

4. Closure Letter of Credit;
5. Closure Insurance; or,
6. Financial Test and Corporate Guarantee for Closure.

For the mechanism submitted to be acceptable to the Director, the permittee shall adhere to the required wording for each of these financial assurance mechanisms as provided in the OAC.

If the chosen financial assurance mechanism has a date of submittal established within the above rules, it is recommended the permittee submit the mechanism within this timeframe. Otherwise, the permittee shall submit the financial assurance mechanism in accordance with the timeframe established in the permit. The timeframe established in the permit will typically be annually, on the anniversary date the mechanism is submitted as part of the UIC permit application, or on the anniversary date of the permit.

The permittee shall adhere to requirements in the permit to operate in regards to submittal of the Cost Estimate. If submission of the estimate is not required by permit, the Cost Estimate for plugging and abandonment of the Class I or Class V injection well should be submitted in accordance with OAC Rules 3745-55-42 and 3745-66-42, and OAC Rules 3745-55-44 and 3745-66-44 when applicable. The permittee shall update its cost estimate each year, either by applying the annual inflation factor or by recalculating the estimate in current dollars. For current dollar estimates, a copy of the estimate prepared by the consultant(s) who would be expected to carry out the actual plugging and abandonment activities would be acceptable substantiating documentation. The estimate should include the current date and the signature of the consultant who would be performing well closure. If submission of the estimate(s) is required by the UIC permit, the estimate(s) shall be signed and certified, as required by OAC Rule 3745-34-17.

If the permittee does not update the cost estimate annually, or cannot provide substantiating documentation that the estimate is current, then the permittee shall apply the inflation factor, calculated as described in OAC Rule 3745-55-42 and 3745-66-42, and as required by the UIC permit.

Class V wells authorized by OAC Rule 3745-34-13 are not subject to the financial assurance requirements of OAC Rule 3745-34-27. Should the owner/operator of a rule authorized well be required to obtain a Class V permit to operate, or to close the well, financial assurance documentation may be required by Ohio EPA as part of the permit, permit application, or closure plan.

PROCEDURE: The permittee shall submit evidence of financial assurance to the Director per the schedule established in the Class I, or applicable Class V, UIC permit to drill or permit to operate. A UIC Unit Geologist will review the financial assurance document(s) per OAC Rules 3745-55-42 to 3745-51 and 3745-66-42 to 3745-66-48. The permittee shall be notified by the Ohio EPA if any portion of the financial assurance mechanism does not meet these requirements.