

# ADMINISTRATIVE WATCH

## ADDRESSING ENVIRONMENTAL, ENERGY AND NATURAL RESOURCE ISSUES



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### Ohio Enacts Biennial Budget Bill With Oil and Gas Regulatory Changes

After months of negotiation, the state of Ohio's biennial budget was signed into law on June 30, 2013 by Governor John Kasich. The new budget covers a wide range of topics, but it is notable for what it does not include – an increase in the oil and gas severance tax. The budget also makes several changes to oil and gas industry regulations. The changes include:

- Horizontal well owners must report production on a quarterly basis rather than an annual basis;
- Beginning on March 31, 2015, well owners must disclose the country of origin of all steel pipes used in the drilling process;
- Only synthetically lined pits or impoundments may be used for temporary storage of brine and other fluids;
- After January 1, 2014, the storage, recycling, treatment, processing or disposal of brine or other waste substances must be in accordance with a permit issued by the chief of the Ohio Department of Natural Resource's Division of Oil and Gas Resources Management, and the chief is required to adopt rules addressing the issuance of the permits;
- The owner of a horizontal well must test drill cuttings for the concentration of radium-226 and radium-228 if the material is technologically enhanced naturally occurring radioactive material (TENORM) and is not reused in connection with the well, disposed of by injection or transported out of Ohio;
- The owner or operator of a solid waste facility may accept material containing TENORM if the material contains less than five picocuries per gram above natural background of radium-226 or radium-228; and
- Material that is not TENORM, but has come in contact with refined oil-based substances, may only be disposed at an authorized solid waste facility or used in accordance with rules adopted by the director of environmental production. The material may also be reused at the location of the horizontal well in a manner approved by the chief.

Several other changes in oil and gas industry regulations were signed into law in addition to those summarized above. For more information please contact David E. Northrop at 412-394-6590 or [dnorthrop@babstcalland.com](mailto:dnorthrop@babstcalland.com).

#### About Babst Calland

Babst Calland represents exploration and production, midstream, construction and other clients supporting the energy industry in all areas of the law encountered by natural gas development, including: environmental, local zoning and land use; title opinions; transactional, labor and employment; and a variety of litigation cases ranging from lease disputes, quiet title actions, toxic tort and construction matters. For more information, visit [www.babstcalland.com](http://www.babstcalland.com) or contact Joseph K. Reinhart, shareholder and chairman of the firm's Energy and Natural Resources Group at (412) 394-5452 or [jreinhart@babstcalland.com](mailto:jreinhart@babstcalland.com). To stay current on related issues and industry developments, please subscribe to our new Shale Energy Law Blog ([www.shaleenergylawblog.com](http://www.shaleenergylawblog.com)).