

**OIL AND GAS COMMISSION (440) - 2007-09 BIENNIUM  
BUDGET INFORMATION ACCORDING TO ACT 325 of 2007**

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

The purpose and mission of the Oil & Gas Commission is to serve the public regarding oil and gas matters, to protect the correlative rights and interests of mineral owners and to regulate oil, gas, and brine production industries to insure compliance with state and federal laws regarding the protection of the environment and waters of the State. The Commission regulates activities required to produce and allocate oil and gas reserves, including distribution of royalties, assessment of taxes, seismic operations, and data compilation and monitors underground disposal of waste fluids generated by producers.

**TOTAL BIENNIAL BUDGET**

The total budget of the 2007-09 Biennium is \$4,689,965 for FY2008 and \$2,987,568 for FY2009.

**FUNDING SOURCE**

The Commission is funded by special revenues from assessments on oil and gas, permit and application fees, and brine taxes.

**II) SIGNIFICANT CHANGES**

- The Oil & Gas Commission Operations appropriation, funded by Special Revenues, for \$2,689,965 the first year and \$2,487,568 the second year provides for the following change level requests:
  1. Regular Salaries increased by \$163,687 each year for 4 additional positions.
  2. Personal Services Matching increased by \$51,387 each year for additional positions.
  3. Operating Expenses increased by \$88,425 the first year and \$89,425 the second year to cover additional rent of office equipment, technical services, fuel, meals and lodging for the new Little Rock and Ft. Smith Offices.
  4. Capitol Outlay increased by \$115,000 in FY08 and \$100,000 in FY09 for equipment in the new offices and field staff.
  5. Data Processing Services decreased to \$20,000 in FY08 only to offset increased Operating Expenses.
- The Well Plugging Program appropriation, funded by Special Revenues, for \$1.5 million in FY08 provides for a continuation of Base Level.
- The Refunds/Transfers appropriation, funded by Special Revenues deposited in a Cash Fund, for \$500,000 each year provides for the following change level request:
  1. Refunds/Reimbursements decreased by \$1,500,000 each fiscal year due to appropriation no longer needed to make transfers to the State Treasury.

**III) ADDITIONAL POSITIONS**

Total positions for FY 2007-09 Biennium: 32

Total budgeted positions for FY 2007: 28

Increase / (Decrease): 4

1 Senior Petroleum Engineer, Grade 99

2 Oil & Gas Technician II, Grade 20

1 Administrative Assistant II, Grade 17

**IV) SPECIAL LANGUAGE**

- CARRYFORWARD. The authority to carry over unused Data Processing line item appropriation from the first fiscal year to the second fiscal year with prior JBC/ALC review. - **REVISED**
- FUND TRANSFER: The Oil and Gas Commission, after receiving review from the CFO and Legislative Council, may request the CFO to transfer up to \$750,000 from the Oil and Gas Commission Fund to the Abandoned and Orphan Well Plugging Fund. - **REVISED**