

RESOLUTION NO. 2015-10

BY COUNCILMEMBER FRANKEL

A RESOLUTION OPPOSING PROPOSED HOUSE BILL 8

WHEREAS, the Village of Gates Mills (“the Village”) is located in an area of Ohio where there is significant oil and gas drilling activity in the Marcellus and Utica shale development regions; and

WHEREAS, in response to regional concerns regarding oil and gas drilling, the Council of the Village of Gates Mills has created a Regional Commission to Study and Address Oil and Gas Well Drilling and Exploration in northeastern Ohio (“the Commission”); and

WHEREAS, the Village and the Commission have recently learned that proposed Ohio House Bill 8 (“HB 8”) would mandate the unitization of political subdivision property for oil and gas drilling if such public property is included in an oil and gas unitization application; and

WHEREAS, proposed HB 8 also modifies the process for obtaining approval from the Ohio Department of Natural Resources (“ODNR”) to unitize the mineral rights for property not otherwise agreed to by the land owner; and

WHEREAS, in addition to mandating that ODNR grant unitization requests pertaining to mineral rights owned by the state or a political subdivision of the state (other than a state park), a unitization application can now be made up entirely of the property of the political subdivision, foregoing the existing requirement that at least 65% of the unit must be by consent; and

WHEREAS, such drilling could expose political subdivisions to costs and claims which are either a violation of Ohio Constitutional provisions against subdivisions assuming the debts of private parties, or are so potentially large that a subdivision should have the right to decide rationally whether to forego participating in drilling because of the large risks; and

WHEREAS, although there is some confusion about the language, it appears that the proposed change also enables ODNR to mandate that drilling can now take place on political subdivision property, without the consent of the governing body of such property; and

WHEREAS, proposed HB 8 also creates a specific, and very short, time table for requiring ODNR to review, hold hearings, and issue a final decision regarding a unitization application; and

WHEREAS, proposed HB 8 passed the Ohio House by a vote of 96 to 0, apparently with very little consideration of the impact on local political subdivisions, including local park lands, of the mandatory unitization provisions of the proposed bill; and

WHEREAS, the bill is now in front of the Ohio Senate and a vote could take place soon.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Gates Mills, Cuyahoga County, State of Ohio, that:

- b. The mandate requirement that ODNR now must utilize political subdivision property included in a unitization application greatly eases the process for an oil and gas company to establish a suitable drilling unit, at the expense of local communities and the public lands which we hold in trust for our present and future residents; and
- c. Because of the legislative history of HB 8, the governing bodies of parks, school districts, cities, towns, and other local political subdivisions are not aware that their ability to prevent or control drilling on their property is eliminated with this legislation.

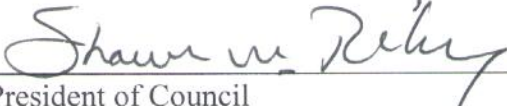
SECTION 2: At a minimum, HB 8 should be amended to:

- a. Lengthen the time frame requirements for ODNR to consider unitization applications;
- b. Require the unitization applicant to notify all affected parties at the time the applicant files the application with ODNR; and
- c. Eliminate the provision, added to the legislation at the last minute, that mandates that ODNR grant unitization requests pertaining to political subdivision properties.

SECTION 3. The Clerk shall forthwith transmit a copy of this Resolution to the Governor's office, the Ohio Department of Natural Resources, and to all members of the Ohio General Assembly representing municipalities located in northeastern Ohio.

SECTION 4. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Adopted the 19th day of May, 2015.



President of Council

ATTEST:



Clerk

APPROVED:



Mayor