WELL PLUGGING AND RESTORATION AGREEMENT

**R.C. § 1509.071(E)(2)**

**THIS WELL PLUGGING AND RESTORATION AGREEMENT** (“Agreement”) is entered by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Landowner”)and\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Contractor”).

**WHEREAS,** OhioRevised Code (“R.C.”) Section 1509.01 defines an “Idle and orphaned well” to mean “a well for which a bond has been forfeited or an abandoned well for which no money is available to plug the well in accordance with [R.C. Chapter 1509] and rules adopted under it.”; and

**WHEREAS,** it is in the public interest of protecting the public health, safety and welfare that such idle and orphaned wells be plugged to prevent casualty to persons, property, or the environment; and

**WHEREAS,** Landowner has an idle and orphaned oil and gas well(s), for which the following information is available:

**Well Name:**

**Permit Number:**

**Street Address of Well Location:**

**GPS Coordinates for Well Location:**

(singularly the “Well”), located on his/her/their property;

**WHEREAS,** pursuant to R.C. 1509.071(E), the Chief of the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management (“Chief”), may approve the Landowner’s application to plug and abandon the Well and pay the Contractor for the reasonable cost of plugging the Well in accordance R.C. Chapter 1509 and Ohio Adm.Code 1501:9; and

**WHEREAS,** “plug,” “plugging” and “Plugging Project” may include the plugging of the Well, the installation of a vault and vent, restoration, and restoration of the land surface disturbed by the plugging of the Well; and

**WHEREAS,** Contractor represents and warrants that it has the necessary expertise and experience to perform its obligations under this Agreement.

**NOW, THEREFORE,** in consideration of the foregoing promises, and intending to be legally bound, Landowner and Contractor, on behalf of themselves, their agents, representatives, officers, employees, successors, and assigns,agree to the following terms:

Article 1. The Plugging Project

Contractor shall provide any and all necessary materials, tools, equipment, utility and transportation services, and perform all labor necessary to satisfactorily complete the Plugging Project:

Contractor shall perform the Plugging Project in accordance with this Agreement, including, but not limited to the Scope of Work attached to and incorporated into this Agreement as **Exhibit A**, the specifications for labor and materials set forth in **Exhibit A**, and the applicable requirements of R.C. Chap. 1509 and O.A.C. Chap. 1501:9 (collectively the “Project Requirements”). Contractor’s compliance with R.C. Chap. 1509 and O.A.C. Chap. 1501:9 shall not relieve Contractor from compliance with all other requirements of federal, state and local statutes, rules, and regulations. Contractor shall perform all work in strict accordance with the Project Requirements. It is specifically understood that the nature of the services to be rendered under this Agreement are of such a technical nature that satisfaction of, and compliance with, the Project Requirements shall be determined by Ohio Department of Natural Resources Division of Oil and Gas Resources Management (“ODNR”), in its sole and absolute discretion.

Contractor represents and warrants it possesses the necessary experience and expertise to complete the Plugging Project. Contractor shall perform the services to be rendered under this Agreement. Landowner shall not hire, supervise, or pay any assistants to Landowner or Contractor in its performance of services under this Agreement. Landowner shall not be required to provide any training to Contractor to enable it to perform services required hereunder.

Article 2. Time for Performance

1. The Plugging Project shall be commenced on or after the date that the latest of the following are completed: (1) Contractor receives notice from ODNR of the approval of Landowner’s application, (2) Contractor receives an approved plugging permit from ODNR, and (3) Contractor and Landowner enter into this Agreement.
2. The Plugging Project shall be completed on or before June 30, 2025, and this Agreement shall terminate on the earlier to occur of one of the following: (i) the date on which Contractor receives payment from ODNR in accordance with R.C. 1509.071(E)(2)(d) or (ii) the date on which ODNR notifies Contractor that ODNR will not provide payment in accordance with R.C. 1509.071(E)(2)(d) because ODNR determines the plugging is not in accordance with the Project Requirements.

Article 3. Transfer of Equipment; Reimbursement by ODNR

1. Supplier Registration. In order to receive payment under this Agreement, within five business days of the execution of this Agreement, Contractor shall register as a supplier with the State of Ohio at [ohiopays.ohio.gov](https://ohiopays.ohio.gov).
2. Payment. IN CONSIDERATION FOR TRUE AND FAITHFUL PERFORMANCE OF ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN ACCORDANCE WITH R.C. 1509.071(E)(2), AFTER RECEIPT OF AN INVOICE (the “Invoice”), AS THAT TERM IS DEFINED IN OHIO REVISED CODE 125.01(B), FROM CONTRACTOR AND APPROVAL BY ODNR, PAYMENT WILL BE MADE BY ODNR PURSUANT TO OHIO REVISED CODE 126.30 AND R.C. 1509.071(E)(2)(d). IN NO EVENT SHALL ODNR BE LIABLE FOR THE COST OF LABOR PERFORMED, OR MATERIALS OR EQUIPMENT SUPPLIED BY LANDOWNER, CONTRACTOR, OR THEIR AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS UNDER THIS AGREEMENT IN EXCESS OF THE SUM OF $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
3. Credit for Equipment. Upon entering into this Agreement, by operation of law any equipment appurtenant to the Well(s) shall be forfeited to ODNR pursuant to R.C. 1509.071(D)(3). The Contractor shall remove and properly dispose of all equipment forfeited to ODNR. The Contractor shall provide ODNR documentation of the proper disposal of all equipment removed. The Invoice provided by the Contractor to ODNR for the plugging of the Well(s) shall include documentation of any monies received by the Contractor for the sale of the equipment which shall be deducted from the amount payable to the Contractor. The Contractor may include in the Invoice an amount for preparation and disposal of the equipment. Contractor shall not be reimbursed for travel, lodging, or any other expenses incurred in the performance of the Work other than those listed in the Scope of Work.
4. Invoice. After completion of the Plugging Project in accordance with the Project Requirements, Contractor shall submit the Invoice to ODNR. The Invoice shall include the Project name and shall contain an itemization of the labor performed and materials and equipment provided, including dates the labor was performed and materials and equipment provided, the location or address where the labor was performed and materials and equipment provided, and the sum due for completion of the Plugging Project. The Invoice shall contain Contractor's name, address, email address, and telephone number. The Invoice shall contain a verification that each person or entity providing labor or materials for the Plugging Project has signed a waiver of lien, and copies of the waivers shall be submitted with the Invoice. The total amount payable under the Invoice shall not exceed: $\_\_\_\_\_\_\_\_\_\_\_. The Invoice shall list the billing address as ODNR, Attn. Fiscal Officer, 2045 Morse Road, Building F, Columbus, Ohio 43229-6693. Unless otherwise directed by ODNR, Contractor shall direct the Invoice via email to [OrphanWellProgram@dnr.ohio.gov](mailto:OrphanWellProgram@dnr.ohio.gov), with a copy to Landowner.
5. Fiscal Year. As the current General Assembly cannot commit a future General Assembly to expenditure, the Plugging Project shall be completed by and this Agreement shall terminate no later than June 30, 2025.

**Article 4. Carbon Credit Monetization, Generation, or Collection**

No one may directly or indirectly use the reduced gas emissions from wells plugged with State of Ohio funds, in whole or in part, to monetize, generate, or collect credits to include but not be limited to carbon, methane, or fugitive emissions, or otherwise use the plugging of wells funded with State of Ohio funds to generate income of any type by offsetting their own or another party’s gas emissions.

Article 5. Notice of Commencement of the Plugging Project

Contractor shall provide Landowner a minimum of 48 hours’ notice before commencing work on the Plugging Project. Contractor shall also provide the required notices under Ohio Administrative Code §1501:09-11-4. Contractor shall contact ODNR at (330) 308-0007, and the oil and gas resources inspector, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Contractor shall contact the Ohio Utility Protection Service (OUPS) and Oil and Gas Producers Underground Protection Service (OGPUPS) using the Ohio811 One Call Service by calling 811 or by using the i-dig login found at [OHIO811.org](https://oups.org/) to mark all utilities and pipelines with the area in which excavation will occur at least 48 hours prior to commencement of work on the Plugging Project. The Contractor shall maintain a current OUPS call ticket during the entire Plugging Project.Contractor also shall contact each utility company that has aboveground utilities that affect access to or create safety issues, relating to the Plugging Project at least 48 hours prior to commencement of the Plugging Project.

Article 6. Variances from Agreement and/or Additional Work

No material variation from, or deletion or additions to, the Project Requirements are permitted.

Article 7. Relationship of Parties; Assignability

1. Relationship of Parties. The Contractor shall be Landowner’s agent for all purposes relating to the Plugging Project. If ODNR grants a plugging permit(s) to Landowner, Landowner shall not change the Contractor without submitting a new application along with a new proposed Well Plugging and Reimbursement Agreement.
2. Landowner and Contractor shall be responsible for all of their own administrative expenses, including, but not limited to, computers, email and internet access, software, phone service, and office space. Landowner and Contractor will also be responsible for all licenses, permits, employees’ wages and salaries, insurance of every type and description, and all business and personal taxes, including income and Social Security taxes and contributions for Workers’ Compensation and Unemployment Compensation coverage, if any.
3. Nothing herein shall be construed to imply, by reason of Contractor’s engagement hereunder as an independent contractor, that Landowner shall have or may exercise any right of control over Contractor with regard to the means or method of Contractor’s performance of services hereunder.
4. Except as expressly provided in this Agreement, none of the parties shall have the right to bind or obligate the other parties in any manner without the other parties’ prior written consent.
5. It is fully understood and agreed that Contractor is an independent contractor and neither Contractor nor its personnel shall at any time, or for any purpose, be considered as agents, servants, or employees of Landowner.

Article 8. Breach; Remedy

If Contractor, after having commenced work, fails to complete the Plugging Project in accordance with the Project Requirements as set forth in this Agreement, as determined by the ODNR in its sole and absolute discretion, Contractor shall be in breach of this Agreement, and ODNR will not have any obligation to make payments to Contractor under this Agreement. Landowner shall not be liable to Contractor for any sums not paid to Contractor by ODNR.

Article 9. Right of Entry

Landowner grants to Contractor and Contractor’s agents, representatives, officers, employees, and sub-contractors the right to enter upon his/her/its property with all materials and equipment necessary and convenient to:

1. Inspect, design, and perform the Plugging Project; and
2. To observe and monitor the results of the Plugging Project performed and to do any additional work ODNR may deem necessary to ensure the success of the Plugging Project.

Article 10. Safety Precautions

The services to be performed under this Agreement may be hazardous. Contractor is responsible for the safety of its employees and subcontractors’ employees on-site. In the performance of the Plugging Project, Contractor shall, as a minimum, satisfy all federal, state, and local statutes, regulations, and ordinances regarding health and safety, including, but not limited to the Occupational Safety and Health Administration (“OSHA”) regulations and Specific Safety Requirements of the Ohio Bureau of Workers’ Compensation.

**Article 11. Related Agreements**

1. The Plugging Project is to be performed by the Contractor. All work subcontracted shall be at Contractor’s expense.
2. Contractor shall bind their subcontractors to the terms of this Agreement, so far as applicable to the work of the subcontractor and shall not agree to any provision inconsistent with, or at variance from, this Agreement.

Article 12. Compliance with Laws

Landowner and Contractor, in the execution of their duties and obligations under this Agreement, agree to obtain all permits required for the performance of the Plugging Project. Contractor shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances for the Plugging Project, including but not limited to the Clean Water Act, the Endangered Species Act, the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, Ohio Revised Code Chapter 1509, Ohio Administrative Code Chapter 1501:9, roadway load-limit restrictions, and OSHA regulations.

Article 13. Conflicts of Interest

No personnel of Contractor who exercise any functions or responsibilities in connection with the review or approval of this Agreement or carrying out of any of the Plugging Project shall, prior to the completion of the Plugging Project, voluntarily acquire any personal interest, direct or indirect, that is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of the Plugging Project. Any such person who acquires an incompatible or conflicting personal interest on or after the effective date of this Agreement, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to Landowner in writing. Thereafter, he or she shall not participate in any action affecting the Plugging Project, unless Landowner shall determine in his/her/its sole discretion that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to Landowner’s interest.

Article 14. Qualifications to Do Business

Contractor affirms it has obtained all approvals, licenses, or other qualifications needed to perform the work on the Plugging Project and conduct business in Ohio, and that all are current. If at any time during the term of this Agreement Contractor, for any reason, becomes disqualified from performing the work on the Plugging Project or from conducting business in the State of Ohio, Contractor shall immediately notify Landowner and ODNR in writing and will immediately cease performance of the Plugging Project.

Article 15. Third-Party Beneficiary

ODNR shall be a third-party beneficiary of Landowner’s rights under this Agreement and shall have the right, exercisable in its sole discretion, to enforce Landowner’s rights under this Agreement.

Article 16. Miscellaneous

1. Controlling Law and Jurisdiction. This Agreement and the rights of the parties under this Agreement shall be governed, construed, and interpreted in accordance with the laws of the State of Ohio. Landowner and Contractor consent to arbitration or adjudication in a court of proper jurisdiction.
2. Waiver. A waiver by any party of any breach or default by the other party under this Agreement shall not constitute a continuing waiver by such party of any subsequent act in breach of or in default hereunder.
3. Successor and Assigns. Neither this Agreement nor any rights, duties, or obligations hereunder may be assigned or transferred, in whole or in part, by Landowner or Contractor, except as provided for in Article 11.
4. Notices. Except to the extent expressly provided otherwise herein, all notices, consents, and communications required hereunder (each, a “Notice”) shall be in writing and shall be deemed to have been properly given when: 1) hand delivered with delivery acknowledged in writing; 2) sent by U.S. Certified mail, return receipt requested, postage prepaid; 3) sent by overnight delivery service (Fed Ex, UPS, etc.) with receipt; or 4) sent by fax or email. Notices shall be deemed given upon receipt thereof and shall be sent to the addresses first set forth above. Notwithstanding the foregoing, notices sent by fax or email shall be effectively given only upon acknowledgement of receipt by the receiving party. Any party may change its address for receipt of Notices upon notice to the other party. If delivery cannot be made at any address designated for Notices, a Notice shall be deemed given on the date on which delivery at such address is attempted.
5. Conflict. In the event of any conflict between the terms and provisions of the body of this Agreement and any exhibit hereto, the terms and provisions of the body of this Agreement shall control.
6. Headings. The headings in this Agreement have been inserted for convenient reference only and shall not be considered in any questions of interpretation or construction of this Agreement.
7. Severability. The provisions of this Agreement are severable and independent, and if any such provision shall be determined to be unenforceable in whole or in part, the remaining provisions and any partially enforceable provision shall, to the extent enforceable in any jurisdiction, nevertheless be binding and enforceable.
8. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and shall not be modified, amended or supplemented, or any rights herein waived. This Agreement supersedes any and all previous agreements, whether written or oral, between the parties.
9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.
10. Electronic Signatures. Any party hereto may deliver a copy of its counterpart signature page to this Agreement electronically pursuant to R.C. Chapter 1306. Each party hereto shall be entitled to rely upon an electronic signature of any other party delivered in such a manner as if such signature were an original.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives as of the date appearing below their signatures.

|  |  |  |
| --- | --- | --- |
| **LANDOWNER:**  **By:** |  | **CONTRACTOR:**  **By:** |
| PRINTED NAME |  | PRINTED NAME |
| SIGNATURE |  | SIGNATURE |
| DATE |  | TITLE |
|  |  | DATE |

**EXHIBIT A**

**SCOPE OF WORK**

I. WORK DESCRIPTION

1. WELL IDENTIFICATION

The Plugging Project shall include the following well(s) (Well):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Well Name** | **API Number** | **County** | **Township** | **GPS  Latitude** | **GPS  Longitude** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. SCOPE OF WORK

Contractor shall plug the Well in accordance with R.C. Chapter 1509, Ohio Adm.Code 1501:9, and all other applicable federal, state, and local laws, regulations, and ordinances.

1. THE PLUGGING PLAN

[Contractor to include detailed step-by-step Plugging Plan, here.]