

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Ways and Means
Vote:	6 - 0 - 1
Yeas:	Boquist, Clem, Dingfelder, Macpherson, Maurer, Roblan
Nays:	0
Exc.:	Smith P.
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	4/5, 4/12

WHAT THE MEASURE DOES: Clarifies authority of Department of Geology and Mineral Industries (DOGAMI) related to the permitting of oil or gas operations. Modifies and adds definitions. Establishes fees.

ISSUES DISCUSSED:

- Current gas field operation near Mist in Columbia County and potential for gas production at site south of Coos Bay
- Clarification of technical definitions
- Existing inconsistencies with the Administrative Procedures Act
- Proposed fee increases

EFFECT OF COMMITTEE AMENDMENT: Clarifies definition of “wells” and “information holes.” Provides that the application fee for a permit to drill an information hole and the fee for approval of a seismic program is to be determined by DOGAMI based on the estimated cost of review and approval, and the number and location of holes to be drilled and may not exceed \$1,000.

BACKGROUND: The Department of Geology and Mineral Industries, Mineral Land Regulation and Reclamation Program is the lead regulatory program for the state concerning oil and gas. The Department regulates down-hole drilling, drill pad construction and reclamation and prevention of off-site impacts at the drill site for oil and gas operations. The distribution of gas off-site is regulated by the Department of Energy.

The oil and gas program is fee-based, having not received General Fund support since 2001. The fees were last increased in 1989. HB 3188-A increases fees and updates other provisions related to the regulation of oil and gas operations in Oregon.