Ohio Legislative Panel OKs New Rules for Gas Wells

JULIE CARR SMYTH,Associated Press

COLUMBUS, Ohio (AP) — An Ohio legislative panel approved new rules Monday for the construction of oil and gas drilling wells, amid an underground shale exploration boom in the state.

The state's rule-setting committee also cleared new guidelines for drilling permits and set certain industry standards, primarily affecting wells in the Utica and Marcellus shale formations.

Larry Wolpert, executive director of the Joint Committee on Agency Rule Review, said the panel must clear or reject rules based on technical criteria not policy. He said no one objected to the rules, which conform regulations to a bill passed two years ago. The new rules are expected to take effect Aug. 1.

The panel did not take up any of the environmental or public health concerns debated at public forums in Ohio, Pennsylvania, New York and other states involving hydraulic fracturing, or fracking. And a Sierra Club spokesman said the group considers the committee action as procedural.

In the rush to release new deposits as a result of advances in horizontal drilling, Ohio has issued 207 new permits for wells in the Utica Shale in eastern Ohio over a year's period that ended in March. Monthly permits rose tenfold over that time.

Fracking involves blasting millions of gallons of water, mixed with chemicals and sand, at the underground shale to create fissures in the rock and release gas and oil deposits. Environmentalists and people living near drilling sites say the risks include contaminated water wells and air pollution. The industry says those fears are exaggerated and the process has been used safely on tens of thousands of wells.

Jack Shaner, a spokesman for the Ohio Environmental Council, said Monday the organization was generally supportive of the new well construction rules.

"We are satisfied that DNR has done a good job on these rules," he said. "However, Ohio needs to put many more protections in place and that's the center of the debate right now in the Legislature. Well construction is a critical part of this, but it's not the only part."

Shaner said environmentalists are still fighting for strong public notice requirements, full disclosure of the chemicals used in the drilling process, and tough fines, among other things.

In a letter Friday to nearly 1,400 oil and gas producers, state natural resources

director James Zehringer said the new rules would be both environmentally safe and business-friendly. Zehringer also pitched smaller oil and gas producers on the fact that a severance tax increase on high-volume wells, proposed by Gov. John Kasich, would not apply to them.

The tax hike has been opposed by the Ohio Oil and Gas Association as an unfair burden on the industry.

Department spokesman Carlo LoParo said the letter was not an attempt to muster support among smaller drillers for the governor's proposal, which has stalled at the Statehouse. He said regulatory updates are sent routinely to affected businesses.

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