

OHIO OIL & GAS ENERGY EDUCATION PROGRAM



Before the

Ohio Sunset Review Committee

Testimony Regarding

"Oil and Gas Marketing Program"

officially named the

**Ohio Oil and Gas Energy Education Program
(OOGEEP)**

December 7, 2015

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Ohio Sunset Review Committee
Testimony Regarding
"Oil and Gas Marketing Program"
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Chairman Brown and Members of the Sunset Review Committee, I come before you today to testify and outline the role of the "Oil and Gas Marketing Program," now officially called the Ohio Oil and Gas Energy Education Program (OOGEEP), and to emphasize its significant importance to the state of Ohio, and why it should **not** be considered for potential Sunset.

I am Rhonda Reda and I have served as the executive director of the Ohio Oil and Gas Energy Education Program (OOGEEP) since its formation in 1998. OOGEEP is a non-profit statewide education and public outreach program. OOGEEP is not a state agency. It is funded by Ohio's natural gas and crude oil producers and does **not** utilize **any** taxpayer dollars.

OOGEEP provides a variety of programs throughout the state of Ohio. These projects primarily focus on teacher/ student education, science fairs, scholarships, firefighter training, industry training, workforce development, research, landowner education and guest speaker programs.

OOGEEP has gained respect from a variety of target markets by earning a reputation as a credible state and nationally recognized program that provides factual information about how natural gas and crude oil is explored, drilled and produced in Ohio. Many programs have related curriculum and materials that meet both state and national science and fire safety standards.

Since 1998, OOGEEP, funded by Ohio's oil and gas producers, has positively provided educational and training workshops and materials to more than 2,700 Ohio teachers, from all 88 counties, and over 1,350 Ohio fire fighters, plus fire departments from seven



other states. OOGEEP has also made over 300 public presentations throughout the state, and has put more than 2,000 Ohio workers through specialized safety training and certification programs. OOGEEP has provided more than 250 scholarships to Ohio students, and awarded more than 140 STEM Science Fair Awards. OOGEEP has helped more than 300 Ohio scouts earn their engineering merit badges during summer camps. OOGEEP is also currently working with more than 75 different Ohio colleges, universities, technical, career and vocational schools throughout the state on workforce development.

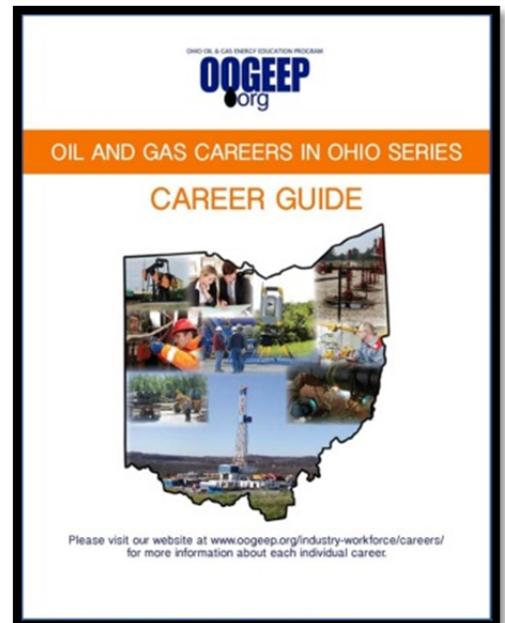
Attached is a copy of our 2014 Annual Progress Report that provides additional details on some of OOGEEP's programs.

BACKGROUND

The Ohio General Assembly enacted Ohio Revised Code 1510 on September 18, 1997. The legislation provided the necessary mechanism to create an oil and gas energy education program. At that time, Ohio became the second state, behind Oklahoma, to enact this type of legislation and energy education program. Since then, there has been a nationwide initiative materializing for similar educational and training programs. Ohio continues to serve as a role model for other states, and is considered a leader in this area.

Ohio Revised Code 1510 created a classic "check-off" program similar to programs used by numerous agricultural commodities. An important component of that legislation was that, even if enacted, Ohio's natural gas and crude oil producers still had to vote and approve or disapprove of OOGEEP through a statewide referendum.

Following the enactment of ORC 1510, a statewide referendum was held, and Ohio's producers agreed to authorize and provide funding to create an energy education program by a remarkable 99% approval vote. OOGEEP officially became effective April 1, 1998.



OOGEEP has an Operating Committee Board consisting of seven members. Recommendations to those Board seats are made based on names submitted by qualified producer and farmer organizations, as defined under Ohio Revised Code 1510. Six of those members are oil and gas producers with operations in Ohio and the seventh seat is an Ohio royalty owner. Since 1998, recommendations of those Board seats have come from the Ohio Oil and Gas Association, the Southeastern Ohio Oil and Gas Association and the Ohio Farm Bureau. These recommendations are further evaluated and officially appointed by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management's Technical Advisory Council (TAC). The Board does not receive compensation and cannot serve more than three consecutive three-year terms.



OOGEEP is funded through an assessment on the production of all natural gas and crude oil produced in Ohio. That current assessment is \$0.01 (one cent) per gross Mcf of natural gas, and \$0.05 (five cents) per gross barrel of crude oil. Each year, a producer has the ability to request a full or partial refund. Since 1998, only one Ohio producer has requested a partial refund. That trend reflects the overwhelming support of this Program by the hundreds of oil and gas producers in Ohio – the ones who pay for the Program.



OOGEEP has five full time employees, 2 teacher consultants, 15 state certified firefighter instructors, along with numerous industry volunteers that assist in implementing the various unique programs and projects that positively impact the entire state.



AWARDS

OOGEEP is considered a credible resource by the educational, emergency response, regulatory and general public communities, and has received international, national and state awards. These include:

Ohio Fire Service Award
Ohio Fire Chiefs' Association

Outstanding Project
Ohio EPA/ Ohio Environmental Education Fund

Minerals Education Award
**Ohio Department of Natural Resources
Division of Oil and Gas Resources Management**

Friend of Science Award
Science Education Council of Ohio

Special Recognition Award for Training & Safety
Wayne County Fire & Rescue Association

Stewardship Recognition
Wayne National Forest

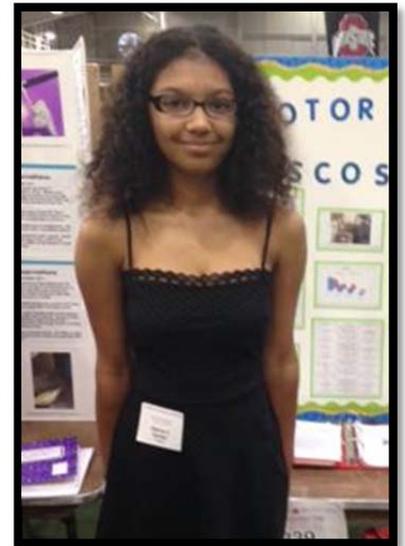
Public Outreach Stewardship Award
Interstate Oil and Gas Compact Commission

Presidential Award
American Association of Petroleum Geologists

Oilfield Patriot Award
Ohio Oil and Gas Association

Workhorse Award
Southeastern Ohio Oil and Gas Association

Top 5 Finalists
Best Public Outreach Program
World Oil Magazine



How would Ohioans and Ohio's oil and gas industry suffer if this Program was Sunset? This Committee at a minimum could:

- 1) Eliminate OOGEEP's ability to provide specific oil and gas training for Ohio firefighters. This could potentially contribute to putting many Ohio workers, emergency responders and communities at risk.
- 2) Eliminate OOGEEP's ability to provide safety training certification to many Ohio workers. This could also put many lives at risk and potentially reduce the number of Ohio workers that could be hired if they don't have the appropriate certifications.
- 3) Eliminate OOGEEP's ability to provide specific STEM related educational materials and workshops to Ohio teachers and students. STEM initiatives should remain a top priority in Ohio and across the country.
- 4) Eliminate OOGEEP's ability to provide support and financial assistance to many Ohio Scouts and some of their related Engineering merit badge programs.
- 5) Eliminate OOGEEP's ability to provide scholarship opportunities to Ohio students.
- 6) Eliminate OOGEEP's ability to support STEM and Science Fair programs in Ohio.
- 7) Eliminate OOGEEP's ability to continue to provide advisory, support and other workforce related services to more than 75 Ohio colleges, universities, technical, career and vocational schools.
- 8) Eliminate OOGEEP's ability to fund specific economic and other workforce programs.



CONCLUSION

Ohio's natural gas and crude oil industry has been producing energy in Ohio, for Ohioans, for more than 150 years. We have drilled more than 275,000 natural gas and crude oil wells in Ohio. According to the Ohio Department of Natural Resources, in 2014 alone, Ohio safely produced over 15 million barrels of crude oil and over 500 billion cubic feet of

natural gas. Almost 100% of the natural gas produced in Ohio stays in Ohio, and is used by Ohioans. In fact, 7 out of every 10 Ohio homes use natural gas as its primary heating source. According to the Ohio Department of Jobs and Family Service's February 2015 report, there are over 180,000 Ohioans now employed in Ohio's oil and gas industry up significantly from the 14,400 employed in 2010. In a recent report issued by Brickler and Eckler in October 2015, Ohio's natural gas and crude oil industry has also invested another 33 billion dollars in the state on exploration, development and infrastructure in just the last few years. Those numbers do not include the additional millions of dollars annually provided in landowner royalties and taxes that positively impact both state and local economies.

OOGEEP is not a state agency and does not utilize ANY taxpayer dollars.

OOGEEP is an industry and an Ohio community partnership. OOGEEP provides many educational, workforce related and safety programs. But overall, OOGEEP gives our industry the ability to continue to be responsible and good corporate stewards in Ohio. This Program is good for Ohio's citizens, for Ohio government and Ohio's natural gas and crude oil industry. We are proud of the accomplishments, and Ohio would suffer significantly without these programs. The choice to "sunset," or terminate this Program as outlined under ORC 1510, should continue to be left up to the Ohio oil and gas producers that exclusively fund the Program.



