Utica Shale Conference
Sept. 14, 2012
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Who leases Shale Gas Rights in Ohio?
  a. private land owners
  b. state land owners
  c. federal land owners
DIFFERENT PARADIGM THAN IN THE GULF.
ODNR's WEBSITE
8/5/12

- Marcellus shale: 17 horizontal wells permitted
  7 horizontal wells drilled
- Utica shale: 335 horizontal wells permitted
  118 horizontal wells drilled

Ohio Drilling Regulations
Comparison of well construction standards
Ohio Permitting and Revenue Contrast to Federal System

1. Drilling permits come from Division of Oil and Gas Resources in ODNR
2. Mineral severance tax is collected by the Ohio Tax Commissioner

Groundwater Protection

BP Issues:
- Crumbly, unstable formation
- Allowed gas to escape through formation on sides of casing and around cement
Groundwater Protection

- Triple casings in zones holding drinkable groundwater

Groundwater Protection

- BP issues:
  - Inadequate cement job
  - Ignored recommended curing time
  - Used wrong type of cement

Groundwater Protection

- Ohio has detailed cementing rules
  - Unlike BP situation Ohio inspectors are supposed to be on-site to verify adequacy of cementing job for:
    - Conductor casing
    - Surface casing
Contingency/Emergency Plans

- BP Issues: ♦ Incorrect Data in Plan
  ♦ Faulty Worst-Case Analysis
  ♦ Misinformation on Availability of Emergency Resources

Ohio

- Spill Control & Countermeasure Plans
- EPCRA filings
- Electronic reporting of spills

Ohio

- Is there an inventory of capabilities of local fire departments, OEP, ODNR in Shale Gas Drilling Emergency?
- Is there an inventory of working and available equipment?
  ♦ Booms
  ♦ Fire Suppression Equipment
  ♦ Remedial Response Cleanup
  ♦ Are Emergency Response Contractors on Call?
Ohio

- Surety Bonds Mandatory
- "Restoration"
- Insurance Mandatory
- Personal Injury
- Property Damage
- What about Superfund-type cleanups?