

## Belmont commissioners talk future of oil and gas

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ST. CLAIRSVILLE — Officials believe the future of oil and gas in Belmont County is bright, despite a current downturn in activity.

The topic was up for discussion during Wednesday's meeting of the Belmont County Board of Commissioners. Belmont County Port Authority Director Larry Merry, who is also a board member of the Ohio Oil and Gas Association that advocates for the industry, said there has been a recent downturn of oil and gas activity. But he said such lulls are typical for the industry.

"It's a commodity. As prices go up and down the activity's going to go up and down," Merry said.

He also spoke about the benefits of the industry to Belmont County. He pointed out road improvements due to road use maintenance agreements with gas producers and property improvements by farmers using lease or royalty money.

"It's amazing when you drive around Belmont County as compared to 15 years ago," he said. "Especially the rural areas."

He said there has also been a growth of new jobs.

"The industry as a whole, in my opinion, has been a great positive to this community," Merry said. "The average oil and gas job pays about \$40,000 more than the average job in Belmont County."

Mike Chadsey, director of public relations for the Ohio Oil & Gas Association, agreed.

"There has certainly been a lot of talk recently in the press about what the industry impact has been in Eastern Ohio, and I'm here to say we have a long and proud history of development here," he said.

He referred to one of the first oil wells in the state, dating from 1814 in Noble County, to Ohio's years as a major oil producer.

"Shale development is sort of the next great chapter in our oil and gas story."

Chadsey said since a new round of leases was issued in 2010, thousands of wells have been built along with processing and pipeline facilities. He said more are expected, as well as a greater manufacturing base should a potential ethane cracker plant come to Dilles Bottom along Ohio 7. He said about 280,000 employees work directly for the industry in the area, and

property taxes have benefited the state to the tune of about \$141 million during peak activity, prior to the current downturn.

Talk turned to the administration of President Joe Biden and Vice President Kamala Harris and its potential impact on the industry locally. Commissioner Jerry Echemann asked about the revocation of permits for the Keystone XL pipeline and resulting job losses.

“Here in Belmont County specifically, what do you feel the effects will be on the new administration coming in, as opposed to when we had President (Donald) Trump?” Echemann asked.

Chadsey said he expects more dramatic action from the administration, although there is little current impact locally. He believes the temporary ban on federal leasing will become a permanent one, and activity on federal land accounts for 20 to 25 percent of production, meaning there may be further price increases. He said this could also impact planned future production at Wayne National Forest in Monroe County.

“I’m not a fan of some of the decisions made by the new administration,” Commissioner J.P. Dutton said. “It’s easy to be pessimistic about those decisions and what maybe lies ahead still over the next few years. But to look at it a bit optimistically, there’s different basins, there’s different parts of the country, and these decisions impact those differently.”

Chadsey also said the industry’s petroleum products are vital in providing personal protective gear during the pandemic, as well as diesel fuel used by trucks shipping supplies.

Dutton also pointed out increased taxes generated by hotel stays and other business during industry activity. He said there is a correlation between Belmont County’s stable financial state and the oil and gas industry. Chadsey said more local opportunities could convince local graduates not to move out of the area.

In other oil and gas matters, Richard Hord of Martins Ferry asked if there was any new information about an injection well that the OMNI Energy Group intends to place at the intersection of U.S. 40 and Ohio 331. The Ohio Department of Natural Resources had issued a permit to proceed in late 2020. Echemann said the project would likely proceed.

“There’s activity commencing,” Dutton said, adding he was disappointed with how the state had communicated with local government. “We sent a letter after February expressing our disappointment to the Ohio Department of Natural Resources. ... We asked them to reach out to us and explain where this is going from this point forward because there’s been a lot of community concern about this project.”

He said there has been no response, adding the commissioners have been reaching out to ODNR regarding the well for close to two years.

“It just feels as though the state is not, in my opinion, doing proper communications,” Dutton said.

“Communication from ODNR to us has been very poor,” Commissioner Josh Meyer said.

During his talk, Chadsey said the Oil and Gas Association would do more to work with operators to help them be better “community partners.” He said the regulatory system is strong.

According to ODNR Spokesman Adam Schroeder, OMNI has set up a rig and is expecting to drill next week. There is no indication when the injection well would be ready and put to use.