

Ohio Administrative Code Rule 1501:9-5-05 Permit.

Effective: April 15, 2004

Any person who proposes to construct, convert to, or operate an enhanced recovery project shall submit an application for a permit to the division on a form provided by the division.

- (A) Permit required. No person shall conduct an enhanced recovery project unless an appropriate application for such a project has been approved by the chief and a permit issued by the division. In addition to a project permit, no person shall drill, reopen, deepen, plug back, rework, or use a well for input, withdrawal, or observation unless an appropriate drilling permit as required in Chapter 1509. of the Revised Code has been approved by the chief and issued by the division.
- (B) Area of review. An application for an enhanced recovery project filed with the division under this rule shall be evaluated on the basis of an "area of review" surrounding the input wells proposed for the project. The area of review shall be the area encompassed by the following:
- (1) The areas circumscribed by circles of one-half-mile radii with their center points at the locations of each input well in which injection of greater than an average volume of two hundred barrels per day per year is proposed;
- (2) The areas circumscribed by circles of one-quarter-mile radii with their center points at the locations of each input well in which a maximum injection of an average volume of two hundred barrels per day per year is proposed; and
- (3) The areas circumscribed by circles of one-quarter-mile radii with their center points at the locations of each input well in which gas is used as the injected fluid; or
- (4) An area approved by the chief for good cause shown.
- (C) Application for permit. The application for a permit to conduct enhanced recovery operations shall contain the following:



- (1) The name and address of the project owner and his signature or that of his authorized agent. When a person signs as an agent, a certified copy of his appointment shall accompany the application or be on file with the division;
- (2) The names and addresses of all holders of the land owner's royalty interest of record, or holders of the severed oil and gas mineral estate of record in the subject tract;
- (3) The names and addresses of all owners or operators of wells within the area of review producing from or injecting into the same formation proposed as the injection formation;
- (4) Date of application;
- (5) The location of the subject tract or tracts identified by county, township, section or lot number, or other necessary geographic subdivisions;
- (6) A description of the following:
- (a) The casing and cementing or sealing with prepared clay in all wells that penetrate the proposed injection zone or formation on the subject tract or tracts;
- (b) The proposed casing and cementing programs for the wells to be drilled during enhanced recovery operations;
- (c) The proposed method for testing the casing in input wells;
- (d) The method proposed for completion and operation including the stimulation program;
- (e) The proposed unloading, surface storage, and spill containment facilities.
- (7) The name, description, and depth of the geological zone or formation to be utilized, including, if existing wells are to be utilized, an accurate drillers log, geological log, or electric log the proposed input well or wells, and any testing data on any such well or wells;



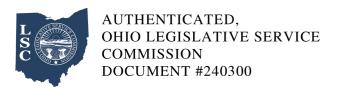
- (8) The type and the estimated average and maximum amount of gas, water, or other fluids to be injected daily into each input well, or project, if a manifold system is utilized, and the method which will be used to measure the actual amount of fluid injected;
- (9) The estimated average and maximum pressure to be used for injecting fluid into the proposed input well or wells, and the method which will be used to measure the actual daily injection pressure;
- (10) The designation of all proposed or existing input, withdrawal, and observation wells;
- (11) If required so as not to violate rule 1501:9-4-04 of the Administrative Code, a proposed corrective action of wells penetrating the proposed injection formation or zone within the area of review:
- (12) A schematic drawing of the surface and subsurface construction details of the proposed input well or wells; and
- (13) The information required by section 1509.06 of the Revised Code and any other information the chief may request to ensure compliance with the statutory requirements of the division.
- (D) Map. Each application for a permit shall be accompanied by a map or maps showing and containing the following information:
- (1) The subject tract or tracts of land and their owners upon which the proposed enhanced recovery operations are to be conducted;
- (2) All tracts or parts thereof situated within the area of review labeled with the names of all owners or operators of wells producing from or injecting into the same formation proposed as the injection formation;
- (3) The location and designation of all input, withdrawal, or observation wells on the tract or tracts to be utilized in the enhanced recovery project; and



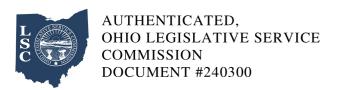
- (4) The geographic location of all wells penetrating the formation proposed for injection, regardless of status, within the area of review.
- (E) Notification of application, hearings and order.
- (1) Notice of application for a permit for an enhanced recovery project shall be given by the following method:

After the submittal of an application for an enhanced recovery project permit, the division shall, within five working days, review the application to verify that the required information has been submitted. After a determination by the division that the application is complete as required by this rule, it shall be date-stamped by the division and the applicant shall be notified. Notification of the application shall be published by the division in the weekly circular in accordance with section 1509.06 of the Revised Code. In addition, legal notice shall be published by the applicant in a newspaper of general circulation in the county in which the proposed project is situated. A copy of the notice shall also be delivered to all owners and operators of wells within the area of review producing from or injecting into the same formation proposed as the injection formation. Proof of publication, publication date, and an oath as to the delivery to those entitled to personal notice shall be filed with the division within thirty days after the application was date-stamped by the division. The legal notice shall contain at least the following information:

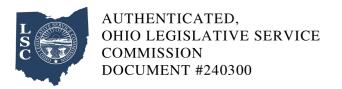
- (a) The name and address of applicant;
- (b) The location of the proposed enhanced recovery project;
- (c) The geologic name and depth of the proposed injection zone;
- (d) The maximum proposed injection pressure;
- (e) The maximum proposed average daily injection volume;
- (f) The fact that further information can be obtained by contacting either the applicant or the division;



- (g) The address and telephone number of the division; and,
- (h) The fact that for full consideration all comments or objections must be received by the division, in writing, within fifteen calendar days of the date of the published legal notice.
- (2) Comments and objections.
- (a) Any person desiring to comment or to make an objection with reference to an application for a permit to construct, convert to, or operate an enhanced recovery project shall file such comments or objections, in writing, with the "Underground Injection Control Section, Division of Mineral Resources Management, Fountain Square, Columbus, Ohio 43224." Such comments or objections shall be filed with the division no later than fifteen calendar days from the delivery of notice or from the publication date in a newspaper of general circulation in the county in which the proposed project is situated.
- (b) If no objections are received within the fifteen-day period, the chief shall consider that no objection exists and shall issue a permit unless he finds that the application does not comply with the requirements of Chapter 1501:9-5 of the Administrative Code, or is in violation of law, or jeopardizes public health and safety, or is not in accordance with good conservation practices.
- (c) If an objection is received, the chief shall rule upon the validity of the objection. If, in the opinion of the chief, such objection is not relevant to the issues of public health or safety, or to good conservation practices, or is without substance, a permit shall be issued. If the chief considers any objection to be relevant to the issues of public health or safety, or to good conservation practices, or to have substance, a hearing shall be called within thirty days of receipt of the objection. Such hearing shall be held at the central office of the division or other location designated by the chief. Notice of such hearing shall be sent by the chief to the applicant and to the person who has filed the objection.
- (d) If the chief finds, after hearing, and upon consideration of the evidence and the application, that the following conditions have been met, the application shall be approved and a permit issued; otherwise, the chief shall reject the application:



- (i) The application complies with the requirements of Chapter 1501:9-5 of the Administrative Code;
- (ii) The proposed enhanced recovery project will not be in violation of law; and
- (iii) The enhanced recovery project will not jeopardize public health or safety, or the conservation of natural resources.
- (3) The chief shall issue an order granting or denying the enhanced recovery project permit authorization within twenty-one calendar days after the filing date of proof of notice for a permit for which no hearing is held, or within thirty calendar days following the completion of a hearing.
- (F) Bonding and transfer.
- (1) Authorization, including a permit, to construct, convert to or operate an enhanced recovery project shall not be granted unless and until proof of financial responsibility for each input, withdrawal and observation well in the project has been received and approved by the division in accordance with section 1509.07 of the Revised Code.
- (2) No assignment or transfer of an enhanced recovery project permit by the project owner shall relieve the project owner of his obligations and liabilities under Chapter 1509. of the Revised Code and Chapter 1501:9-5 of the Administrative Code, unless the assignee or transferee has filed, and the division has approved, proof of financial responsibility for each input, withdrawal and observation well in said project in accordance with section 1509.31 of the Revised Code.
- (G) Display of permit. No well for the purpose of input, withdrawal or observation shall be drilled, reopened, deepened, plugged back, or reworked until the project owner has been granted a permit and unless the original permit, or a true copy thereof, is posted or displayed in a conspicuous and easily accessible place at the wellsite.
- (H) Well identification. Once injection operations authorized by the enhanced recovery permit have begun, the following information shall be posted in a conspicuous place on or near the storage tank(s): owner's name, lease name, enhanced recovery project number, county, township, and



emergency telephone number. In addition, the permit number of each input, withdrawal or observation well shall be displayed in a conspicuous place on or near the wellhead.

- (I) Expiration of permit.
- (1) Drilling or conversion operations authorized by a permit issued pursuant to Chapter 1501:9-5 of the Administrative Code shall commence within twelve months after the date of issue of such permit. If such operations have not started within twelve months, the permit shall expire. If drilling or conversion operations have started but are not completed within the twelve month period, operations shall continue with due diligence or the permit shall expire.
- (J) Change of location procedure. The location of an input, withdrawal, or observation well shall not be changed after the issuance of a drilling permit unless the project owner first obtains approval from the division. If a project owner requests a change of location, he shall return the original drilling permit and file an amended application and map for the proposed new location. Construction operations shall not commence at a new location until a proper permit has been received and posted in accordance with section 1509.09 of the Revised Code.
- (K) Change of enhanced recovery procedure.
- (1) Any substantial change in the enhanced recovery project proposal as submitted in the application shall be reported to the chief at least ten days prior to the beginning of such change. If such change conforms with Chapter 1509. of the Revised Code and Chapter 1501:9-5 of the Administrative Code and does not alter the basic proposal for enhanced recovery operations, the chief shall issue written approval for such change.
- (2) If such change does not conform with Chapter 1509. of the Revised Code and Chapter 1501:9-5 of the Administrative Code, or is a radical departure from the proposal in the original application, the chief may disapprove such change and request a new application.