

OIL AND GAS WELLS

*Better Environmental Coordination For
Drilling in Your Community:
A Guide for Geauga County*



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Recent state legislation has largely exempted the oil and gas industry from local regulations. With the passage of this new legislation, the Ohio Department of Natural Resources-Division of Mineral Resources (ODNR-DMRM) has the exclusive and sole authority in permitting, locating, and spacing oil and gas wells.

Historically, Ohio ranks 4th in the nation for the number of gas wells drilled. Within Ohio in 2004, Geauga County was ranked 19th with 11 wells drilled and 3rd in 2005 with 49 wells drilled.

The recent increase in well drilling within the County has raised attention of residents and local governments about concerns associated with potential environmental impacts that may occur if drilling is not done correctly.

CURRENT PROCESS

Proactive involvement in the oil and gas well drilling process requires a better understanding of how the permitting process works and the urgency required for adequate responses.

Landowners are contacted regularly by Oil and Gas Well Producers to drill wells on their property as well as landowners soliciting the producers. The enticement incentives such as free gas or royalty's appeal to many landowners. The landowner agrees to a lease agreement from the producer (a registered, insured and bonded company) and an application is sent to ODNR-DMRM.

Once an application is received by ODNR-DMRM, a permit must be issued within 21 days in accordance with State Law, (unless the Chief determines the application is incomplete or otherwise not in order), which allows the permittee to commence drilling activities. At this point, timing is of the essence.

Well drilling operations are classified into two areas "Urbanized" and "Non-Urbanized." "Urbanized Areas" include all incorporated areas or townships with an unincorporated population of more than 5,000 based on the most recent US decennial Census. In Geauga County this includes Auburn, Bainbridge, Chester, Munson, Newbury, and Russell townships, all villages and cities. Conversely, a "Non-Urbanized" area is everything that is not an "Urbanized Area." Some rules and requirements vary in each of these areas.

CURRENT PROCESS CONTINUED

For “Urbanized Areas”

If a local community has registered for notification, ODNR-DMRM notifies the local community when a drilling application has been filed. At this point, in the process, communities may contact the DMRM inspector to participate in the pre-permit site review. The pre-permitting review process involves the use of maps, aerial photographs, and plat maps to determine the lay of the land and well drilling location as well as other existing natural features that should be protected as part of the permit conditions. Site-specific permit conditions within the rules will be required by ODNR-DMRM. A valid mineral lease must be in place, which is a private agreement between the oil and gas company and mineral owner. This Lease Agreement is also reviewed for similar purposes as the pre-permit review; however, ODNR-DMRM does not enforce the Lease Agreement, due to the fact that this is a private contract. ODNR-DMRM encourages all mineral owners to contact an attorney familiar with oil and gas leases before entering into a lease agreement. After, the pre-permit process is completed and all permit criteria are met, a permit is issued.

If there are more than 15 homes that are included in the drilling unit and are within a 500-foot radius of the wellhead, the permittee is obligated to notify residents before applying for the permit. This radius can be extended by ODNR-DMRM through specific permit conditions within the permit if existing hydrology or geology indicates. Prior to drilling the permittee must also sample all water wells prior to the



initiation of drilling within a 300-foot radius of the well location. The permittee, driller and other contractors then proceed with the site construction, drilling and other related operations.

The permittee, driller and other contractors must follow the ODNR-DMRM *Best Management Practices for Oil and Gas Well Site Construction Manual* (“BMP Manual”) per ORC 1501:9-1-07(B)) and follow any permit conditions listed. As written within in the law, pit closure must occur within 30 days and; permanent seeding and site stabilization must occur within 5 months from the date drilling ceases.

For “Non-Urbanized Areas”

Unfortunately, no pre-permitting process exists, nor is there a pre-construction meeting for “Non-Urbanized Areas.”

In most instances, ODNR-DMRM inspectors do not become part of the process until a permit is issued. The county engineer is sent a weekly report of all applications pertinent to road ingress/egress routes.

After all permit criteria are met a permit is issued. Inspectors receive completed permits and associated conditions. At this point, well drilling may begin.

The permittee, driller and other contractors must follow permit requirements. Best Management Practices (BMPs), may be implemented on location, but are not set in permit conditions. As written within the law, pit closure must occur within 5 months and; permanent seeding and site stabilization must occur within 9 months from the date drilling ceases.

IMPROVE COORDINATION

Responding to Notices ("Urbanized Areas" only)

All townships and municipalities should register for notification and designate a representative to be the contact for ODNR-DMRM. According to the rules for registration, a legislative authority of the municipal corporation or the board of township trustees should ask to receive copies of such application and the appropriate clerk should provide the Chief of ODNR-DMRM, an accurate, current electronic mailing address or facsimile number. Township and municipality representatives will then be notified of all drilling applications.

The notification needs to be in writing to ODNR-DMRM to request to receive the copies of applications. Additionally, the township or municipality can also register a Fire/EMS representative. The Geauga SWCD is able to register for all activities occurring within "Urbanized Areas" of Geauga County if the townships or municipalities so desire. For information on who to contact for notification, see the last page of this booklet.

Notification Policy ("Urbanized Areas" only)

All townships and municipalities should have a policy in place, which designates a community representative and requires that representative to immediately notify both the Geauga SWCD and the Fire\EMS representative to assist with the pre-permitting site review and subsequent

pre-permitting site meetings. Time is of essence – within 21 working days, a permit will be issued with or without township or municipality input.

Limit of Township Authority

ODNR-DMRM regulates from the public right of way onto private property within the 20 or 40-acre property drilling unit or boundary but not within the public right of way. Townships may continue to use local authority to enforce hazardous issues or non-compliance issues within the road right of way via the zoning inspector, road department, and/or the local police/sheriff.

Limit of SWCD Authority

If sediment is leaving the site, the Geauga SWCD may enforce compliance through the Geauga County Water Management and Sediment Control Regulations.



Know the Inspector for your Area

If you are in an "urbanized" area, contact your inspector and make him aware of your desire to be involved and that you have requested to be on the pre-permitting notification list. There are also backup inspectors and a supervisor for Geauga County. If you are in a "non-urbanized" area and you see a problem, contact the inspector, backup inspector, or supervisor immediately. This is your only line of "defense" to ensure the natural resources are protected. Inspectors and backup inspectors are listed on the last page of this booklet.

IMPROVE COORDINATION CONTINUED

Pre-permitting Meetings ("Urbanized Areas" only)

Attend the pre-site review meetings. Any real issues should be resolved during these meetings. Geauga SWCD is available, upon your request, to attend these meetings and review site-specific conditions. There is a 48-hour advanced notice requirement to the ODNR-DMRM inspector before site construction may begin, but any issues should be resolved by this time.

BMP Manual

Become familiar with ODNR-DMRM BMP (Best Management Practices) Manual for Oil and Gas Well Site Construction and/or the specific permit terms for the particular site.



Silt fence installed to protect adjacent property from sediment runoff.

BETTER LEASE LANGUAGE

While ODNR-DMRM cannot enforce all terms of the lease language, they will review and enforce terms as they relate to on the ground features. Other terms of the lease agreement can be enforced through the legal system, as any other contract would be; therefore, it is most important to have tight lease language.

Specific Site Conditions and Restrictions

- ~ Site ingress and egress locations
- ~ Access road construction standards and placement
- ~ Removal of topsoil from roadbed and proper storage for this topsoil
- ~ Location and management of brine pits
- ~ Road gate specification and style
- ~ Culvert size and type (if applicable)
- ~ Vegetative screening including type, species, location, and number
- ~ Facility fencing including standard, style, and location
- ~ Transmission line and storage tank placement
- ~ Electric line placement (buried or overhead – how high)
- ~ Use of an electric pumping unit – gas fire pumps are available but noisy
- ~ Keys to road and fence gates should be kept at the local fire department or in a "fire lock box" on the site.



A brine pit collecting fluids pumped from well drilling activities.

BETTER LEASE LANGUAGE CONTINUED



An active pump, which aids in filling the gas/oil tanks.

Local Regulations

Leases should include language requiring the leaseholder to comply with all local requirements or recommendations of the most recent version of the following:

- ~ "Geauga County Water Management and Sediment Control Regulations"
- ~ Riparian and Wetland Setbacks as required by Subdivision Regulations or Local Zoning Requirements
- ~ Floodplain setbacks through local building codes
- ~ Noise Control through local Zoning Requirements

It is strongly encouraged that a copy of these above regulations be inserted into the lease agreement.

Well Productivity and Plugging

Require that wells stay commercially and economically productive. Near the end of a well's life, gas companies may operate the well only one day per year to meet ODNR requirements for active wells so that they do not have to cap the well and reclaim the site. Require that the Lessee provide an annual financial statement indicating

production and net operating expenses. The lease should stipulate that the lease becomes null and void if the well is not economically productive in any 2 consecutive years. When the lease is voided, the driller can then be ordered by the ODNR to plug the well and reclaim the site.

Long Term Maintenance

The lease should include language addressing public safety and long-term maintenance such as the following:

Fencing and gate maintenance:

For public safety and aesthetics, stipulate when fences and gates are to be repaired or replaced. The following conditions are recommended:

- ~ Fences and gates are to be kept in good working order.
- ~ Insert community fence regulations if applicable.
- ~ Gaps in fencing or ground clearance shall be repaired.

Access road maintenance:

These roads will deteriorate. It is important that access roads be maintained so public safety vehicles can reach the site. Clauses that require this maintenance may include provisions such as:

- ~ Erosion rills, gullies and tire ruts deeper than 4 inches shall be immediately repaired or at the direction of the community.
- ~ Roadside drainage, including culverts, shall be maintained, cleaned, and repaired when 1/3 of their capacity is lost or at the direction of the community.
- ~ Roads shall be top dressed with gravel at the direction of the community.

Site Restoration

The lease should also include language-specifying standards for site reclamation after the well has been installed and plugged.

OIL AND GAS WELL CONTACT LIST

Inspectors

*Mr. Norburt Lowder, Geauga County
Inspector*
Mineral Resource Inspector 2
Division of Mineral Resources Northern
Region
3575 Forest Lake Drive, Suite 150
Uniontown, OH 44685
Cell – 330-310-2245
Office – 330-896-0616
Fax – 330-896-1849

Mr. Jerry Kohl, 1st Backup Inspector
North Region
Office – 330-896-0616
Cell – 614-205-6351
Home – 440-293-4026

Mr. Bob Worstall, 2nd Backup Inspector
North Region
Office – 330-896-0616
Cell – 330-284-1418

Mr. Jay Cheslock, Supervisor
North Region
Office – 330-896-0616
Cell – 330-284-2942
Home – 330-343-2374

Registering for Notification

Patty Nicklaus
ODNR
Division of Mineral Resources
Management
2045 Morse Rd. Bldg. H-2
Columbus, OH 43229-6693
Fax: 614-265-7999
Email: Patty.Nicklaus@dnr.state.oh.us

Additional Resources

*Purdue University, Negotiating Oil and
Gas Leases on Indiana Farmland*
www.ces.purdue.edu/extmedia/EC/EC-564.html

*New York State Landowner's Guide to Oil
and Gas Leasing*
[www.dec.state.ny.us/website/dmn/
brochure.pdf](http://www.dec.state.ny.us/website/dmn/brochure.pdf)

ODNR-Division of Mineral Resources
[http://www.dnr.state.oh.us/mineral/
index.html](http://www.dnr.state.oh.us/mineral/index.html)

ODNR Landowners' Guide
[http://www.dnr.state.oh.us/mineral/oil/
o6.htm](http://www.dnr.state.oh.us/mineral/oil/o6.htm)

FREQUENTLY ASKED OIL AND GAS QUESTIONS

Q: How close can a well be drilled to my property line?

A: A vertical well cannot be drilled closer than 100 feet from any property not in the drilling unit. A directional well can conceivably be drilled right next to a property line.

Q: How close can a well be to a road?

A: A well cannot be closer than 50 feet to the traveled portion of a road which is considered to be the berm of the roadway.

Q: How close can I build a house to a well? To storage tanks?

A: The Division does not regulate distance between new homes and existing wells or tanks, so there is no minimum distance in this case. However, there are safety and environmental concerns associated with oil and gas wells and there may be occasions when heavy equipment will need to access the well. There is a 100 foot minimum setback requirement from homes for new wells and production equipment.

This brochure was created by the staff of the Geauga Soil and Water Conservation District under the authority of the Board of Supervisors and with assistance from the United States Department of Agriculture - Natural Resources Conservation Service, and Ohio Department of Natural Resources - Division of Soil and Water Conservation.

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Geauga SWCD Mission:

“To conserve, protect, and enhance the resources of Geauga County by providing leadership, education, and assistance to all.”

All services are provided without regard to race, religion, gender, age, physical or mental handicap, national origin or politics.