

OIL AND GAS COMMISSION

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

Employment Summary

	Male	Female	Total	%
White Employees	20	16	36	92 %
Black Employees	0	2	2	5 %
Other Racial Minorities	0	1	1	3 %
Total Minorities			3	8 %
Total Employees			39	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Rules and Regulations	15-71-111	N	N	0	Required by industry to inform them of Agency rules and regulations. Also included are forms required to be filed for drilling and required production reporting in Arkansas. Available on agency web site.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Weekly Permit and Completion Report	None	N	N	0	Weekly status report of current oil and gas well drilling and completion. Provided to all parties via agency webpage and also available to the general public in Oil & Gas Commission offices.	0	0.00

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
204 Oil & Gas Commission-Operations	4,218,166	40	5,288,476	44	5,134,396	44	4,870,638	40	4,870,638	40	4,872,974	40	4,872,974	40
2XV Well Plugging Program	227,825	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
A20 Refunds/Reimbursements	0	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	4,445,991	40	7,988,476	44	7,834,396	44	7,570,638	40	7,570,638	40	7,572,974	40	7,572,974	40

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	45,368,312	91.5	45,160,897	92.9	40,622,421	92.2	40,622,421	92.2	37,799,439	91.6	37,799,439	91.6
Special Revenue	4000030	4,232,404	8.5	3,250,000	6.7	3,250,000	7.4	3,250,000	7.4	3,250,000	7.9	3,250,000	7.9
Cash Fund	4000045	6,172	0.0	200,000	0.4	200,000	0.5	200,000	0.5	200,000	0.5	200,000	0.5
Total Funds		49,606,888	100.0	48,610,897	100.0	44,072,421	100.0	44,072,421	100.0	41,249,439	100.0	41,249,439	100.0
Excess Appropriation/(Funding)		(45,160,897)		(40,622,421)		(36,501,783)		(36,501,783)		(33,676,465)		(33,676,465)	
Grand Total		4,445,991		7,988,476		7,570,638		7,570,638		7,572,974		7,572,974	

FY19 Budget amount in Authorized Appropriation 204 exceeds the authorized amount due to salary and matching rate adjustments.

Analysis of Budget Request

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

The Oil & Gas Commission's operating appropriation is funded by special revenues, as authorized in A.C.A §19-6-410.

The Agency is requesting an Authorized Appropriation of \$4,870,638 for 2020 and \$4,872,974 for 2021.

The Agency's Change Level Request is (\$416,039) for FY20 and FY21 and includes the following:

- Regular Salaries - The Agency requests a reduction of (\$129,364). The Agency is eliminating four full time positions for each year.
- Extra Help - The Agency requests a reduction of (\$40,000). The Agency is eliminating four Extra Help positions for each year.
- Personal Services Matching - The Agency requests a reduction of (\$53,075) due to eliminating full time and part time positions for each year.
- Operating Expenses - The Agency requests a reduction of (\$100,600) for each year.
- Professional Fees - The Agency requests a reduction of (\$27,000) for each year.
- Construction - The Agency requests reduction of (\$100,000) for each year.
- Groundwater Protection - The Agency requests an increase in appropriation of \$4,000 for each year due to increase of state dues.
- Energy Education - Agency requests an increase in appropriation of \$30,000 for each year to provide a grant to the Arkansas Energy Education Foundation.

The Agency requests to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- Conference & Travel Expenses - Travel cost fluctuating from year to year.
- Professional Fees - The Agency has reduced an appropriation by \$27,000, but is requesting to keep this line at \$25,000. Professional Fees are used for court report expenses.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	2,021,324	2,219,309	2,098,377	2,086,818	2,086,818	2,088,718	2,088,718
#Positions		40	44	44	40	40	40	40
Extra Help	5010001	48,518	100,000	100,000	60,000	60,000	60,000	60,000
#Extra Help		8	10	10	6	6	6	6
Personal Services Matching	5010003	684,814	737,653	704,505	685,906	685,906	686,342	686,342
Operating Expenses	5020002	567,396	987,797	987,797	887,197	887,197	887,197	887,197
Conference & Travel Expenses	5050009	18,580	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees	5060010	6,429	52,000	52,000	25,000	25,000	25,000	25,000
Construction	5090005	0	100,000	100,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Refunds/Reimbursements	5110014	2,400	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Data Processing Services	5900044	332,182	348,217	348,217	348,217	348,217	348,217	348,217
Interstate Oil Compact	5900046	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Geological Research	5900047	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Underground Injection Control	5900048	33,023	100,000	100,000	100,000	100,000	100,000	100,000
Groundwater Protection	5900049	8,500	8,500	8,500	12,500	12,500	12,500	12,500
Energy Education	5900050	0	0	0	30,000	30,000	30,000	30,000
Total		4,218,166	5,288,476	5,134,396	4,870,638	4,870,638	4,872,974	4,872,974
Funding Sources								
Fund Balance	4000005	42,242,730	41,946,063		39,657,587	39,657,587	37,786,949	37,786,949
Special Revenue	4000030	3,921,499	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000
Total Funding		46,164,229	44,946,063		42,657,587	42,657,587	40,786,949	40,786,949
Excess Appropriation/(Funding)		(41,946,063)	(39,657,587)		(37,786,949)	(37,786,949)	(35,913,975)	(35,913,975)
Grand Total		4,218,166	5,288,476		4,870,638	4,870,638	4,872,974	4,872,974

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Analysis of Budget Request

Appropriation: 2XV - Well Plugging Program

Funding Sources: SAW - Abandoned and Orphan Well Plugging Fund

The Oil & Gas Commission's Abandoned and Orphan Well Plugging Fund was established by Acts 1265 and 1267 of 2005 (A.C.A. §15-71-115). The fund is utilized for well plugging program expenses. The Commission specifically utilizes the funds to plug abandoned and orphaned wells by means of contracts, grants to landowners, or for the payment of other plugging costs or corrective work.

This appropriation is funded by special revenue derived from fees, forfeited bonds, proceeds from the sale of hydrocarbons, and grants or gifts from the public. In addition, upon review of the Chief Fiscal Officer of the State and the Legislative Council, special language allows a transfer up to \$2,000,000 per year from the Oil and Gas Fund to the Abandoned and Orphan Well Plugging Fund.

The Agency is requesting an Authorized Appropriation of \$2,500,000 for each year of the 2019-2021 Biennium.

The Agency is asking to keep the full amount of appropriation. There are approximately 450 abandoned and orphaned oil and gas wells currently in the Commission Abandoned for Orphan Well Plugging Program which await plugging.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2XV - Well Plugging Program

Funding Sources: SAW - Abandoned and Orphan Well Plugging Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Well Plugging Expenses	5900046	227,825	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		227,825	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Funding Sources								
Fund Balance	4000005	3,119,264	3,202,344		952,344	952,344	0	0
Special Revenue	4000030	310,905	250,000		250,000	250,000	250,000	250,000
Total Funding		3,430,169	3,452,344		1,202,344	1,202,344	250,000	250,000
Excess Appropriation/(Funding)		(3,202,344)	(952,344)		1,297,656	1,297,656	2,250,000	2,250,000
Grand Total		227,825	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000

Analysis of Budget Request

Appropriation: A20 - Refunds/Reimbursements

Funding Sources: 301 - Oil and Gas Commission Cash

The Oil & Gas Commission's cash fund is used for deposit of special revenue fees collected by the Commission and to hold bonds posted by companies engaged in seismographic exploration in the State. The Commission transfers collected funds to the Oil and Gas Commission Fund to be utilized for Regular Salaries and Operating Expenses.

The Agency is requesting an Authorized Appropriation of \$200,000 for each year of the 2019-2021 Biennium.

The Agency is requesting to keep this appropriation for contingency purposes. Historically, expenses fluctuate from year to year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: A20 - Refunds/Reimbursements
Funding Sources: 301 - Oil and Gas Commission Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	0	200,000	200,000	200,000	200,000	200,000	200,000
Total	0	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Fund Balance 4000005	6,318	12,490		12,490	12,490	12,490	12,490
Cash Fund 4000045	6,172	200,000		200,000	200,000	200,000	200,000
Total Funding	12,490	212,490		212,490	212,490	212,490	212,490
Excess Appropriation/(Funding)	(12,490)	(12,490)		(12,490)	(12,490)	(12,490)	(12,490)
Grand Total	0	200,000		200,000	200,000	200,000	200,000

Expenditure of appropriation is contingent upon available funding.