

0440 – OIL AND GAS COMMISSION
FISCAL YEAR 2020
AS ENACTED BY ACT 490 OF 2019

The Oil and Gas Commission protects the rights and interests of mineral owners and regulates oil, gas, and brine production industries to ensure compliance with state and federal laws. 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. The commission also monitors underground disposal of waste fluids generated by producers.

TOTAL APPROPRIATION

| Appropriation | | 2017-2018 | 2018-2019 | 2019-2020 |
|---------------|---------------------------------|-------------|-------------|-------------|
| | | Actual | Authorized | Legislative |
| 204 | Oil & Gas Commission-Operations | \$4,218,166 | \$5,134,396 | \$4,870,638 |
| 2XV | Well Plugging Program | \$227,825 | \$2,500,000 | \$2,500,000 |
| A20 | Refunds/Reimbursements | \$0 | \$200,000 | \$200,000 |
| Total | | \$4,445,991 | \$7,834,396 | \$7,570,638 |

FUNDING SOURCES

| Funding Sources | | 2017-2018 Actual | % |
|---------------------------------------|---------|---------------------|--------|
| Fund Balance | 4000005 | \$45,368,312 | 91.46 |
| Special Revenue | 4000030 | \$4,232,404 | 8.53 |
| Cash Fund | 4000045 | \$6,172 | 0.01 |
| Total Funds | | \$49,606,888 | 100.00 |
| Excess Appropriation/(Funding) | | (\$45,160,897) | |
| Grand Total | | \$4,445,991 | |

CHANGE LEVEL REQUESTS

Oil & Gas Commission-Operations (Appropriation 204)

| Commitment Item | | 2018-2019 | 2019-2020 | |
|-----------------|----------------------------|-------------|-------------|--------------|
| | | Authorized | Legislative | Change Level |
| 5010000 | Regular Salaries | \$2,098,377 | \$2,086,818 | (\$11,559) |
| 5010001 | Extra Help | \$100,000 | \$60,000 | (\$40,000) |
| 5010003 | Personal Services Matching | \$704,505 | \$685,906 | (\$18,599) |
| 5020002 | Operating Expenses | \$987,797 | \$887,197 | (\$100,600) |
| 5060010 | Professional Fees | \$52,000 | \$25,000 | (\$27,000) |
| 5090005 | Construction | \$100,000 | \$0 | (\$100,000) |

| | | | | |
|--------------|------------------------|-------------|-------------|-------------|
| 5900049 | Groundwater Protection | \$8,500 | \$12,500 | \$4,000 |
| 5900050 | Energy Education | \$0 | \$30,000 | \$30,000 |
| Total | | \$4,051,179 | \$3,787,421 | (\$263,758) |

- **Regular Salaries** decreased due to eliminating three inspector positions and one fiscal analyst position as a result of slowdown in industry activity and the agency's automation of processes.
- **Extra Help** decreased due to elimination of four extra help positions.
- **Personal Services Matching** decreased due to elimination of full time and extra help positions.
- **Operating Expenses** decreased to better align appropriation level with agency needs.
- **Professional Fees** decreased to better align appropriation level with agency needs.
- **Construction** decreased to better align appropriation level with agency needs.
- **Groundwater Protection** increased to pay increase in state dues to national organization Groundwater Protection Council.
- **Energy Education** increased to create a line item to provide a grant to the Arkansas Energy Foundation for an education outreach program to introduce classrooms to the oil and natural gas community.

POSITIONS

Total Authorized Positions FY2020: 40

Total Authorized Positions FY2019: 44

Increase / (Decrease): (4)

Extra Help Positions FY2020: 6

SPECIAL LANGUAGE REVISIONS

Fund Transfer: Requirement of review by ALC or JBC removed and replaced with a reporting requirement to ALC or JBC of transfers from the Oil and Gas Commission Fund to the Abandoned and Orphaned Well Plugging Fund.