

DEPARTMENT OF ENERGY & ENVIRONMENT - OIL AND GAS COMMISSION

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2020

None

Employment Summary

	Male	Female	Total	%
White Employees	16	9	25	86 %
Black Employees	0	3	3	10 %
Other Racial Minorities	0	1	1	4 %
Total Minorities			4	14 %
Total Employees			29	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							
	2019-2020		2020-2021		2020-2021		2021-2022				2022-2023			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
204 Oil & Gas Commission-Operations	4,253,541	39	4,175,274	31	4,872,974	39	4,229,370	31	4,229,370	31	4,233,553	31	4,233,553	31
2XV Well Plugging Program	459,141	0	2,500,000	0	2,500,000	0	12,500,000	0	12,500,000	0	12,500,000	0	12,500,000	0
A20 Refunds/Reimbursements	99,723	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	4,812,405	39	6,875,274	31	7,572,974	39	16,929,370	31	16,929,370	31	16,933,553	31	16,933,553	31

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	44,253,248	93.3	42,597,796	94.3	38,298,652	93.7	38,298,652	93.7	35,334,919	93.2	35,334,919	93.2
Special Revenue	4000030	3,111,962	6.6	3,120,000	6.9	3,120,000	7.6	3,120,000	7.6	3,120,000	8.2	3,120,000	8.2
Cash Fund	4000045	44,991	0.1	200,000	0.4	200,000	0.5	200,000	0.5	200,000	0.5	200,000	0.5
Shared Services Transfer	4000760	0	0.0	(743,870)	(1.6)	(745,170)	(1.8)	(745,170)	(1.8)	(745,170)	(2.0)	(745,170)	(2.0)
Total Funds		47,410,201	100.0	45,173,926	100.0	40,873,482	100.0	40,873,482	100.0	37,909,749	100.0	37,909,749	100.0
Excess Appropriation/(Funding)		(42,597,796)		(38,298,652)		(23,944,112)		(23,944,112)		(20,976,196)		(20,976,196)	
Grand Total		4,812,405		6,875,274		16,929,370		16,929,370		16,933,553		16,933,553	

Variance in Fund Balance due to unfunded appropriation.

Analysis of Budget Request

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

Oil and Gas Commission was created to administer and enforce state and federal laws dealing with the regulatory oversight of the oil, natural gas and brine production industries in Arkansas. These laws are designed to protect the correlative rights of mineral owners, protect the oil, natural gas and brine resources of the state, and to protect the environment and waters of the state during the production of these resources. This appropriation is used for the maintenance, operations and improvement required by the Oil and Gas Commission in carrying out the functions, powers, and duties as set out in A.C.A. §15-72-101 et seq., or other duties imposed by law upon the commission.

Act 910 of 2019 transferred the Oil and Gas Commission to the Department of Energy and Environment.

This appropriation is funded by Special Revenue derived from oil assessments, gas assessments in excess of four and one-half (4) mills, drilling permits, permits for plugging wells, and permits for each salt water well, and the portion of taxes levied on salt water used in bromine production.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2021 Authorized.

The Agency is requesting to continue appropriation in the amount of \$4,229,370 in FY22 and \$4,233,553 in FY23.

The Agency request include the following changes:

- Transfer of (8) positions to the Department of Energy and Environment Shared Services appropriation, including (\$573,188) in Regular Salaries and (\$174,862) in Personal Matching in FY2022 and (\$573,388) in Regular Salaries and (\$174,907) in Personal Matching in FY2023.
- Reallocation of appropriation in the amount of \$75,000 from Grants and Aid to Capital Outlay appropriation. Capital Outlay will provide for necessary appropriation to purchase two new vehicles.

The Executive Recommendation provides for the Agency Request, reclass of 1 position and title change for 11 positions.

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	2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	2,055,163	1,558,618	2,088,718	1,594,697	1,594,697	1,598,097	1,598,097
#Positions	39	31	39	31	31	31	31
Extra Help 5010001	40,696	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help	5	6	6	6	6	6	6
Personal Services Matching 5010003	680,952	518,742	686,342	536,759	536,759	537,542	537,542
Operating Expenses 5020002	549,226	887,197	887,197	887,197	887,197	887,197	887,197
Conference & Travel Expenses 5050009	20,390	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees 5060010	0	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	350,000	350,000	350,000	275,000	275,000	275,000	275,000
Refunds/Reimbursements 5110014	600	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay 5120011	0	0	0	75,000	75,000	75,000	75,000
Data Processing Services 5900044	279,029	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	93,985	100,000	100,000	100,000	100,000	100,000	100,000
Groundwater Protection 5900049	8,500	12,500	12,500	12,500	12,500	12,500	12,500
Energy Education 5900050	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total	4,253,541	4,175,274	4,872,974	4,229,370	4,229,370	4,233,553	4,233,553
Funding Sources							
Fund Balance 4000005	40,837,079	39,237,116		37,207,972	37,207,972	35,123,432	35,123,432
Special Revenue 4000030	2,653,578	2,890,000		2,890,000	2,890,000	2,890,000	2,890,000
Shared Services Transfer 4000760	0	(743,870)		(745,170)	(745,170)	(745,170)	(745,170)
Total Funding	43,490,657	41,383,246		39,352,802	39,352,802	37,268,262	37,268,262
Excess Appropriation/(Funding)	(39,237,116)	(37,207,972)		(35,123,432)	(35,123,432)	(33,034,709)	(33,034,709)
Grand Total	4,253,541	4,175,274		4,229,370	4,229,370	4,233,553	4,233,553

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 forfeited bonds; fee assessments; reimbursements for well-site plugging, repair, and restoration costs from well operators; proceeds from the sale of hydrocarbons and production equipment located at the site of abandoned and orphaned wells, according to 15-71-110(e) and 15-71-116; grants, gifts, and any other revenues as may be authorized by law.

Continuing level of appropriation is the FY2021 Authorized.

The Agency is requesting appropriation in the amount of \$12,500,000 for FY22 and FY23.

The Agency request includes the following changes:

- Increase Well Plugging Expenses appropriation in the amount of \$10,000,000 in FY22 and FY23. The Agency identified over \$10,000,000 in abandoned wells that need plugging in order to avoid health and environmental damages.

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		2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Well Plugging Expenses	5900046	459,141	2,500,000	2,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Total		459,141	2,500,000	2,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Funding Sources								
Fund Balance	4000005	3,149,950	3,149,193		879,193	879,193	0	0
Special Revenue	4000030	458,384	230,000		230,000	230,000	230,000	230,000
Total Funding		3,608,334	3,379,193		1,109,193	1,109,193	230,000	230,000
Excess Appropriation/(Funding)		(3,149,193)	(879,193)		11,390,807	11,390,807	12,270,000	12,270,000
Grand Total		459,141	2,500,000		12,500,000	12,500,000	12,500,000	12,500,000

Analysis of Budget Request

Appropriation: A20 - Refunds/Reimbursements

Funding Sources: 301 - Oil and Gas Commission Cash in Bank

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. This account provides checks with which to make transfers to the State Treasury and eliminates the necessity of sending cash through the mail. The Commission transfers collected funds to the Oil and Gas Commission Fund to be utilized for Regular Salaries and Operating Expenses.

Continuing level of appropriation is the FY2021 Authorized.

Expenditure of appropriation is contingent upon available funding.

The Agency is requesting to continue appropriation in the amount of \$200,000 in FY22 and FY23.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	99,723	200,000	200,000	200,000	200,000	200,000	200,000
Total	99,723	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Fund Balance 4000005	266,219	211,487		211,487	211,487	211,487	211,487
Cash Fund 4000045	44,991	200,000		200,000	200,000	200,000	200,000
Total Funding	311,210	411,487		411,487	411,487	411,487	411,487
Excess Appropriation/(Funding)	(211,487)	(211,487)		(211,487)	(211,487)	(211,487)	(211,487)
Grand Total	99,723	200,000		200,000	200,000	200,000	200,000

Expenditure of appropriation is contingent upon available funding.