
**Natural Resources, Ecology &
Parks Committee**

HB 3084

Brief Description: Studying the regulation of oil and gas exploration, development, and production in the state.

Sponsors: Representatives B. Sullivan, Buck, Chase and Sells.

Brief Summary of Bill

- Creates a work group to study the regulatory and other issues surrounding oil and gas exploration, development, production, and storage.
- Requires the Commissioner of Public Lands to consult with the work group and report to the Legislature by December 30, 2006.

Hearing Date: 2/2/06

Staff: Amy Van Horn (786-7168).

Background:

The Department of Natural Resources (DNR) is responsible for oil and gas regulation, exploration, and production in the state under the Oil and Gas Conservation Act. The DNR oversees the leasing of proprietary interests in oil and gas, issues permits to drill wells, and may lease state lands for oil and gas production.

Summary of Bill:

A work group is created to study state programs affecting oil and natural gas, and to make recommendations to improve the regulatory, technical, environmental, and financial framework of the oil and gas industry. The Commissioner of Public Lands (Commissioner) must consult with the work group and report recommendations and proposed legislation to the Legislature by December 30, 2006.

Work Group Members

The Commissioner or his or her designee shall chair the work group. The Commissioner shall appoint one representative each from:

- the Department of Ecology's Water Quality Program;
- the Department of Ecology's State Environmental Policy Act (SEPA) Program;

- the Department of Community, Trade and Economic Development;
- the Department of Revenue;
- the Washington Farm Bureau;
- the Washington Cattlemen's Association;
- the Washington Independent Producers and Royalty Owners Association;
- a statewide environmental group;
- the utility industry, with experience in the operation of underground natural gas storage;
- the oil and gas industry, with interest in conventional oil and gas exploration and development; and
- the oil and gas industry, with interest in coal bed methane exploration and development.

The Washington State Association of Counties must appoint two work group members who represent counties, one from east and one from west of the crest of the Cascade Mountains.

Study Subjects

The work group must assist the Commissioner in developing his or her recommendations, and will study existing financial and regulatory programs affecting the oil and gas industry in Washington. In addition, the work group will evaluate program funding, oil and gas exploration, the adequacy of current programs, and other relevant issues.

Staff and Funds

The DNR shall provide technical and staff support for the work group with its existing staff resources. The amount of \$200,000 is appropriated from the general fund.

Appropriation: The sum of \$200,000.

Fiscal Note: Requested on 1/26/06.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.