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Hearing Date: 8/21/2019

Today's Date: 9/3/2019

Agency: Natural Resources

Rule Number(s): 1501:9-1-01, 1501:9-1-04, 1501:9-1-05, 1501:9-3-07.1, 1501:9-3-10, 1501:9-5-08, 1501:9-7-13, 1501:9-9-07

If no comments at the hearing, please check the box.

List organizations or individuals giving or submitting testimony before, during or after the public hearing and indicate the rule number(s) in question.

1. Chris Zeigler, API-Ohio, 1501:9-1-01
2. Barry Browne, NARO Ohio, 1501:9-04, 1501:9-5
3. Melissa Hamsher, Montage Resources, 1501:9-04
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Hearing Summary Report

Consolidated Summary of Comments Received

Please review all comments received and complete a consolidated summary paragraph of the comments and indicate the rule number(s).

Regarding 1501:9-1-01, API Ohio submitted written comments pointing out that a discrepancy exists in the definition of subject tract in the text filed with JCARR and the version submitted to CSI-Ohio. The draft submitted to JCARR includes the phrase “subject tract or drilling unit.”

Regarding 1501:9-1-04, Barry Browne submitted testimony advocating the distance from any drilling unit or subject tract boundary for a horizontal well be set at 500 feet instead of 400 feet as listed in the as-filed rule. Additionally, Mr. Browne stated that the as-filed rule does not adequately address the issues of adverse communication. He cited his time as working for Hess Corporation in the Appalachian basin and stated that “operators are not required to report adverse communication, what the consequences for not are, required monitoring of offset wells, or required timing of adverse communication reporting.” Mr. Browne says that adverse communication between wells during completions operations results in inefficient conservation of oil and gas reserves and does not protect correlative rights.

Regarding 1501:9-1-05, Mr. Browne submitted testimony eliminating the 100 feet requirement between wells if it allows for simultaneous operations. He advocates that shutting in producing wells to allow drilling and follow-up completions can negatively impact wells and ultimately impact landowners.

Regarding, 1501:9-1-04, Melissa Hamsher from Montage Resources stated that her company supports the as-filed language. She stated that the language presented represents the hard work and agreement of the Division of Oil and Gas Resources Management and the companies currently operating in Ohio.

Hearing Summary Report

Incorporated Comments into Rule(s)

Indicate how comments received during the hearing process were incorporated into the rule(s). If no comments were incorporated, explain why not.

The Division made the correction pointed out by API-Ohio in 1501:9-01. The inclusion of the language was a typographical error.

Regarding Mr. Browne's comments on 1501:9-1-04, the Division does not plan to modify the as-filed rule. The new spacing requirements are applied to the statutorily-defined wells and are based on months of discussion and debate with current oil and gas operators in Ohio, many of whom presented scientific data advocating for the spacing requirements included in the as-filed rule. The requirements for adverse communications do require operators to report adverse communications if they occur. The Division has written this as a performance-based rule, defining adverse communications and requiring operators to report it. Ohio law and rule provide the Division with defined actions should any requirements of a rule not be followed.

Regarding Mr. Browne's comments on 1501:9-1-05, the elimination of the distance is a rescission because the requirements in rule have already been codified. The context he provided applies to the rules the Division is currently drafting regarding simultaneous operations. The Division will take his comments into consideration regarding that rule development.

Regarding Ms. Hamsher's comments on 1501:9-1-04, no changes in the rule will be made as she advocated for the language as-filed to be drafted.