

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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|----------------|---------------------------------|
| Action:        | Do Pass the A-Engrossed Measure |
| Vote:          | 3 - 0 - 2                       |
| Yeas:          | Bates, Prozanski, Avakian       |
| Nays:          | 0                               |
| Exc.:          | Atkinson, Beyer                 |
| Prepared By:   | Sue Marshall, Administrator     |
| Meeting Dates: | 5/15                            |

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**WHAT THE MEASURE DOES:** Clarifies authority of Department of Geology and Mineral Industries related to the permitting of oil or gas operations. Modifies and adds definitions. Establishes fees. Declares an emergency, effective on passage.

**ISSUES DISCUSSED:**

- Current gas field operations near Mist in Columbia County and potential for gas production at a site south of Coos Bay
- Clarification of technical definitions
- Existing inconsistencies with the Administrative Procedures Act
- Proposed fee increases and involvement of natural gas companies in their development
- Whether deep-well drilling poses an environmental risk to water quality

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**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. House Bill 3188-A increases fees and updates other provisions related to the regulation of oil and gas operations in Oregon.