

SHB 2129 - S COMM AMD

By Committee on Water, Energy & Telecommunications

ADOPTED 04/13/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 78.60.070 and 1974 ex.s. c 43 s 7 are each amended to
4 read as follows:

5 (1) Any person proposing to drill a well or redrill an abandoned
6 well for geothermal resources shall file with the department a written
7 application for a permit to commence such drilling or redrilling on a
8 form prescribed by the department accompanied by a permit fee of two
9 hundred dollars. The department shall forward a duplicate copy to the
10 department of ecology within ten days of filing.

11 (2) Upon receipt of a proper application relating to drilling or
12 redrilling the department shall set a date, time, and place for a
13 public hearing on the application, which hearing shall be in the county
14 in which the drilling or redrilling is proposed to be made, and shall
15 instruct the applicant to publish notices of such application and
16 hearing by such means and within such time as the department shall
17 prescribe. The department shall require that the notice so prescribed
18 shall be published twice in a newspaper of general circulation within
19 the county in which the drilling or redrilling is proposed to be made
20 and in such other appropriate information media as the department may
21 direct.

22 (3) Any person proposing to drill a core hole for the purpose of
23 gathering geothermal data, including but not restricted to heat flow,
24 temperature gradients, and rock conductivity, shall be required to
25 obtain a single permit for each (~~geothermal area~~) core hole according
26 to subsection (1) of this section, (~~except that no~~) including a
27 permit fee (~~shall be required~~) for each core hole, but no notice need
28 be published, and no hearing need be held. Such core holes that
29 penetrate more than seven hundred and fifty feet into bedrock shall be
30 deemed geothermal test wells and subject to the payment of a permit fee

1 and to the requirement in subsection (2) of this section for public
2 notices and hearing. In the event geothermal energy is discovered in
3 a core hole, the hole shall be deemed a geothermal well and subject to
4 the permit fee, notices, and hearing. Such core holes as described by
5 this subsection are subject to all other provisions of this chapter,
6 including a bond or other security as specified in RCW ((79.76.130))
7 78.60.130.

8 (4) All moneys paid to the department under this section shall be
9 deposited with the state treasurer for credit to the general fund.

10 **Sec. 2.** RCW 78.60.100 and 1974 ex.s. c 43 s 10 are each amended to
11 read as follows:

12 Any well or core hole drilled under authority of this chapter from
13 which:

14 (1) It is not technologically practical to derive the energy to
15 produce electricity commercially, or the owner or operator has no
16 intention of deriving energy to produce electricity commercially, and

17 (2) Usable minerals cannot be derived, or the owner or operator has
18 no intention of deriving usable minerals, shall be plugged and
19 abandoned as provided in this chapter or, upon the owner's or
20 operator's written application to the department of natural resources
21 and with the concurrence and approval of the department of ecology,
22 jurisdiction over the well may be transferred to the department of
23 ecology and, in such case, the well shall no longer be subject to the
24 provisions of this chapter but shall be subject to any applicable laws
25 and ((~~regulations~~)) rules relating to wells drilled for appropriation
26 and use of ground waters. If an application is made to transfer
27 jurisdiction, a copy of all logs, records, histories, and descriptions
28 shall be provided to the department of ecology by the applicant.

29 **Sec. 3.** RCW 78.60.130 and 1974 ex.s. c 43 s 13 are each amended to
30 read as follows:

31 Every operator who engages in the drilling, redrilling, or
32 deepening of any well or core hole shall file with the department a
33 reasonable bond or bonds with good and sufficient surety, or the
34 equivalent thereof, acceptable to the department, conditioned on
35 compliance with the provisions of this chapter and all rules and

1 ((~~regulations and~~)) permit conditions adopted pursuant to this chapter.
2 This performance bond shall be executed in favor of and approved by the
3 department.

4 In lieu of a bond the operator may file with the department a cash
5 deposit, negotiable securities acceptable to the department, or an
6 assignment of a savings account in a Washington bank on an assignment
7 form prescribed by the department. The department, in its discretion,
8 may accept a single surety or security arrangement covering more than
9 one well or core hole.

10 **Sec. 4.** RCW 78.60.200 and 1974 ex.s. c 43 s 20 are each amended to
11 read as follows:

12 (1) The owner or operator of any well or core hole shall keep or
13 cause to be kept careful and accurate logs, including but not
14 restricted to heat flow, temperature gradients, and rock conductivity
15 logs, records, descriptions, and histories of the drilling, re-drilling,
16 or deepening of the well.

17 (2) All logs, including but not restricted to heat flow,
18 temperature gradients, and rock conductivity logs, records, histories,
19 and descriptions referred to in subsection (1) of this section shall be
20 kept in the local office of the owner or operator, and together with
21 other reports of the owner or operator shall be subject during business
22 hours to inspection by the department. Each owner or operator, upon
23 written request from the department, shall file with the department
24 ((a)) one paper and one electronic copy of the logs, including but not
25 restricted to heat flow, temperature gradients, and rock conductivity
26 logs, records, histories, descriptions, or other records or portions
27 thereof pertaining to the geothermal drilling or operation underway or
28 suspended.

29 **Sec. 5.** RCW 78.60.210 and 1974 ex.s. c 43 s 21 are each amended to
30 read as follows:

31 Upon completion or plugging and abandonment of any well or core
32 hole or upon the suspension of operations conducted with respect to any
33 well or core hole for a period of at least six months, one paper and
34 one electronic copy of ((the)) logs, including but not restricted to
35 heat flow, temperature gradients, and rock conductivity logs, core
36 ((~~record~~)), electric log, history, and all other logs and surveys that

1 may have been run on the well, shall be filed with the department
2 within thirty days after such completion, plugging and abandonment, or
3 six months' suspension.

4 **Sec. 6.** RCW 78.60.230 and 1974 ex.s. c 43 s 23 are each amended to
5 read as follows:

6 (1) The records of any owner or operator, when filed with the
7 department as provided in this chapter, shall be confidential and shall
8 be open to inspection only to personnel of the department for the
9 purpose of carrying out the provisions of this chapter and to those
10 authorized in writing by such owner or operator, until the expiration
11 of a twenty-four month confidential period to begin at the date of
12 commencement of production or of abandonment of the well or core hole.
13 After expiration of the twenty-four month confidential period, the
14 department shall ensure all logs and surveys that may have been run on
15 the well or core hole are preserved in an electronic data system and
16 made available to the public.

17 (2) Such records shall in no case, except as provided in this
18 chapter, be available as evidence in court proceedings. No officer,
19 employee, or member of the department shall be allowed to give
20 testimony as to the contents of such records, except as provided in
21 this chapter for the review of a decision of the department or in any
22 proceeding initiated for the enforcement of an order of the department,
23 for the enforcement of a lien created by the enforcement of this
24 chapter, or for use as evidence in criminal proceedings arising out of
25 such records or the statements upon which they are based.

26 **Sec. 7.** RCW 43.30.490 and 2003 c 70 s 2 are each amended to read
27 as follows:

28 (1) The department may enter into a written cost-reimbursement
29 agreement with a permit or lease applicant or project proponent to
30 recover from the applicant or proponent the reasonable costs incurred
31 by the department in carrying out the requirements of this chapter, as
32 well as the requirements of other relevant laws, as they relate to
33 permit coordination, environmental review, application review,
34 technical studies, ~~((and))~~ permit or lease processing, and monitoring
35 for permit compliance. The cost-reimbursement agreement shall identify
36 the specific tasks, costs, and schedule for work to be conducted under

1 the agreement. (~~An applicant for a lease issued under chapter 79.90~~
2 ~~RCW may not enter into a cost reimbursement agreement under this~~
3 ~~section for projects conducted under the lease.))~~

4 (2) The written cost-reimbursement agreement shall be negotiated
5 with the permit or lease applicant or project proponent. Under the
6 provisions of a cost-reimbursement agreement, funds from the applicant
7 or proponent shall be used by the department to contract with an
8 independent consultant to carry out the work covered by the cost-
9 reimbursement agreement. The department may also use funds provided
10 under a cost-reimbursement agreement to assign current staff to review
11 the work of the consultant, to provide necessary technical assistance
12 when an independent consultant with comparable technical skills is
13 unavailable, and to recover reasonable and necessary direct and
14 indirect costs that arise from processing the permit or lease. The
15 department shall, in developing the agreement, ensure that final
16 decisions that involve policy matters are made by the agency and not by
17 the consultant. The department shall make an estimate of the number of
18 permanent staff hours to process the permits or leases, and shall
19 contract with consultants to replace the time and functions committed
20 by these permanent staff to the project. The billing process shall
21 provide for accurate time and cost accounting and may include a billing
22 cycle that provides for progress payments. Use of cost-reimbursement
23 agreements shall not reduce the current level of staff available to
24 work on permits or leases not covered by cost-reimbursement agreements.
25 The department may not use any funds under a cost-reimbursement
26 agreement to replace or supplant existing funding. The restrictions of
27 chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any
28 person hired as a result of a cost-reimbursement agreement.

29 (~~(3) The department may not enter into any new cost reimbursement~~
30 ~~agreements on or after July 1, 2007. The department may continue to~~
31 ~~administer any cost reimbursement agreement that was entered into~~
32 ~~before July 1, 2007, until the project is completed.))"~~

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1 On page 1, line 1 of the title, after "resources;" strike the
2 remainder of the title and insert "and amending RCW 78.60.070,
3 78.60.100, 78.60.130, 78.60.200, 78.60.210, 78.60.230, and 43.30.490."

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