



Environmental Law Forum

April 4, 2019

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Deputy Secretary

Office of Oil and Gas Management

Program Funding

- Well Permit Fees
- Impact Fee
- Penalties
- No General Fund Revenue



Program Funding

| FY2018 | EXPENSES | | | REVENUE | |
|--------|-----------------|-----------------|---------------|--------------|----------------|
| | Personnel Costs | Operation Costs | Total | Permit Fees | |
| Jul | \$ 1,372,328 | \$ 113,924 | \$ 1,486,252 | \$ 560,104 | \$ (926,149) |
| Aug | \$ 1,376,331 | \$ 162,710 | \$ 1,539,041 | \$ 715,392 | \$ (823,649) |
| Sep | \$ 1,387,519 | \$ 115,105 | \$ 1,502,624 | \$ 1,000,445 | \$ (502,180) |
| Oct | \$ 1,395,481 | \$ 107,173 | \$ 1,502,653 | \$ 616,650 | \$ (886,003) |
| Nov | \$ 2,103,591 | \$ 196,081 | \$ 2,299,672 | \$ 670,752 | \$ (1,628,919) |
| Dec | \$ 1,341,594 | \$ 102,267 | \$ 1,443,861 | \$ 223,154 | \$ (1,220,708) |
| Jan | \$ 1,468,585 | \$ 103,985 | \$ 1,572,571 | \$ 1,405,641 | \$ (166,929) |
| Feb | \$ 1,441,059 | \$ 116,752 | \$ 1,557,811 | \$ 718,652 | \$ (839,160) |
| | \$ 11,886,488 | \$ 1,017,998 | \$ 12,904,486 | \$ 5,910,789 | \$ (6,993,697) |



Unconventional Well Permit Fee

- Fees are evaluated at least every three years
- \$100 fee raised to sliding scale in 2009
- Changed to flat \$4,200/\$5,000 fee in 2014
- Proposed increase to \$12,500 in July 2018



Fee Comments

- 14 Commentators
 - 4 in support!
- Reasonable Relationship
- Alternative funding sources
 - General Fund
 - 102/105 Fees
 - Conventional Fees
- Permit Review Timeframes



Program Innovations

- Tablet Inspections
- Electronic Permitting
- BMP vs. Regulation
 - Wastewater Lines
 - Noise
- Priority Review
 - Replace Expedited Review
 - Incentivise Superior Construction and Restoration Practices





Oil and Gas Management

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