



# Ohio Department of Natural Resources

MIKE DeWINE, GOVERNOR

MARY MERTZ, DIRECTOR

## **Testimony Before the Sunset Review Committee Provided by Mindy Bankey, Assistant Director August 28, 2024**

Good afternoon, Chairman Wilkin and members of the Sunset Review Committee. My name is Mindy Bankey, and I am one of the Assistant Directors with the Ohio Department of Natural Resources (ODNR). Thank you for giving me the opportunity to present testimony on a few of the Boards and Commissions that fall under ODNR's purview.

### **CLEAN OHIO TRAIL ADVISORY BOARD:**

The Clean Ohio Trail Fund works to improve outdoor recreational opportunities for Ohioans by funding trails for outdoor pursuits of all kinds. ODNR administers the Clean Ohio Fund Trail Grant Program, as approved by voters first in 2000 and then renewed in 2008. The Board was created by statute in ORC 1519.06. The Board is tasked with advising the Director of ODNR once a year on the selection of applicants for those grant awards.

The Board is comprised of nine voting members appointed by the Director of ODNR to serve three-year terms. Members of the Board do not receive compensation – only reimbursements for actual and necessary expenses incurred in the discharge of their duties.

Membership must meet the following criteria:

- One member who is a county commissioner and who is recommended by a statewide organization that represents county commissioners;
- One member who is a township trustee and who is recommended by a statewide organization that represents township trustees;
- One member who is a member of the legislative authority of a municipal corporation and who is recommended by a statewide organization that represents municipal corporations;
- Three representatives of statewide nonprofit organizations dedicated to the creation of recreational trails; and
- One representative each of development, environmental, and planning interests.

The Clean Ohio Trail Advisory Board is vital in assisting the Director of ODNR selecting awardees for Clean Ohio Trails grants from organizations like local governments, park and joint recreation districts, conservancy districts, soil and water conservation districts, and non-profit organizations.

ODNR values their input and recommends that the Clean Ohio Trail Advisory Board be renewed by the Sunset Review Committee.

### **OIL AND GAS TECHNICAL ADVISORY COUNCIL:**

The Technical Advisory Council on Oil and Gas (TAC) was created in 1965 with the passage of HB 485 that established Chapter 1509 of the Revised Code, Ohio Oil and Gas Law. The TAC has specific duties mandated by statute that are necessary for the Ohio Department of Natural

Resources, Division of Oil and Gas Resources Management to regulate the oil and gas industry in a safe and environmentally sound manner. More specifically, Section 1509.24 of the Revised Code authorizes the Chief, with the approval of the TAC, to establish by rule the minimum acreage requirements for drilling units and minimum distances from property boundaries and other wells to conserve oil and gas reserves.

Section 1509.25 of the Revised Code requires Chief of the Division of Oil and Gas Resource Management, with the written approval of the TAC, to issue an order establishing special drilling conditions if necessary, to protect correlative rights or to provide effective development, use, or conservation of oil and gas resources. Furthermore, when requested by the Chief, the TAC is required to consult with and advise the Chief on matters of a technical nature.

In 1997, Chapter 1510 of the Revised Code was enacted by the General Assembly directing the TAC to establish procedures for operation of the crude oil and natural gas marketing program, the Ohio Oil and Gas Energy Education Program (OGEEP), which today is known as the Ohio Natural Energy Institute.

Pursuant to Section 1509.071 of the Revised Code, the TAC must approve the form prescribed by the Chief of DOGRM to be used by landowners to submit applications for orphan well pass through grants. Furthermore, the Chief of DOGRM must submit quarterly reports to the TAC detailing expenditures and all activities associated with plugging orphaned wells. The TAC assists the Chief of DOGRM in preparation of an annual report for the General Assembly detailing the accomplishments of the orphan well program during the previous calendar year.

The TAC consists of eight members to be appointed by the Governor with the advice and consent of the Senate:

- Three members shall be independent oil or gas producers, operators, or their representatives, operating and producing primarily in this state;
- Three members shall be oil or gas producers, operators, or their representatives having substantial oil and gas producing operations in this state and at least one other state;
- One member shall represent the public; and
- One member shall represent persons having landowners' royalty interests in oil and gas production.

All members shall be residents of this state, and all members, except the members representing the public and persons having landowners' royalty interests, shall have at least five years of practical or technical experience in oil or gas drilling and production. Not more than one member may represent any one company, producer, or operator. The TAC holds quarterly meetings and has a chairman, vice-chairman, and secretary.

The TAC is a valuable tool to ODNR's Division of Oil and Gas Resources Management. For that reason, ODNR recommends that the TAC be renewed by the Sunset Review Committee.

### **WATERWAYS SAFETY COUNCIL:**

The Waterways Safety Council was established by law in 1973 to advise and make recommendations to ODNR's Chief of the Division of Watercraft concerning the following:

- Plans and programs from construction, maintenance, repair, and operation of refuge harbors and other projects for the harboring, mooring, docking, and storing of light draft vessels;

- Methods of coordinating the shore erosion projects of ODNR with the refuge of light draft vessel harbor projects;
- Plans and programs for the acquisition, protection, construction, maintenance, and administration of wild river areas, scenic river areas, and recreational river areas; and
- Consider and make recommendations upon any other matter which is brought to its attention by any person or that the Chief may submit to it.

The Council consists of five members appointed by the Governor with the advice and consent of the Senate. Not more than three of such appointees shall belong to the same political party. To be eligible for appointment, a person needs to be a citizen of the United States and an elector of the state and possess a knowledge of and have an interest in small boat operations.

The Waterways Safety Council is a valuable tool to ODNR's Division of Parks and Watercraft. For that reason, ODNR recommends that the Waterways Safety Council be renewed by the Sunset Review Committee.

### **OHIO OIL AND GAS LAND MANAGEMENT COMMISSION:**

The Oil and Gas Land Management Commission, formerly the Ohio Oil and Gas Leasing Commission, was created in 2011 to oversee the responsible exploration, development, and production of oil and natural gas resources owned or controlled by the state. Statute governing the operation and composition of the Commission was significantly rewritten in the 134<sup>th</sup> General Assembly. Since the Commission began accepting nominations for state property in May of last year, it has received over 30 nominations from operators seeking to lease state lands and approved nominations valued at \$61 million in lease bonuses, with more revenue expected in royalty payments and multiple nominations currently out to public comment.

The Commission consists of the Director of the Department of Natural Resources or their designee who serves as the Chair of the Commission. Additionally, the commission is composed of two members with knowledge or experience in the oil and gas industry recommended by a statewide organization representing the oil and gas industry, one member of the public with expertise in the finance or real estate sectors, and one member representing a statewide environmental or conservation organization.

Members of the commission do not receive compensation for their work – they are eligible only reimbursements for travel expenses.

ODNR recommends that the Oil & Gas Land Management Commission be retained by the Sunset Review Committee.

Thank you, Mr. Chairman and members of the Sunset Review Committee, for the opportunity to testify before you today. I am happy to take any questions you may have.