wells and minimum 381
distances from other wells and allow exceptions for wells drilled 382
or drilling in a particular pool at the time of the filing of the 383
application. The chief may exempt the discovery well from minimum 384
acreage and distance requirements in the order. After the date of 385
the notice for a hearing called to make the order, no additional 386
well shall be commenced in the pool for a period of sixty days or 387
until an order has been made pursuant to the application, 388
whichever is earlier. The chief, upon the chief's own motion or 389
upon application of an owner, after a hearing and with the 390
approval of the technical advisory council on oil and gas, may 391
include additional lands determined to be underlaid by a 392
particular pool or to exclude lands determined not to be underlaid 393
by a particular pool, and may modify the spacing and acreage 394

requirements of the order. 395

Nothing in this section permits the chief to establish 396
drilling units in a pool by requiring the use of a survey grid 397
coordinate system with fixed or established unit boundaries. 398

Sec. 1509.31. (A) Whenever the entire interest of an oil and 399
gas lease is assigned or otherwise transferred, the assignor or 400
transferor shall notify the holders of the royalty interests, and, 401
if a well or wells exist on the lease, the division of oil and gas 402
resources management, of the name and address of the assignee or 403
transferee by certified mail, return receipt requested, not later 404
than thirty days after the date of the assignment or transfer. 405
When notice of any such assignment or transfer is required to be 406
provided to the division, it shall be provided on a form 407
prescribed and provided by the division and verified by both the 408
assignor or transferor and by the assignee or transferee and shall 409
be accompanied by a nonrefundable fee of one hundred dollars for 410
each well. The notice form applicable to assignments or transfers 411
of a well to the owner of the surface estate of the tract on which 412
the well is located shall contain a statement informing the 413
landowner that the well may require periodic servicing to maintain 414
its productivity; that, upon assignment or transfer of the well to 415
the landowner, the landowner becomes responsible for compliance 416
with the requirements of this chapter and rules adopted under it, 417
including, without limitation, the proper disposal of brine 418
obtained from the well, the plugging of the well when it becomes 419
incapable of producing oil or gas, and the restoration of the well 420
site; and that, upon assignment or transfer of the well to the 421
landowner, the landowner becomes responsible for the costs of 422
compliance with the requirements of this chapter and rules adopted 423
under it and the costs for operating and servicing the well. 424

(B) When the entire interest of a well is proposed to be 425

assigned or otherwise transferred to the landowner for use as an 426
exempt domestic well, the owner who has been issued a permit under 427
this chapter for the well shall submit to the chief of the 428
division of oil and gas resources management an application for 429
the assignment or transfer that contains all documents that the 430
chief requires and a nonrefundable fee of one hundred dollars. The 431
application for such an assignment or transfer shall be prescribed 432
and provided by the chief. The chief may approve the application 433
if the application is accompanied by a release of all of the oil 434
and gas leases that are included in the applicable formation of 435
the drilling unit, the release is in a form such that the well 436
ownership merges with the fee simple interest of the surface 437
tract, and the release is in a form that may be recorded. However, 438
if the owner of the well does not release the oil and gas leases 439
associated with the well that is proposed to be assigned or 440
otherwise transferred or if the fee simple tract that results from 441
the merger of the well ownership with the fee simple interest of 442
the surface tract is less than five acres, the proposed exempt 443
domestic well owner shall post a five thousand dollar bond with 444
the division prior to the assignment or transfer of the well to 445
ensure that the well will be properly plugged. The chief, for good 446
cause, may modify the requirements of this section governing the 447
assignment or transfer of the interests of a well to the 448
landowner. Upon the assignment or transfer of the well, the owner 449
of an exempt domestic well is not subject to the severance tax 450
levied under section 5749.02 of the Revised Code, but is subject 451
to all applicable fees established in this chapter. 452

(C) The owner holding a permit under section 1509.05 of the 453
Revised Code is responsible for all obligations and liabilities 454
imposed by this chapter and any rules, orders, and terms and 455
conditions of a permit adopted or issued under it, and no 456
assignment or transfer by the owner relieves the owner of the 457
obligations and liabilities until and unless the assignee or 458

transferee files with the division the information described in 459
divisions (A) (1), (2), (3), (4), (5), (10), (11), ~~and~~ (12), and 460
(13) of section 1509.06 of the Revised Code; obtains liability 461
insurance coverage required by section 1509.07 of the Revised 462
Code, except when none is required by that section; and executes 463
and files a surety bond, negotiable certificates of deposit or 464
irrevocable letters of credit, or cash, as described in that 465
section. Instead of a bond, but only upon acceptance by the chief, 466
the assignee or transferee may file proof of financial 467
responsibility, described in section 1509.07 of the Revised Code. 468
Section 1509.071 of the Revised Code applies to the surety bond, 469
cash, and negotiable certificates of deposit and irrevocable 470
letters of credit described in this section. Unless the chief 471
approves a modification, each assignee or transferee shall operate 472
in accordance with the plans and information filed by the permit 473
holder pursuant to section 1509.06 of the Revised Code. 474

(D) If a mortgaged property that is being foreclosed is 475
subject to an oil or gas lease, pipeline agreement, or other 476
instrument related to the production or sale of oil or natural gas 477
and the lease, agreement, or other instrument was recorded 478
subsequent to the mortgage, and if the lease, agreement, or other 479
instrument is not in default, the oil or gas lease, pipeline 480
agreement, or other instrument, as applicable, has priority over 481
all other liens, claims, or encumbrances on the property so that 482
the oil or gas lease, pipeline agreement, or other instrument is 483
not terminated or extinguished upon the foreclosure sale of the 484
mortgaged property. If the owner of the mortgaged property was 485
entitled to oil and gas royalties before the foreclosure sale, the 486
oil or gas royalties shall be paid to the purchaser of the 487
foreclosed property. 488

Sec. 1509.311. (A) As used in this section, "land 489
professional" means a person who is engaged primarily in any of 490

<u>the following activities:</u>	491
<u>(1) Negotiating the acquisition or divestiture of mineral</u>	492
<u>rights regarding the extraction of oil or gas, including wet gas;</u>	493
<u>(2) Negotiating business agreements that provide for the</u>	494
<u>exploration for or development of oil or gas, including wet gas;</u>	495
<u>(3) Securing the pooling of interests in oil or gas,</u>	496
<u>including wet gas.</u>	497
<u>"Land professional" includes a person colloquially known as a</u>	498
<u>landman conducting the activities specified in divisions (A) (1) to</u>	499
<u>(3) of this section.</u>	500
<u>(B) No person shall operate as a land professional in this</u>	501
<u>state unless the person first registers with and obtains a</u>	502
<u>registration certificate from the chief of the division of oil and</u>	503
<u>gas resources management. A registration certificate issued under</u>	504
<u>this section is valid for one year from the date of issuance and</u>	505
<u>may be renewed annually.</u>	506
<u>(C) The chief shall adopt rules in accordance with Chapter</u>	507
<u>119. of the Revised Code that do all of the following:</u>	508
<u>(1) Establish a registration form for an initial registration</u>	509
<u>and a form for the renewal of a registration for purposes of</u>	510
<u>division (B) of this section. The rules shall require each person</u>	511
<u>registering or renewing a registration under this section to</u>	512
<u>identify the counties of the state in which the person intends to</u>	513
<u>operate as a land professional.</u>	514
<u>(2) Establish the amount of a fee for the issuance of an</u>	515
<u>initial registration and a registration renewal. All fees</u>	516
<u>collected under this section shall be deposited in the state</u>	517
<u>treasury to the credit of the oil and gas well fund created in</u>	518
<u>section 1509.02 of the Revised Code.</u>	519
<u>(3) Provide for the assignment of a registration number to</u>	520

each land professional who is issued a registration certificate; 521

(4) Establish any other requirements and procedures that are 522
necessary to implement this section. 523

(D) The chief shall publish on the division's web site the 524
name of and other relevant information concerning each person 525
registered under this section. 526

(E)(1) A land professional shall provide a copy of the 527
applicable disclosure form established by division (F) or (G) of 528
this section to a prospective lessor or prospective seller when 529
initially approaching the landowner regarding any of the 530
activities specified in division (A) of this section. The land 531
professional shall explain thoroughly each item on the applicable 532
disclosure form. In addition, the land professional shall obtain 533
on duplicate forms the initials of the prospective lessor or 534
prospective seller, as applicable, for each item on the disclosure 535
form at the appropriate location as an acknowledgement that the 536
land professional explained each item to the prospective lessor or 537
prospective seller. The land professional and the prospective 538
lessor or prospective seller, as applicable, each shall sign and 539
date each copy of the applicable disclosure form. The land 540
professional shall provide one copy of the initialed, signed, and 541
dated disclosure form to the prospective lessor or prospective 542
seller and may retain the other copy. 543

(2) No land professional shall fail to comply with division 544
(E)(1) of this section. 545

(F) The disclosure form used by a land professional under 546
division (E) of this section for negotiations with a prospective 547
lessor shall be as follows: 548

"Oil and Gas Lease Disclosure Form 549

I,(printed name of registered land 550
professional), on behalf of(name, address, 551

and telephone number of the entity for which the land professional 552
is an agent or by which the land professional is employed), am 553
here to negotiate a lease of your mineral rights for the purpose 554
of removing the oil or gas that may be under your property. 555

As a part of the negotiation, I am required by state law to 556
thoroughly explain all of the following: 557

(Landowner/Lessor: please initial each item below that was 558
thoroughly explained by the land professional) 559

.... 1. I acknowledge that I have received a thorough explanation 560
of the company, organization, or entity that the land professional 561
represents, is an agent of, or is employed by. 562

.... 2. I acknowledge that I have received a thorough explanation 563
of how oil and gas drilling works, including a description of the 564
equipment used in oil and gas drilling and how hydraulic 565
fracturing is used to remove oil and gas from the ground. 566

.... 3. I acknowledge that I have received a thorough explanation 567
of how a company obtains the right to drill an oil or gas well 568
under Ohio laws, which means an oil or gas drilling permit. 569

.... 4. I acknowledge that I have received a thorough explanation 570
of the lease for oil or gas rights, including an explanation of 571
how long the lease may last and the minimum royalty required under 572
Ohio law. 573

.... 5. I acknowledge that I have received a thorough explanation 574
of all of the parts of the lease for my oil or gas mineral rights 575
that may make the lease last longer, including an explanation of 576
the longest time that the oil and gas lease would last. 577

.... 6. I acknowledge that I have received a thorough explanation 578
that I have a right to request a separate land-use contract to use 579
my property to drill a well. 580

.... 7. I acknowledge that I have received a thorough explanation 581

that I have a right to request a no surface use lease, which means 582
a lease that would not allow a well to be drilled on my property. 583

.... 8. I acknowledge that I have received a thorough explanation 584
that I have a right to put in the lease a requirement to prevent 585
the use of my property for anything that is not removal of oil or 586
gas. That requirement in the lease also would prevent the use of 587
my property to store equipment, to store wastes from drilling or 588
from the removal of oil or gas, to dispose of wastes from drilling 589
or from the removal of oil or gas, and to prevent the drilling of 590
an injection well on my property to dispose of wastes from 591
drilling or wastes from the removal of oil or gas. 592

.... 9. I acknowledge that I have received a thorough explanation 593
that I have a right to put in the lease a requirement to stop the 594
lessee from free use of oil, gas, and water from my property. I 595
also acknowledge that I have received a thorough explanation that 596
I have a right to put in the lease a requirement that I must be 597
paid for the lessee's use of oil, gas, or water from my property. 598

.... 10. I acknowledge that I have received a thorough explanation 599
that I have a right to put in the lease a requirement that the 600
lessee must give me a list of all of the chemicals and other 601
substances that will be used in any hydraulic fracturing of the 602
well for which my property will be a part of the drilling unit. 603

.... 11. I acknowledge that I have received a thorough explanation 604
that I have the right to speak to or meet with an attorney before 605
signing a lease for the oil or gas mineral rights from my 606
property. I also acknowledge that I have received a thorough 607
explanation that I may have an attorney read the lease before I 608
sign the lease and provide advice to me about the lease for the 609
oil or gas mineral rights that I own. 610

..... 611
Signature of landowner/lessor Date 612
613
..... 614
Printed name of landowner/lessor 615

..... 616
Signature of land professional Date 617
618
..... 619
Registration number of land professional 620

(G) The disclosure form used by a land professional under 621
division (E) of this section for negotiations with a prospective 622
seller shall be as follows: 623

"Mineral Purchase Disclosure Form 624

I,(printed name of registered land 625
professional), on behalf of(name, address, 626
and telephone number of the entity for which the land professional 627
is an agent or by which the land professional is employed), am 628
here to negotiate a land-purchase contract for the purchase of 629
your mineral rights, including the purchase of the oil or gas that 630
may be under your property. 631

As a part of the negotiation, I am required by state law to 632
thoroughly explain all of the following: 633

(Landowner/Seller: please initial each item below that was 634
thoroughly explained by the land professional) 635

.... 1. I acknowledge that I have received a thorough explanation 636
of the company, organization, or entity that the land professional 637
represents, is an agent of, or is employed by. 638

.... 2. I acknowledge that I have received a thorough explanation 639

that a purchase of mineral rights is not the same as a lease of 640
mineral rights. 641

.... 3. I acknowledge that I have received a thorough explanation 642
that a purchase is the sale of my mineral rights whether my 643
mineral rights are leased or my mineral rights are not leased. 644

.... 4. I acknowledge that I have received a thorough explanation 645
that a mineral rights purchase is a sale of property that requires 646
a transfer of rights through a deed. 647

.... 5. I acknowledge that I have received a thorough explanation 648
that if my mineral rights have been leased, then a purchase of my 649
mineral rights is the sale of my rights to receive royalty 650
payments or other payments under the lease of my mineral rights. 651

.... 6. I acknowledge that I have received a thorough explanation 652
that if my mineral rights have not been leased, then a purchase is 653
the sale of my mineral rights and the buyer of my mineral rights 654
may lease the mineral rights to any other person. 655

.... 7. I acknowledge that I have received a thorough explanation 656
that the sale of my mineral rights may limit my right to use and 657
enjoy the surface of my property. 658

.... 8. I acknowledge that I have received a thorough explanation 659
that the sale of my mineral rights may be for all minerals or only 660
specific minerals. 661

.... 9. I acknowledge that I have received a thorough explanation 662
that the sale of my mineral rights may be for all of my mineral 663
rights or for a part of my mineral rights. 664

.... 10. I acknowledge that I have received a thorough explanation 665
that the sale of my mineral rights may have tax consequences that 666
may require tax advice before the sale of my mineral rights. 667

.... 11. I acknowledge that I have received a thorough explanation 668
that I have the right to speak to or meet with an attorney before 669

signing a land-purchase contract for the mineral rights from my 670
property. I also acknowledge that I have received a thorough 671
explanation that I may have an attorney read the contract before I 672
sign the contract and provide advice to me about the contract to 673
purchase the mineral rights that I own. 674

..... 675
Signature of landowner/seller Date 676

..... 677
..... 678
Printed name of landowner/seller 679

..... 680
Signature of land professional Date 681

..... 682
..... 683
Registration number of land professional" 684

(H) The chief shall post a copy of the disclosure forms 685
established by division (F) and (G) of this section on the 686
division's web site. The posting of the disclosure forms shall be 687
in a format that may be downloaded or printed by a land 688
professional for purposes of division (E) of this section. 689

Sec. 1509.312. (A) Except for ground water testing conducted 690
by the department of natural resources or by the board of health 691
of the health district in which a proposed well or well is to be 692
or is located, no person shall test ground water for the purposes 693
of division (A) (2) of section 1509.081 of the Revised Code unless 694
the person first registers with and obtains a registration 695
certificate from the chief of the division of oil and gas 696
resources management. A registration certificate issued under this 697
section is valid for one year from the date of issuance and may be 698
renewed annually. 699

(B) The chief shall adopt rules in accordance with Chapter 700
119. of the Revised Code that do all of the following: 701

(1) Establish a registration form for an initial registration 702
and a form for the renewal of a registration for purposes of 703
division (A) of this section; 704

(2) Establish the amount of a fee for the issuance of an 705
initial registration and a registration renewal. All fees 706
collected under this section shall be deposited in the state 707
treasury to the credit of the oil and gas well fund created in 708
section 1509.02 of the Revised Code. 709

(3) Establish minimum qualifications that a person must meet 710
in order for the person to test ground water for the purposes of 711
division (A) (2) of section 1509.081 of the Revised Code; 712

(4) Establish any other requirements and procedures that are 713
necessary to implement this section. 714

(C) The chief shall publish on the division's web site the 715
name of and other relevant information concerning each person 716
registered under this section. 717

Section 2. That existing sections 1509.022, 1509.06, 1509.19, 718
1509.24, 1509.25, and 1509.31 of the Revised Code are hereby 719
repealed. 720