



Common Sense Initiative

Mike DeWine, *Governor*
Jim Tressel, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Nathan Moffitt, Ohio Department of Natural Resources

FROM: Jacob Ritzenthaler, Business Advocate

DATE: June 13, 2025

RE: **CSI Review – Standard Lease Adoption (OAC 1501:155-1-01)**

Pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Department as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule proposed by the Ohio Department of Natural Resources (ODNR). This rule package was submitted to the CSI Office on May 7, 2025, and the public comment period was held open through May 14, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on May 7, 2025.

Ohio Administrative Code 1501:155-1-01 adopts the standard lease for state agencies when negotiating oil and gas mineral rights leasing on state-owned land. The rule includes the attached standard lease, which includes provisions for the term of the lease. The rule is amended to update the adoption date of the standard lease form. The standard lease form has been amended to reflect the updated adoption date, increase the term from three years to five years, and to reflect the increased term of the lease in relation to a lease extension of three years. The rule amendments are necessitated by statutory changes made by House Bill 308 of the 135th General Assembly.

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During the CSI public comment period, ODNR received 150 comments from stakeholders opposing the amendment or the leasing of state-owned land. ODNR did not make changes based on these comments, stating that the rule and amendments are statutorily required.

The business community impacted by the rule includes oil and gas producers seeking to lease oil and gas mineral rights on state land. The adverse impact created by the rule includes the submission of a bid and adherence to the standard lease terms. ODNR states that the adverse impact created by the rule is necessary to comply with statutory requirements.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that ODNR should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.