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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/15/17

SPONSOR SCONC LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Oil & Gas Venting & Flaring Reporting SM 102/SCONCS

ANALYST Armstrong

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Up to \$30.0		Up to \$30.0	Nonrecurring	EMNRD operating budget

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HM98  
Relates to SB375

### SOURCES OF INFORMATION

LFC Files

#### Response Received From

Energy, Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of Memorial

The Senate Conservation Committee (SCONC) Substitute for Senate Memorial 102 (SM102) requests that EMNRD compile a report that includes a summary of the volume of flared and vented natural gas, the reasons gas is vented and flared, and information collected from gas recapture plans submitted by oil and gas producers. The report would also identify the 25 operators that vent and flare the most natural gas, EMNRD proposals to increase the volume of gas sold rather than vented or flared. The memorial also requests that the report classify the information by mineral rights ownership. Finally, HM98 requests that the report be publicly accessible on EMNRD's Oil Conservation Division (OCD) website and that OCD report to the appropriate legislative interim committees on natural gas venting, flaring, and leakage issues.

### FISCAL IMPLICATIONS

SM102 notes that OCD requires oil and gas producers to report the amount of vented and flared natural gas and to provide gas capture plans. The cost of compiling and summarizing this data would be absorbed by the agency's operating budget and would depend on the staff/contractor time needed to do so. EMNRD estimates additional operating costs of \$15 thousand to 30 thousand associated with SM102.

**RELATIONSHIP**

The House Appropriations and Finance Committee Substitute for House Memorial 98 duplicates the SCONC substitute for SM102. Senate Bill 375 allows the commissioner of public lands to modify lease terms to levy royalties on vented or flared gas and requires the commissioner to collect and publish data on natural gas venting, flaring, and leaks.

JA/al