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## *Detailed Fiscal Analysis*

The bill makes several changes related to the review of permit applications for oil and gas wells to be located in coal bearing townships. Such permits are issued through the Division of Mineral Resources Management in the Department of Natural Resources (DNR). In addition to placing additional requirements on applicants for coal mining permits, the bill defines an "affected mine" as a coal mining operation that holds or has applied for a permit from the Division of Mineral Resources Management and the boundaries of which encompass a proposed oil or gas well, and applies that definition to existing law. The bill requires the Chief of the Division of Mineral Resources Management to notify a mine's owner or lessee if the mine is not an affected mine, and requires that appeals to application decisions made by the Chief be made to the Oil and Gas Commission rather than the Reclamation Commission.

The Department has indicated to LSC that due to the relatively small number of applications in this area, any fiscal effect on its oil and gas permit operations would be negligible at most. If there are any additional administrative costs related to updating application review procedures or other activities to comply with the bill, these would likely be charged to the Division of Mineral Resource Management's GRF appropriation item 744321, Division of Mineral Resources Management.

Expenses of the Oil and Gas Commission are covered by DNR and paid from the Oil and Gas Well Fund (Fund 5180), which is primarily funded by oil and gas permit fees. It is possible that additional appeals to the Commission could create additional costs to the fund, though these are again likely to have no more than a negligible effect.

*LSC fiscal staff: Brian Hoffmeister, Budget Analyst*

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