

DEPARTMENT OF ENERGY & ENVIRONMENT - OIL AND GAS COMMISSION

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2022

None

Employment Summary

	Male	Female	Total	%
White Employees	15	9	24	92 %
Black Employees	0	1	1	4 %
Other Racial Minorities	0	1	1	4 %
Total Minorities			2	8 %
Total Employees			26	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							
	2021-2022		2022-2023		2022-2023		2023-2024				2024-2025			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
204 Oil & Gas Commission-Operations	3,231,188	30	4,383,439	31	4,233,553	31	4,762,760	34	4,762,760	34	4,788,038	34	4,788,038	34
2XV Well Plugging Program	94,063	0	12,500,000	0	12,500,000	0	12,500,000	0	12,500,000	0	12,500,000	0	12,500,000	0
A20 Refunds/Reimbursements	63,619	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	3,388,870	30	17,083,439	31	16,933,553	31	17,462,760	34	17,462,760	34	17,488,038	34	17,488,038	34

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	41,145,186	95.3	39,776,673	95.1	24,721,172	89.9	24,721,172	89.9	11,956,744	81.7	11,956,744	81.7
Special Revenue	4000030	2,759,357	6.4	2,790,000	6.7	3,195,000	11.6	3,195,000	11.6	3,195,000	21.8	3,195,000	21.8
Cash Fund	4000045	32,000	0.1	48,000	0.1	138,500	0.5	138,500	0.5	54,000	0.4	54,000	0.4
Inter-agency Fund Transfer	4000316	7,280	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	10,500	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	(428,011)	(1.0)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	242,109	0.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Shared Services Transfer	4000760	(602,878)	(1.4)	(810,062)	(1.9)	(562,965)	(2.0)	(562,965)	(2.0)	(562,965)	(3.8)	(562,965)	(3.8)
Total Funds		43,165,543	100.0	41,804,611	100.0	27,491,707	100.0	27,491,707	100.0	14,642,779	100.0	14,642,779	100.0
Excess Appropriation/(Funding)		(39,776,673)		(24,721,172)		(10,028,947)		(10,028,947)		2,845,259		2,845,259	
Grand Total		3,388,870		17,083,439		17,462,760		17,462,760		17,488,038		17,488,038	

FY23 Budget amount in FC 204 - Oil and Gas Commission-Operations exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Authorized position count varies from Agency Request count due to surrender of two (2) positions for one (1) pool position. Variance in Fund Balance is 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 Ark. Code Ann. § 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, Personal Services Matching and Capital Outlay, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$4,762,760 in FY2024 and \$4,788,038 in FY2025.

The Agency Request includes the following changes:

- Reallocation of four (4) positions from the Department of Energy and Environment - Shared Services Division (BA9905 - FC Z41), including an increase of \$257,987 in Regular Salaries in both years of the biennium and Personal Services Matching of \$86,980 in FY24 and \$89,620 in FY25.
- Reclassifications of positions with no change in appropriation.
- Increase of \$160,000 in Capital Outlay for the purchase of two (2) new vehicles.

The Executive Recommendation provides for the Agency Request with the exception of the position reclassifications. These changes will be placed on hold for the new administration to review and recommend.

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		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	1,376,992	1,691,068	1,598,097	1,897,807	1,897,807	1,900,107	1,900,107
#Positions		30	31	31	34	34	34	34
Extra Help	5010001	23,843	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		3	6	6	6	6	6	6
Personal Services Matching	5010003	503,551	594,457	537,542	682,039	682,039	705,017	705,017
Operating Expenses	5020002	540,384	887,197	887,197	887,197	887,197	887,197	887,197
Conference & Travel Expenses	5050009	22,547	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees	5060010	5,000	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	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Refunds/Reimbursements	5110014	665	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	50,933	75,000	75,000	160,000	160,000	160,000	160,000
Data Processing Services	5900044	248,435	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	0	100,000	100,000	100,000	100,000	100,000	100,000
Groundwater Protection	5900049	8,838	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		3,231,188	4,383,439	4,233,553	4,762,760	4,762,760	4,788,038	4,788,038
Funding Sources								
Fund Balance	4000005	37,540,447	26,725,608		14,182,107	14,182,107	11,911,382	11,911,382
Special Revenue	4000030	2,759,357	2,650,000		3,055,000	3,055,000	3,055,000	3,055,000
Inter-agency Fund Transfer	4000316	7,280	0		0	0	0	0
Intra-agency Fund Transfer	4000317	(10,000,000)	(10,000,000)		0	0	0	0
M & R Sales	4000340	10,500	0		0	0	0	0
Other	4000370	242,090	0		0	0	0	0
Shared Services Transfer	4000760	(602,878)	(810,062)		(562,965)	(562,965)	(562,965)	(562,965)
Total Funding		29,956,796	18,565,546		16,674,142	16,674,142	14,403,417	14,403,417
Excess Appropriation/(Funding)		(26,725,608)	(14,182,107)		(11,911,382)	(11,911,382)	(9,615,379)	(9,615,379)
Grand Total		3,231,188	4,383,439		4,762,760	4,762,760	4,788,038	4,788,038

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Authorized position count varies from Agency Request count due to a surrender of two (2) positions for one (1) pool position.

Analysis of Budget Request

Appropriation: 2XV - Well Plugging Program

Funding Sources: SAW - Abandoned and Orphan Well Plugging Fund

The Oil and Gas Commission's Abandoned and Orphan Well Plugging Fund was established by Acts 1265 and 1267 of 2005 (Ark. Code Ann. § 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. Pursuant to Section 6 of Act 62 of 2022, the Commission is allowed a one-time transfer of \$10,000,000 from the Oil and Gas Commission Fund every fiscal year.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$12,500,000 in both years of the biennium.

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	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Well Plugging Expenses 5900046	94,063	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Total	94,063	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Funding Sources							
Fund Balance 4000005	2,886,266	12,792,203		10,432,203	10,432,203	0	0
Special Revenue 4000030	0	140,000		140,000	140,000	140,000	140,000
Intra-agency Fund Transfer 4000317	10,000,000	10,000,000		0	0	0	0
Total Funding	12,886,266	22,932,203		10,572,203	10,572,203	140,000	140,000
Excess Appropriation/(Funding)	(12,792,203)	(10,432,203)		1,927,797	1,927,797	12,360,000	12,360,000
Grand Total	94,063	12,500,000		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 and 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.

Expenditure of appropriation is contingent upon available funding.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$200,000 in in both years of the biennium.

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	Historical Data			Agency Request and Executive Recommendation			
	2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	2023-2024		2024-2025	
				Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	63,619	200,000	200,000	200,000	200,000	200,000	200,000
Total	63,619	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Fund Balance 4000005	718,473	258,862		106,862	106,862	45,362	45,362
Cash Fund 4000045	32,000	48,000		138,500	138,500	54,000	54,000
Miscellaneous Adjustments 4000345	(428,011)	0		0	0	0	0
Other 4000370	19	0		0	0	0	0
Total Funding	322,481	306,862		245,362	245,362	99,362	99,362
Excess Appropriation/(Funding)	(258,862)	(106,862)		(45,362)	(45,362)	100,638	100,638
Grand Total	63,619	200,000		200,000	200,000	200,000	200,000

Expenditure of appropriation is contingent upon available funding.