



THE SHALE PLAY TODAY



News & Insights from the Marcellus and Utica Shales

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Summary of New Ohio Oil & Gas Legislation

On June 11, 2012, Ohio Governor John Kasich signed Senate Bill 315 ("S.B. 315") into law. S.B. 315 addresses a wide array of issues and substantially revises the sections of Revised Code 1509 and Revised Code 4906. S.B. 315 includes new restrictions and controls on oil and gas producers, well construction, hydraulic fracturing chemical disclosure, increased daily fines for rule violations, pre-drilling water testing, water usage reporting, increased insurance requirements for horizontal wells, enhanced enforcement authority from the Ohio Department of Natural Resources ("ODNR"), and revamped laws affecting midstream companies. The new law, effective September 12, 2012, does not contain an increase in the severance tax, despite calls by the Governor for an increase.

Defines Horizontal Well

S.B. 315 defines "horizontal well," as a well producing from the Utica, Point Pleasant or Marcellus formations. (R.C. 1509.01 (GG)). Horizontal wells will be subject to heightened regulatory requirements such as (1) higher insurance requirements (\$5,000,000 per well) and the policy must include an environmental endorsement (R.C. 1509.07 (2)); (2) required testing of water wells (out to 1,500 feet from the wellhead (R.C. 1509.06(C))); and (3) well pad pre-construction site visits with the ODNR inspectors (R.C. 1509.04(H)). Also required with the permit application for a horizontal well is a road use and maintenance agreement or an affidavit that the operator attempted, in good faith, to enter into such an agreement but was unable to reach agreement with the local officials.

In The News



Morgantown, W.Va. Works Around Fracking Ban Overturn

As mentioned in previous newsletters, Spilman led the charge in August 2011 to overturn a fracking ban enacted by the city council of Morgantown, W.Va. With the ban successfully overturned, the city recently introduced six zoning ordinances that would effectively limit drilling to 600 acres surrounding the Morgantown Municipal Airport, despite the state's passage of The Natural Gas Horizontal Well Control Act this past December.

Click [here](#) to read more.



Federal Appeals Court OKs Pa. Gas Pipeline

A Pa. federal appeals court recently rejected a last-ditch effort of environmental groups to block the construction of a natural gas pipeline in northern Pa. Construction should begin this fall.

Click [here](#) to read more.

Read the full article on our [website](#).



Useful Resource: Understanding the Marcellus Shale Supply Chain

The University of Pittsburgh Joseph M. Katz Graduate School of Business recently took an in-depth look at the overall supply chain for the Marcellus Shale region. Click [here](#) to read more about the findings.



SPILMAN
ATTORNEYS AT LAW

Featured Shale Team Member

Nathaniel C. Hunter (Pittsburgh)

With nearly 26 years of experience, Nat is well-versed in commercial and residential real estate law, including lending law, mineral law, leasing and title insurance. He has represented clients in the purchase, sale, and leasing of oil and gas interests, has performed due diligence for a lender on a major Marcellus gathering line transaction, and has represented a mining company on all real estate aspects in the sale of the corporation. Click [here](#) to read his full professional biography.



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