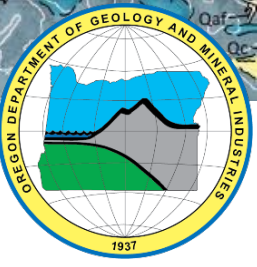


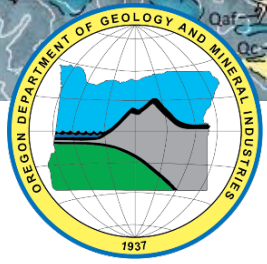
Oregon Department of Geology and Mineral Industries

Senate Committee on Natural Resources and Wildfire
February 18, 2025

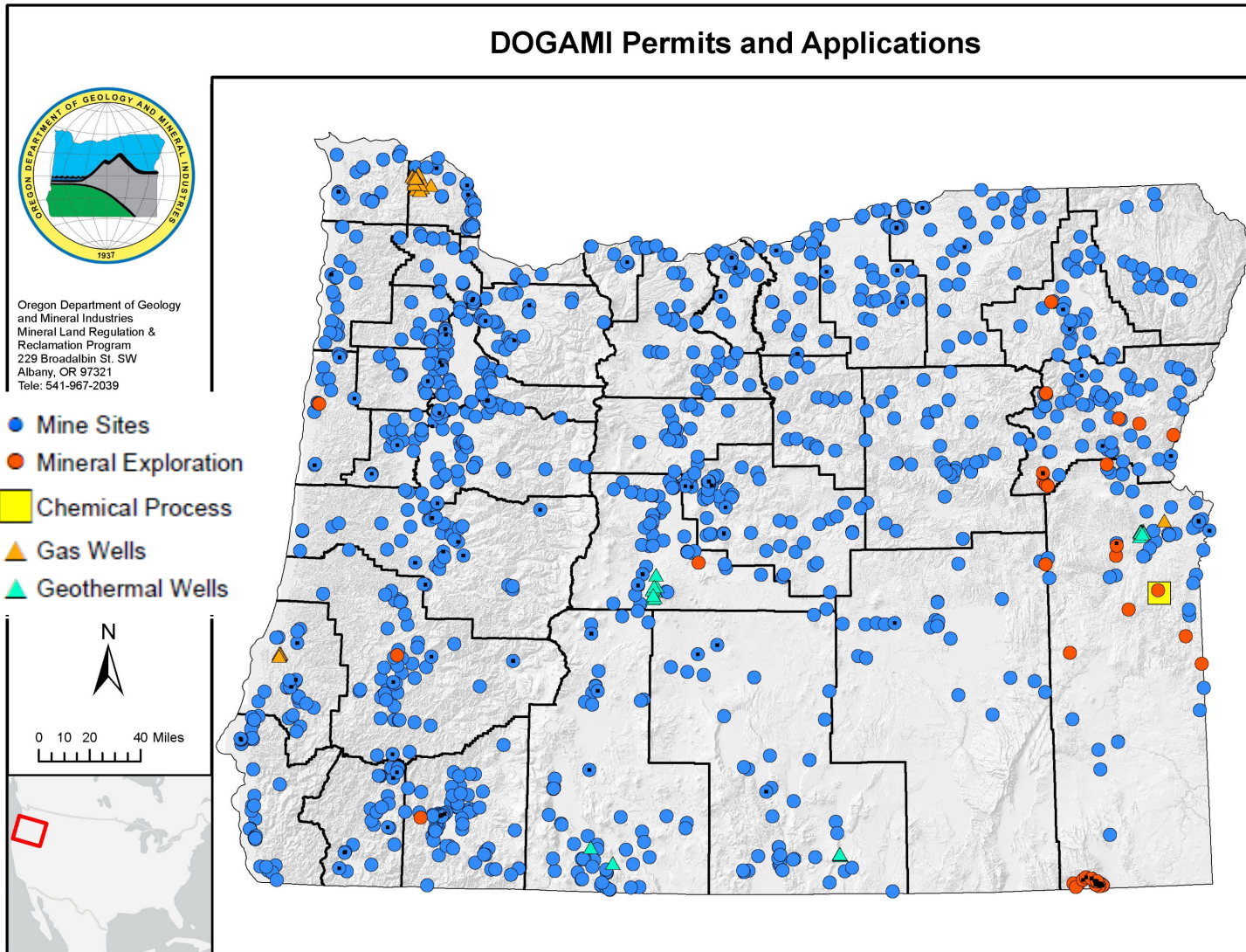


Bills to support MLRR Program

Bill #	BILL SUMMARY
<u>HB5010</u>	Relating to the financial administration of the State Department of Geology and Mineral Industries; declaring an emergency. Appropriates moneys from General Fund to State Department of Geology and Mineral Industries for biennial expenses.
<u>SB836</u>	Relating to fees imposed by the State Department of Geology and Mineral Industries. Establishes fees for permit applications and renewals in the Mineral Land Regulation & Reclamation Program.



Mineral Land Regulation and Reclamation Program (MLRR)



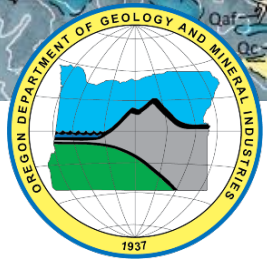
Oregon Department of Geology and Mineral Industries
 Mineral Land Regulation & Reclamation Program
 229 Broadalbin St. SW
 Albany, OR 97321
 Tele: 541-967-2039

Prepared By: E. Buchner / 1-17-2025

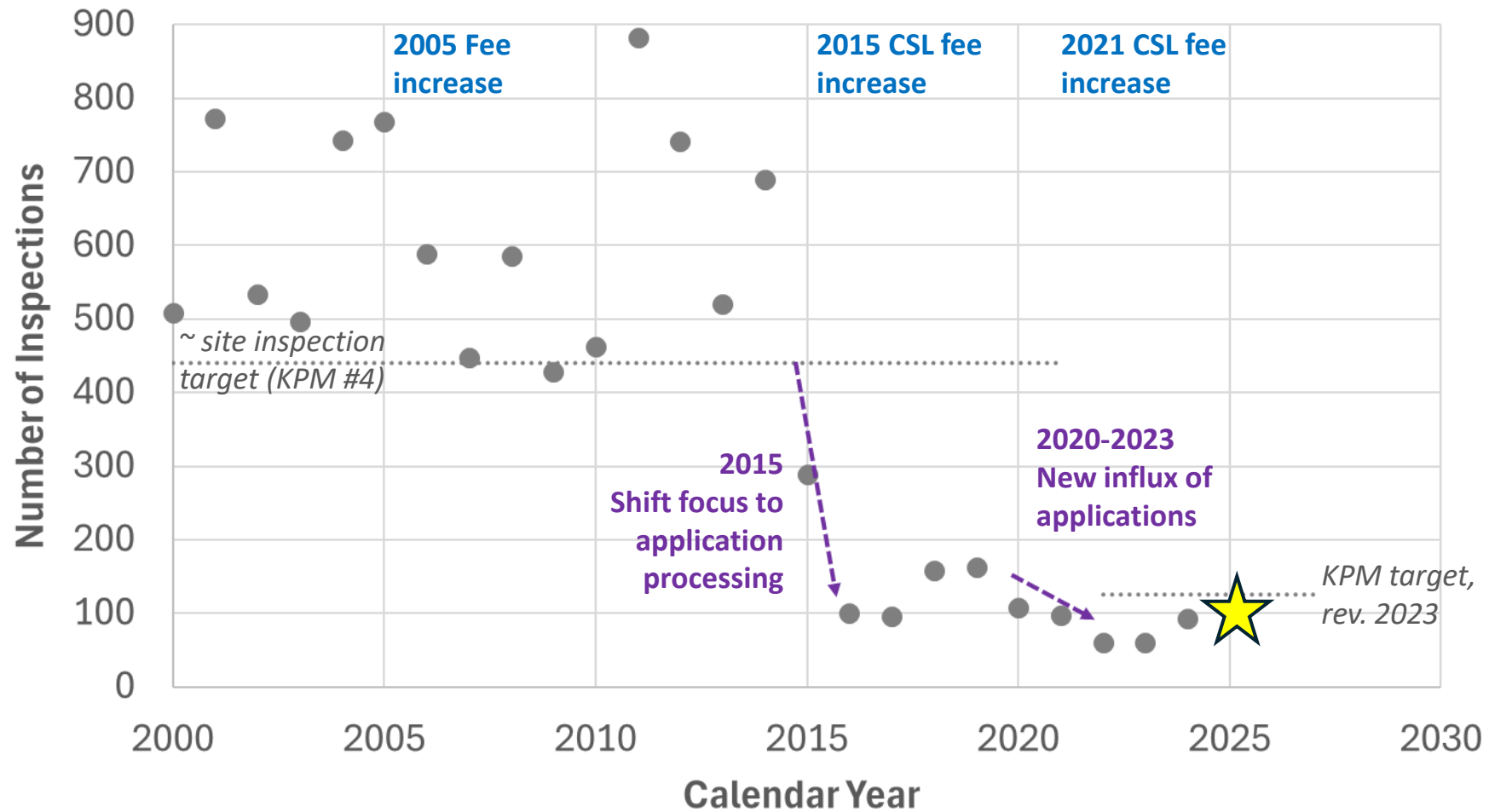
Albany Field Office, 14 staff

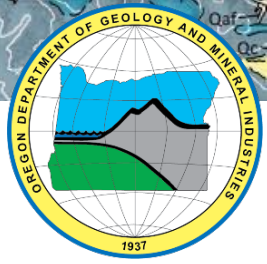
2024 Permits by Type	Number
Operating Permit (OP)	890
Exclusion Certificate (EC)	144
Exploration Permit (XP)	28
Gas Well	75
Geothermal Well	25

2024 Customer Service	Actions
Public Records Requests	167
Complaints Received	35



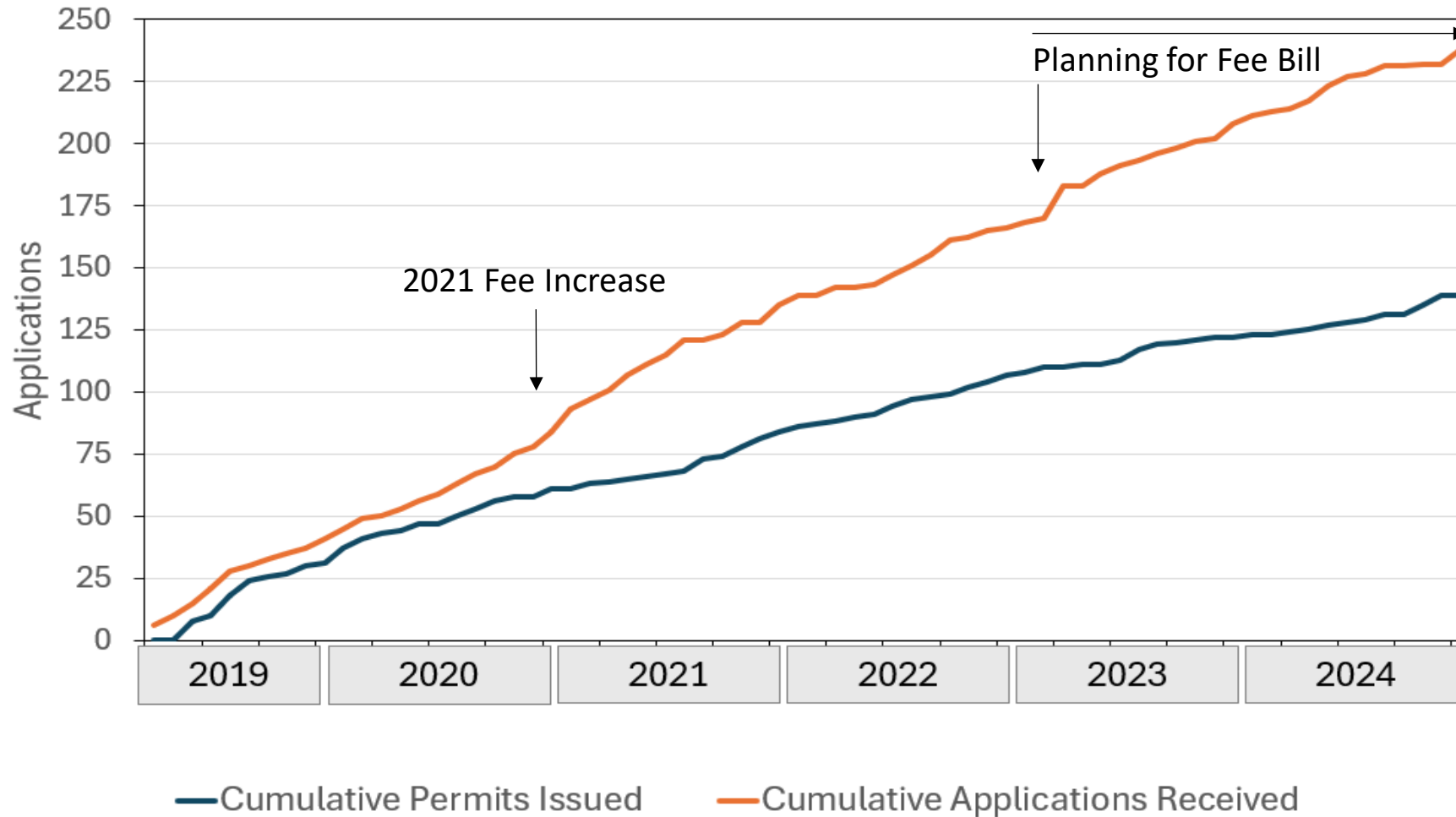
Mine Site Inspections Fall Short of KPM 4 target

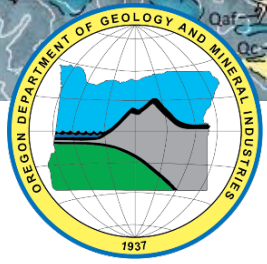




Application Processing Exceeds Regulatory Timelines

5-Year Trend





MLRR Program Right-Sizing: POP 103 & SB836

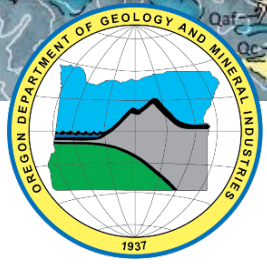
Dedicated Drilling Program – 2 FTE (Oil & Gas, Geothermal, and Exploration Well Permits)

Improved Surface Mining Outcomes – 7 FTE (Operating Permits & Exclusion Certificates)

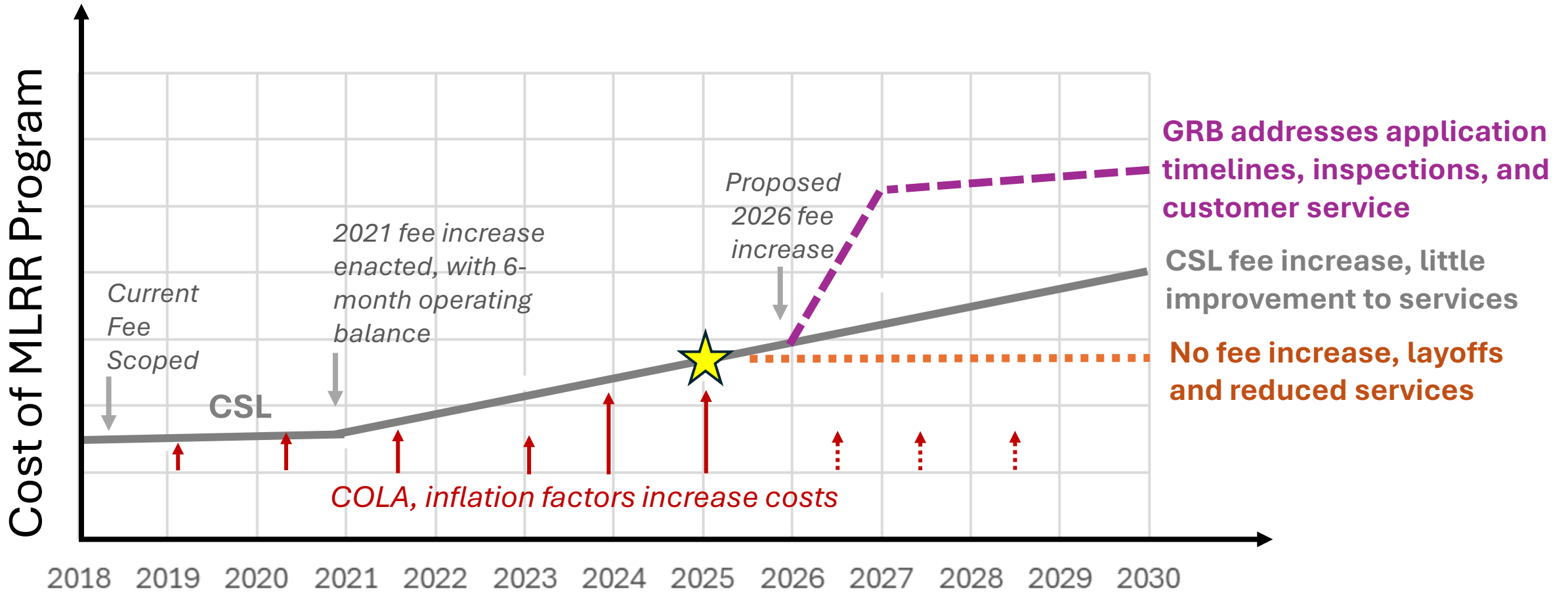
- **4 Field Inspectors/Permit Specialists** will meet site inspection target (20%) in 2026 and exceed KPM target in 2027. A revised target will be proposed for 2027-29.
- **3 Reclamationists** will add technical expertise and reduce individual application workload to meet regulatory timelines for permit application processing by 2028.

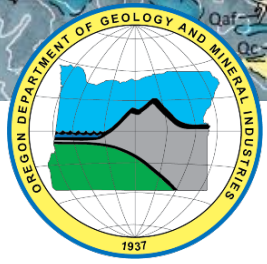
Operational Efficiency and Timely Customer Service - 3 FTE (Program-wide)

- **Decrease agency response time** to public and permittee general inquiries
- **Improve** training and outreach materials for **permittees and the public**
- Facilitate program-wide **alignment of regulations and practices**, last reviewed in 2009
- Additional supervisory position promotes staff retention and **improves operational functionality**.



Factors contributing to MLRR Program Costs



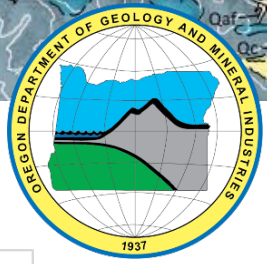


GRB Proposed Fee Schedule Summary

	Surface Mining Operating Permit 900 permits		Exclusion Certificate 150 Certificates	
	Current	Proposed	Current	Proposed
Application Fee	\$2,000	\$6,500	\$80	\$200
Annual Renewal Fee	Base Fee: \$1200 (No Mineral Extraction) \$1460 (Mineral Extraction) Tonnage Fee: \$0.0125 (\$/ton)	Base Fee: \$3,500 Tonnage Fee: \$0.030(\$/ton)	\$165	\$200

	Exploration Permit 30 permits		Oil & Gas Well 80 permits		Geothermal Well 25 permits	
	Current	Proposed	Current	Proposed	Current	Proposed
Application Fee	\$2,000	\$5,000	\$2,000	\$5,000	\$2,000	\$5,000
Annual Renewal Fee	\$1,460	\$3,500	\$1,160	\$4,000	\$2,725	\$4,000

Senate Bill 836 is estimated to generate new Other Fund revenues of \$4,912,075 to cover personal costs, services & supplies and 4.5 month operating balance.



Surface Mining Fee Comparison

Application for Operating Permit

Current = \$2,000, Proposed = \$6,500

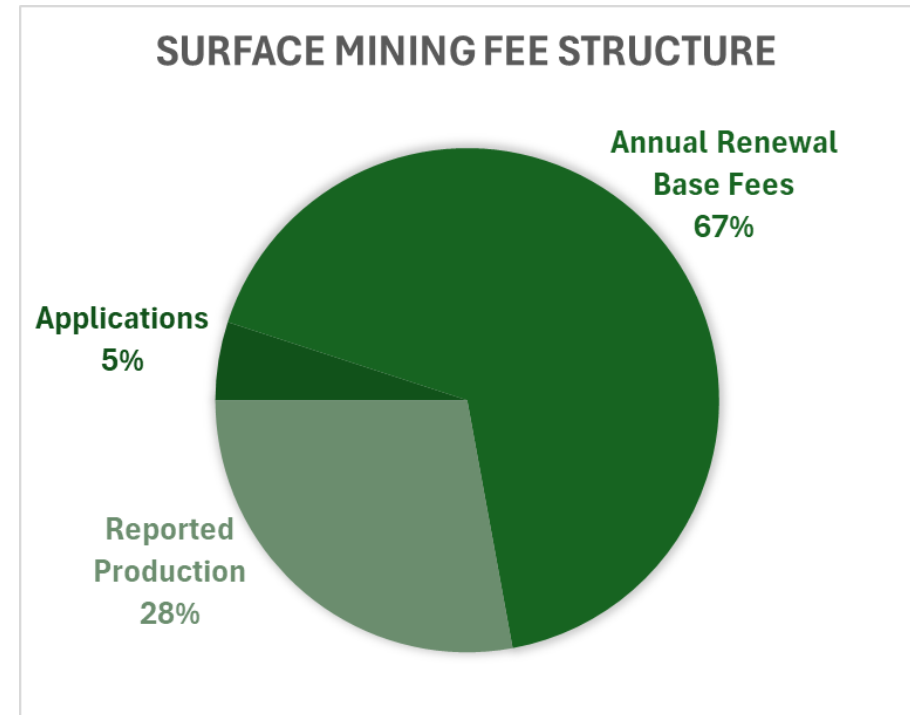
Annual Renewal for Operating Permit reporting 100,000 tons of production

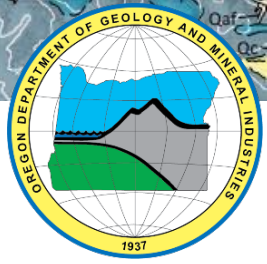
Current Renewal = \$2,710

base fee (\$1,460) + production fee ($\$0.0125 \times 100,000$ tons of rock = \$1,250)

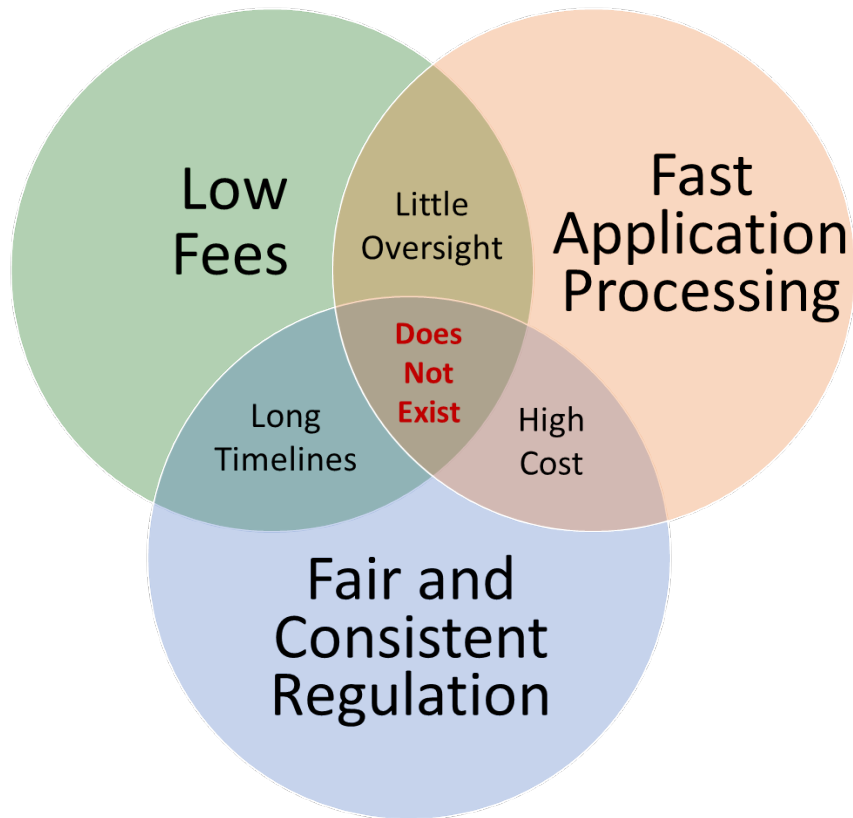
Proposed Renewal: \$6,500

base fee (\$3,500) + production fee ($\$0.0300 \times 100,000$ tons of rock = \$3,000)





MLRR Program Right-Sizing: POP 103 & SB836



Goal: Administer a regulatory program that balances environmental management with economic development, allowing the state to meet its infrastructure and housing goals.

Structure: Additional FTE, including field inspection staff, technical experts, customer service specialists and supervisory staff to fully support identified priorities for drilling, exploration and surface mining permits.

Revenue Sources: Other Fund (Fees)

Results: Increase mine site inspection (KPM 4) and customer service (KPM 5), decrease in permit application timelines.

A strategic expansion of the MLRR program is needed to meet regulatory and customer service needs.