

OIL AND GAS COMMISSION

Enabling Laws

Act 325 of 2007
A.C.A. §15-71-101 et seq.
A.C.A. §15-72-101 et seq.
A.C.A. §15-76-301 et seq.

History and Organization

The purpose and mission of the Arkansas Oil and Gas Commission is to serve the public regarding oil and gas matters, to protect the correlative rights and interests of mineral owners through orderly resource development and to regulate the oil, gas and brine production industries to insure compliance with state and federal laws regarding protection of the environment and waters of the state.

The Commission maintains administrative offices in Little Rock and district offices in El Dorado and Ft. Smith. Approximately 40,000 permits to drill have been issued by the Arkansas Oil and Gas Commission since creation of the Commission in 1939. Well records for these wells are maintained at the Commission district offices in El Dorado and Ft. Smith and are available to the public during normal office hours. The Commission maintains a web page containing information pertinent to the general public and regulated community regarding the oil and gas industry in Arkansas.

Act 105 of 1939, repealed existing oil and gas laws and regulations and created the Oil and Gas Commission to oversee the oil and gas conservation and production requirements contained in Act 105. The Commission consisted of seven members with industry knowledge, appointed by the Governor to serve staggered six year terms. Compensation was also authorized for each day Commissioners attended a meeting or hearing, along with reimbursement of all necessary travel expenses. Act 680 of 1985 added two members to the Commission and specified that industry knowledge would not be a requirement of service by individuals holding these two positions. The Director of Production and Conservation serves as the ex-officio Secretary of the Commission and serves as the Director of the Commission staff. Act 472 of 1949, as amended by Act 232 of 1953, stipulates that the Director shall also serve as a member of the Pollution Control and Ecology Commission.

Act 111 of 1969 amended Paragraph M of Section 11 of Act 105 of 1939 and empowered the Oil and Gas Commission to regulate the drilling for and production of salt water for the bromine industry.

In 1978, the U.S. Congress passed the Natural Gas Policy Act, and the Arkansas Department of Energy determined that the Oil and Gas Commission should serve as the jurisdictional agency for status determination under the provisions of that Act.

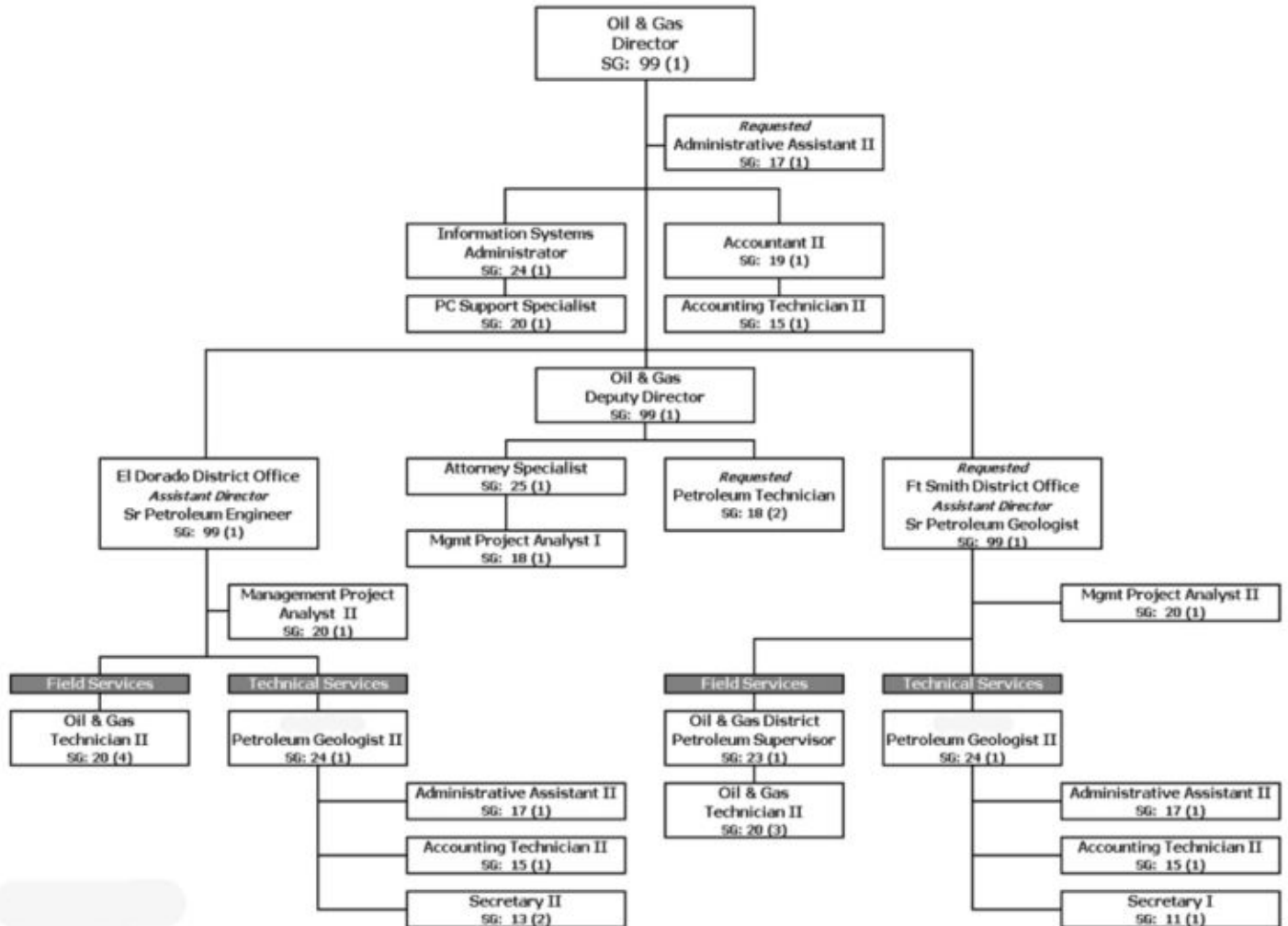
Act 937 of 1979 provided additional authorities to the Commission to regulate drilling for and extraction of bromine from produced brine.

In March 1984, the Oil and Gas Commission assumed primacy for the Underground Injection Control Program from the U.S. Environmental Protection Agency for Class II injection wells and Class V bromine-related brine disposal wells. Additional staff personnel were authorized for assimilation of this program

into the Agency's regular duties.

Act 5 of 1991 required persons and entities conducting or proposing to conduct field seismic operations in the State to obtain a permit from and post a bond with the Oil and Gas Commission.

Acts 1265, 1266, and 1267 of 2005 created and Abandoned and Orphan Well Plugging Fund to plug abandoned oil and gas wells for which a responsible party no longer existed or could not be located. The Fund and associated plugging program is administered by the Oil and Gas Commission and is funded by an annually assessed fee paid by oil and gas production companies operating in Arkansas.



Agency Commentary

The Oil and Gas Commission is charged by state statute 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. Increased oil and natural gas prices in general, resulting in increased statewide exploration activity and with the rapidly expanding drilling activity associated with the Fayetteville Shale development has necessitated a Commission request for a budget increase to adequately administer the State's oil and natural gas regulatory program.

The Fayetteville Shale development is occurring in an area of the State which has not previously experienced oil and natural gas development. This growth results in the necessity of increased filed inspections to ensure compliance with Commission regulations. In addition, the Commission's oil and gas well drilling and completion information and production data gathering functions have significantly increased along with a much increased monthly hearing docket, expanding three-fold over last year. The Commission was also recently approved to administer the United States Department of Transportation (USDOT) Pipeline Safety Program for natural gas pipelines upstream from the custody transfer point. To maintain the necessary level of service and ensure regulatory compliance with the State's various oil and gas regulatory programs, the Commission is requesting seven (7) additional full time staff positions and four (4) additional part time positions. The Petroleum Engineer position will manage the natural gas pipeline program and the District Petroleum Supervisor and four (4) field inspectors will provide additional field enforcement capability. The administrative staff position and additional four (4) part time positions will enhance the various statutorily mandated data gathering functions of the Commission.

In addition to the request for additional personnel, the Commission is also requesting an increase in data processing, operations and capital outlay to provide for additional costs in operations due to increased data gathering functions and field travel for inspection staff, additional hearing costs for the full Commission, and to provide for increased building operation costs and repairs to Commission facilities.

In order to fully administer the State's oil and gas regulatory program and in view of the increasing demands on the Commission, the Commission is requesting increases in the Regular Salary, Personnel Services, Data Processing Services, Operation Expenses and Capital Outlay lines necessary to maintain and enhance the regulatory program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS OIL AND GAS COMMISSION

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%	
White Employees	15	13	28	93 %	
Black Employees	1	1	2	7 %	
Other Racial Minorities	0	0	0	0 %	
			Total Minorities	2	7 %
			Total Employees	30	100 %

Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
3010000	\$317,752	Checking	BanCorp South, El Dorado

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 15-71-110 Gives the Commission authority to oversee production of oil and gas and collect fees, fines, and penalties; and use them to fund operations.

Revenue Receipts Cycle:

Fees and Penalties are collected through the year.

Fund Balance Utilization:

Refunds/Transfers - Funds are collected on a daily basis. Appropriation is used to make refunds for overpayments and to reimburse posted bonds. The remaining balance at the end of each month is transferred to the State Treasury.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		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.

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		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.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
204 Oil & Gas Commission-Operations	2,443,077	32	2,461,854	32	2,487,568	32	2,514,643	32	4,237,688	39	4,237,688	39	2,551,124	32	3,485,987	39	3,485,987	39
2XV Well Plugging Program	215,799	0	1,284,201	0	0	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	0	0	0	0
A20 Refunds/Reimbursements	20,800	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	2,679,676	32	4,246,055	32	2,987,568	32	4,514,643	32	6,237,688	39	6,237,688	39	3,051,124	32	3,985,987	39	3,985,987	39

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	4,006,376	46.3	5,976,357	52.8			7,062,550	59.7	7,062,550	52.1	7,062,550	52.1	7,324,862	56.8	7,324,862	53.0	7,324,862	53.0
Special Revenue	4000030	4,578,262	52.9	5,150,000	45.5			4,276,955	36.1	6,000,000	44.2	6,000,000	44.2	5,065,137	39.3	6,000,000	43.4	6,000,000	43.4
Cash Fund	4000045	4,516,351	52.2	182,248	1.6			500,000	4.2	500,000	3.7	500,000	3.7	500,000	3.9	500,000	3.6	500,000	3.6
M & R Sales	4000340	9,395	0.1	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Special Revenue	4000565	0	0.0	750,000	6.6			750,000	6.3	1,500,000	11.1	1,500,000	11.1	0	0.0	0	0.0	0	0.0
Transfer to Treasury	4000680	(4,516,351)	(52.2)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers / Adjustments	4000683	0	0.0	(750,000)	(6.6)			(750,000)	(6.3)	(1,500,000)	(11.1)	(1,500,000)	(11.1)	0	0.0	0	0.0	0	0.0
Trust Fund Interest	4000705	62,000	0.7	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		8,656,033	100.0	11,308,605	100.0			11,839,505	100.0	13,562,550	100.0	13,562,550	100.0	12,889,999	100.0	13,824,862	100.0	13,824,862	100.0
Excess Appropriation/(Funding)		(5,976,357)		(7,062,550)				(7,324,862)		(7,324,862)		(7,324,862)		(9,838,875)		(9,838,875)		(9,838,875)	
Grand Total		2,679,676		4,246,055				4,514,643		6,237,688		6,237,688		3,051,124		3,985,987		3,985,987	

The Actual and Budget amounts exceed Authorized amount in Appropriation 2XV because this is a Biennial Appropriation.

Special Language in the Agency's current appropriation act allows for \$750,000 per biennium to be transferred into the Abandoned & Orphaned Well Plugging Fund.

Special Revenue Fees are collected in Agency Cash Fund and are transferred into the Oil & Gas Commission Fund to fund operations.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
28	27	1	28	0	3.57 %	32	30	2	32	0	6.25 %	32	30	2	32	0	6.25 %

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.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A Base Level position was also changed from unclassified to classified and the salary was adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Commission is requesting \$350,899 in FY10 and \$355,399 in FY11 over Base Level spread throughout the various Operating Expense categories, along with a reallocation of appropriation from Rent of Office Equipment to Fuel Purchases. The rapid development of the Fayetteville Shale drilling has more than quadrupled the amount of well permits and inspections. The hearing load of the Commission has tripled as well. An additional duty has recently been given to the Commission. It is now approved to administer the United States Department of Transportation (USDOT) Pipeline Safety Program for natural gas pipelines upstream from the custody transfer point.

Seven new regular positions (\$248,073 in FY10 and \$253,774 in FY11) along with four Extra Help positions (\$20,016 in FY10 and \$20,516 in FY11) are being requested by the Commission to accommodate the explosion of drilling activity in the State. Four new Field Inspectors, District Petroleum Supervisor and an Administrative Staff position are all necessary to ensure compliance of those drilling with the regulations set forth by the Commission. The Petroleum Engineer position will manage the natural gas pipeline program and the Extra Help positions will aid in the data gathering performed by the Commission.

The Commission is requesting \$120,000 in Capital Outlay for both years of the biennium for vehicle replacement due to mileage and age. An additional one time request of Capital Outlay in FY10 of \$500,000 is to purchase vehicles for the new field inspectors and to remodel the Ft. Smith office.

\$300,000 is requested for Data Processing Services, this appropriation will be used to allow electronic filing of production reports by field inspectors, development of a data base for mapping and managing the oil and gas drilling activity in the state, and for hardware to assist in these functions.

A \$100,000 appropriation is requested in Refunds/Reimbursements. This will enable the Commission to refund over-payment of various fees from the special revenue fund.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,250,313	1,345,747	1,341,328	1,449,713	1,697,786	1,697,786	1,480,406	1,734,180	1,734,180
#Positions		32	32	32	32	39	39	32	39	39
Extra Help	5010001	39,697	45,000	45,000	45,000	65,016	65,016	45,000	65,516	65,516
#Extra Help		6	6	6	6	10	10	6	10	10
Personal Services Matching	5010003	398,163	390,206	420,339	439,029	523,086	523,086	444,817	529,991	529,991
Operating Expenses	5020002	479,455	478,901	478,901	478,901	829,800	829,800	478,901	834,300	834,300
Conference & Travel Expenses	5050009	4,822	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	501	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Data Processing	5090012	20,000	0	0	0	0	0	0	0	0
Grants and Aid	5100004	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Refunds/Reimbursements	5110014	0	0	0	0	100,000	100,000	0	100,000	100,000
Capital Outlay	5120011	124,388	100,000	100,000	0	620,000	620,000	0	120,000	120,000
Data Processing Services	5900044	64,893	0	0	0	300,000	300,000	0	0	0
Interstate Oil Compact	5900046	8,200	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Underground Injection Control	5900048	37,645	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Groundwater Protection	5900049	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total		2,443,077	2,461,854	2,487,568	2,514,643	4,237,688	4,237,688	2,551,124	3,485,987	3,485,987
Funding Sources										
Fund Balance	4000005	2,826,055	4,722,549		6,410,695	6,410,695	6,410,695	6,923,007	6,173,007	6,173,007
Special Revenue	4000030	4,330,176	4,900,000		3,776,955	5,500,000	5,500,000	5,065,137	6,000,000	6,000,000
M & R Sales	4000340	9,395	0		0	0	0	0	0	0
Transfers / Adjustments	4000683	0	(750,000)		(750,000)	(1,500,000)	(1,500,000)	0	0	0
Total Funding		7,165,626	8,872,549		9,437,650	10,410,695	10,410,695	11,988,144	12,173,007	12,173,007
Excess Appropriation/(Funding)		(4,722,549)	(6,410,695)		(6,923,007)	(6,173,007)	(6,173,007)	(9,437,020)	(8,687,020)	(8,687,020)
Grand Total		2,443,077	2,461,854		2,514,643	4,237,688	4,237,688	2,551,124	3,485,987	3,485,987

The Actual and/or Budget amount in Regular Salaries and Personal Services Matching exceeds Budget and/or Authorized due to salary and matching adjustments. Budget exceeds Authorized in Operating Expenses by authority of a Budget Classification Transfer. Data Processing (12) exceeds Budget and Authorized amounts because \$20,000 was authorized in FY08 and none in FY09. Actual amount in Capital Outlay exceeds Authorized due to M & R Proceeds. The Authorized amount for Capital Outlay in FY08 was \$115,000. Special Language provides for the carry forward of appropriation in Data Processing Services (44) from the first year of the biennium to the second year of the biennium. The actual amount that carried forward from FY08 to FY09 was \$135,107. Special Language in the Agency's current appropriation act allows for \$750,000 per biennium to be transferred into the Abandoned & Orphaned Well Plugging Fund. The Agency is requesting a change to allow an additional \$750,000 to be transferred.

Change Level by Appropriation

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,514,643	32	2,514,643	100.0	2,551,124	32	2,551,124	100.0
C01	Existing Program	1,313,133	5	3,827,776	152.2	822,659	5	3,373,783	132.2
C02	New Program	109,912	2	3,937,688	156.6	112,204	2	3,485,987	136.6
C04	Reallocation	0	0	3,937,688	156.6	0	0	3,485,987	136.6
C08	Technology	300,000	0	4,237,688	168.5	0	0	3,485,987	136.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,514,643	32	2,514,643	100.0	2,551,124	32	2,551,124	100.0
C01	Existing Program	1,313,133	5	3,827,776	152.2	822,659	5	3,373,783	132.2
C02	New Program	109,912	2	3,937,688	156.6	112,204	2	3,485,987	136.6
C04	Reallocation	0	0	3,937,688	156.6	0	0	3,485,987	136.6
C08	Technology	300,000	0	4,237,688	168.5	0	0	3,485,987	136.6

Justification

C01	The Commission is requesting 1 Oil and Gas District Supervisor, 3 additional Oil and Gas Inspectors and 1 Administrative Specialist III to provide for greater field inspection capability due to the exponentially increasing oil and gas industry activities in the State. This request reflects salary and matching for these positions. In addition, due the extremely large amount of oil and gas well completion and production data flowing into the Commission as a result of the increased oil and gas activity, additional extra help staff are necessary for data input into the Commission database. The Commission is requesting an additional 4 Extra Help positions for this purpose (\$20,016). \$120,000 each year is requested for the cost of routine replacement of fleet vehicles and to provide funds for capital expenses for facility maintenance and upgrades. In the first year an additional \$500,000 is requested for a one time expense of remodeling the office in Fort Smith to provide more office space and additional vehicles for requested field inspectors. \$100,000 is requested in each year to pay refunds for overpayment of fees and various assessments. The remainder of the request (\$500,899 in FY10 and \$355,399 in FY11) is to cover general operating expenses, gasoline costs (due to increased inspection activities), utility costs and monthly hearing expenses (due to an increase from one to two day hearings per month) have all significantly increased operation expenses.
C02	The Commission is requesting the addition of 1 Petroleum Engineer and 1 Oil and Gas Field Inspector to administer the Oil and Gas Commission's new Natural Gas Pipeline Safety Program. This amount reflects the salary and match for these two positions.
C04	This represents a shift of appropriation from Rent of Office Equipment into Fuel Purchases.
C08	The Commission is requesting \$300,000 in FY10 for maintenance of the Commission's Data Processing program including database upgrades, webpage upgrades for GIS and laptops for field staff (Information Technology Plan/IT Support Costs).

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Oil and Gas Commission

Program: Oil & Gas Commission-Operations

Act #: 325 of 2007 Section(s) #: 3 & 6

Estimated Carry Forward Amount \$ 97,000.00 Appropriation Funds

Funding Source: Special

Accounting Information:

Business Area: 0440 Funds Center: 204 Fund: SDO Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Data Processing Services	5900044	97,000.00	135,106.91
Total		\$ 97,000.00	\$ 135,106.91

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Currently we are in the midst of purchasing an eReport system so that production reports from operators can be filed electronically online to provide timely production reporting for enhanced enforcement of the Commission's regulatory program; to better provide information to the public for the purpose of verifying royalty; and for use in the upcoming natural gas severance tax program. In addition a new GIS Analyst was recently hired to develop a GIS data base for mapping and managing the greatly increased oil and gas field activity in the State. The remaining budget will be used to purchase hardware and GIS related software to implement the Commission wide GIS system and make the system available to the industry and public through the Commission web page.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The Commission continues to upgrade our data gathering functions with electronic reporting and GIS capabilities which are due to increased demand and need for these services as a result of the increased oil and gas activity. Commission's request for carry forward of appropriation received favorable review by the Arkansas Legislative Council in August, 2008.

Lawrence E. Bengal
Director

08-22-2008
Date

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 is utilized for well plugging program expenses. In addition, it is funded by fees, forfeited bonds, proceeds from the sale of hydrocarbons, and grants or gifts from the public. 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. The Fund was established by Acts 1265 and 1267 of 2005 (A.C.A. §15-71-115).

The Commission is requesting the continuation of the Base Level for this biennial appropriation in the amount of \$1,500,000. The FY09 budget increased substantially over FY08 actual expenditures due to carry forward of the remaining balance of the biennial appropriation. The Commission does anticipate an increase of well plugging activity in FY09 continuing into the 2009-2011 biennium.

The Commission is also requesting a change in the special language to allow an additional \$750,000 to be transferred from special revenue into the Abandoned and Orphan Well Plugging Fund.

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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Well Plugging Expenses 5900046	215,799	1,284,201	0	1,500,000	1,500,000	1,500,000	0	0	0
Total	215,799	1,284,201	0	1,500,000	1,500,000	1,500,000	0	0	0
Funding Sources									
Fund Balance 4000005	903,769	936,056		651,855	651,855	651,855	401,855	1,151,855	1,151,855
Special Revenue 4000030	248,086	250,000		500,000	500,000	500,000	0	0	0
Transfer from Special Revenue 4000565	0	750,000		750,000	1,500,000	1,500,000	0	0	0
Total Funding	1,151,855	1,936,056		1,901,855	2,651,855	2,651,855	401,855	1,151,855	1,151,855
Excess Appropriation/(Funding)	(936,056)	(651,855)		(401,855)	(1,151,855)	(1,151,855)	(401,855)	(1,151,855)	(1,151,855)
Grand Total	215,799	1,284,201		1,500,000	1,500,000	1,500,000	0	0	0

This is a biennial appropriation of \$1,500,000. Base Level was restored to the Authorized amount.

Special Language provides for a transfer of funding in the amount of \$750,000 upon approval from the Chief Fiscal Officer of the State.

The Agency is requesting a change in the Special Language to allow a fund transfer from the Oil & Gas Commission Fund of an additional \$750,000 in the biennium for a total of \$1,500,000.

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. 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 then transfers collected funds to the Oil and Gas Commission Fund to be utilized for Regular Salaries and Operating Expenses.

The Commission is requesting Base Level for this appropriation of \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011			
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive	
Refunds/Reimbursements	5110014	20,800	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		20,800	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources											
Fund Balance	4000005	276,552	317,752		0	0	0	0	0	0	0
Cash Fund	4000045	4,516,351	182,248		500,000	500,000	500,000	500,000	500,000	500,000	500,000
Transfer to Treasury	4000680	(4,516,351)	0		0	0	0	0	0	0	0
Trust Fund Interest	4000705	62,000	0		0	0	0	0	0	0	0
Total Funding		338,552	500,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		(317,752)	0		0	0	0	0	0	0	0
Grand Total		20,800	500,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000

Special Revenue Fees are collected in Agency Cash Fund and are transferred into the Oil & Gas Commission Fund to fund operations.