



OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

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House Committee on Energy and Environment

April 7, 2015 Public Hearing on HB 3415

Oregon Department of Geology and Mineral Industries (DOGAMI) testimony

Chair Vega Pederson, Vice Chair Johnson, Vice Chair Reardon and Committee members, I'm Richard Riggs, Assistant Director of the Department of Geology and Mineral Industries, and manager of the agency's Mineral Land Regulation and Reclamation program.

Thank you for allowing DOGAMI to comment on HB 3415. DOGAMI takes no position on this bill. The Agency would however like to provide information about previous use of hydraulic fracturing technology in Oregon, the potential for future hydraulic fracturing in Oregon, and the current framework for regulating and permitting operations that propose hydraulic fracturing.

Oregon's has one operating gas field, near the town of Mist in northwest Oregon. The Mist field has produced gas from a sandstone reservoir since 1980. The reservoir is so permeable that hydraulic fracturing has never been required to economically produce gas.

Fracturing technology has only been used in Oregon in efforts to develop coalbed methane gas resources. Between 2005 and 2006, five coalbed methane wells were fractured at a site in Western Coos County, using nitrogen gas and silica sand, both chemically inert materials. As part of that process, DOGAMI required the company to sample background water quality of the formation's water, adjacent domestic water supply wells, waters from adjacent drainages, and waters from naturally occurring seeps and springs. To date, DOGAMI has not received notice of any impacts to water supply wells or other waters of the State. The methane wells proved to be uneconomical for gas production, and the operator plugged them with cement. Six additional wells remain cased and sealed, with their permits suspended until the operator chooses to continue development, or plugs the wells and reclaims the well pad.

For the record, DOGAMI has not conducted a feasibility study of potential use of hydraulic fracturing within the State. However, the US Geological Survey recently published an assessment of coalbed methane gas potential that covers Oregon. I have provided a map, created with the USGS data that shows areas where coalbed methane gas reserves potentially exist; and where hydraulic fracturing may be required to develop those resources.

For drilling operations that propose hydraulic fracturing, DOGAMI, the Department of Environmental Quality, and other natural resource agencies work together to ensure that resources are being developed in compliance with state law and that each agency's regulatory responsibilities are met. I have provided a fact sheet that outlines regulation and permitting.

Thank you again for the opportunity to address this committee. I would be happy to answer any questions you may have.

The Oregon Department of Geology and Mineral Industries provides earth science information and regulation to make Oregon safe and prosperous. Learn more at www.OregonGeology.org