

Rule Summary and Fiscal Analysis (Part A)**Department of Natural Resources**

Agency Name

Division of Mineral Resources**Management-Oil and Gas**

Division

Mindy Bankey

Contact

**1930 Belcher Drive Bldg. D-3 Columbus OH
43224-1387**

Agency Mailing Address (Plus Zip)

614-265-6836

Phone

Fax

1501:9-1-04

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Spacing of wells.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB278**General Assembly: **125**Sponsor: **Niehaus**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **1509.03, 1509.24**

5. Statute(s) the rule, as filed, amplifies or implements: **1509.02, 1509.24, 1509.03**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

125th General Assembly passed HB 278 which addresses drilling in urbanized areas, and giving the state the authority to regulate this. Therefore, we have to amend this rule to add reference to drilling in urbanized areas.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE,

then summarize the content of the rule:

We have added a paragraph addressing the location of wells in an urbanized area.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

The text that is referenced in this rule is either Administrative Code or Revised Code and this information is easily accessible to the general public.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not Applicable

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **5/5/2005**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues /expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase expenditures.

\$ 150,000

The division has estimated the rules will result in an increase in expenditures of between \$150,000 and \$220,000/year. The increase is primarily based on the additional time needed to review permit applications in urbanized areas and in the field review/inspection of well sites in urban areas.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

Not applicable

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

The cost to the oil and gas industry to comply with this rule will be less than \$ 0.01/mcf gas produced and \$ 0.01/bbl produced.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**