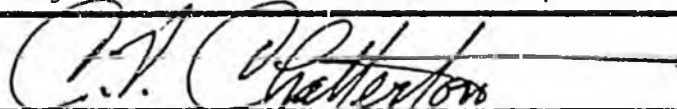


**OVERVIEW -  
OIL AND GAS  
CONSERVATION  
COMMISSION**

|   |                               |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
|---|-------------------------------|------------------------------|------------------------------|---------------------|---|------------|-------|---|-------|-------|---|-------|-------|---|-------|--|-------------------------------|---|------------------------------|-------|---|-------|-------|---|-------|-------|---|-------|
| BUDGET REQUEST UNIT (BRU):<br>Alaska Oil and Gas Conservation Commission  |                               |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| NAME/POSITION OF BRU MANAGER:<br>C. V. Chatterton, Commissioner/Chairman  | PHONE:<br>(907) 279-1433      |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| NAME/POSITION OF AGENCY CONTACT:<br>Pat Oldenburg, Administrative Assistant   | PHONE:<br>(907) 279-1433      |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):  |                               |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Statutory/Regulatory Citation</td> <td style="width: 5%;">:</td> <td style="width: 65%;">Component/Programs, Services</td> </tr> <tr> <td>AS 31.05/20 AAC 25.</td> <td>:</td> <td>Operations</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> </table>   | Statutory/Regulatory Citation | :                            | Component/Programs, Services | AS 31.05/20 AAC 25. | : | Operations | _____ | : | _____ | _____ | : | _____ | _____ | : | _____ | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Statutory/Regulatory Citation</td> <td style="width: 5%;">:</td> <td style="width: 65%;">Component/Programs, Services</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>:</td> <td>_____</td> </tr> </table> | Statutory/Regulatory Citation | : | Component/Programs, Services | _____ | : | _____ | _____ | : | _____ | _____ | : | _____ |
| Statutory/Regulatory Citation   | :                             | Component/Programs, Services |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| AS 31.05/20 AAC 25.   | :                             | Operations                   |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| Statutory/Regulatory Citation   | :                             | Component/Programs, Services |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| _____   | :                             | _____                        |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| <p><b>DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES:</b> The Alaska Oil and Gas Conservation Commission is an independent quasi-judicial agency established within the Executive Branch by the Legislature to ensure that oil and gas drilling, production, reservoir depletion and metering operations comply with the Alaska Oil and Gas Conservation Act (AS 31.05). The Act prohibits the physical waste of crude oil and natural gas, protects correlative rights, and provides for obtaining the maximum ultimate recovery of oil and gas that is prudently feasible. The Act empowers the Commission to cite and levy fines for violations of the Act, regulation or order of the Commission, and seek injunctive relief to prevent continuance of a violation. Severance and oil and gas conservation taxes are levied on all production. Revenue also accrues from royalty production on state leases. The prevention of waste enhances these income sources and serves the public good by providing increased funds to meet the public need.</p> <p>Further, the BRU provides funding for the following activities (1) acting as the Alaska jurisdictional agency to determine well categories for meeting the maximum lawful price for gas under the Natural Gas Policy Act of 1978, (2) discharging primary enforcement responsibilities for Class II injection wells under the Safe Drinking Water Act of 1974 as amended and (3) Acting as Alaska jurisdictional agency for the U.S. Dept. of Treasury in approving applications as meeting requirements for certification as a qualified tertiary recovery project.</p> |                               |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |
| SIGNATURE OF BRU MANAGER:<br>   | DATE:<br>9/20/88              |                              |                              |                     |   |            |       |   |       |       |   |       |       |   |       |  |                               |   |                              |       |   |       |       |   |       |       |   |       |

**B1** BRU  
COVER PAGE

Department of Commerce and  
Economic Development

AGENCY \_\_\_\_\_

Oil and Gas Conservation Commission

BRU \_\_\_\_\_

**FY 90**

Page 1 of 1

Revised Date: \_\_\_\_\_

090330

The priority issue for FY'90 is to maintain the funding necessary to provide for a degree of agency effectiveness in prohibiting waste of crude oil and natural gas, protecting correlative rights of hydrocarbon owners, and insuring that all hydrocarbon production is measured accurately.

The Oil & Gas Conservation Commission is an independent quasi-judicial agency, responsible for the administration of AS 31.05, The Alaska Oil & Gas Conservation Act. In this role, the Commission provides three distinct services. First, a service to the people by enforcing the act, thus ensuring that oil and gas accumulations beneath lands subject to the State's police powers are developed, produced and managed without waste in a manner that will achieve the maximum ultimate hydrocarbon recovery prudently possible.

Second, receives, maintains and acts as curator for all production and exploration data required by law. Provides information pertaining to these activities to the public and industry.

Third, a service to the oil and gas industry by providing an adjudicatory forum for the resolution by Commission order of intra-industry disputes.

Agency effectiveness is directly a function of the experience and expertise of its professional staff. Reduction in appropriations, from \$2,514.3 for FY'83 to \$1,536.2 for FY'89 and ensuing staff reduction from 27 FTE to the FY'89 authorized staff of 23 FTE has seriously impacted commission performance. Lacking the funding and staff, the agency is increasingly hard-pressed to effectively challenge industry reservoir management programs and ensure that waste is prohibited.

Proceeds from the Oil and Gas Conservation Tax (AS 43.57) for FY'90 will approximate \$3,000,000. Historically, the reason and intent of the conservation tax is to provide funding for maintaining a viable oil and gas conservation agency.

**B2** BRU ISSUES

AGENCY Department of Commerce  
and Economic Development  
BRU Oil & Gas Conservation Commission

Page 1 of 1  
Revised Date:

**FY 90**

00033<sup>m</sup>

| OBJECTIVES AND PERFORMANCE MEASURES   | PRIOR YEAR FY 88 |        | CURRENT YEAR PLAN FY 89 | BUDGET YEAR FY 90 |                     |         |
|---|------------------|--------|-------------------------|-------------------|---------------------|---------|
|   | PLAN             | ACTUAL |                         | ADJUSTED BASE     | INCREMENT/DECREMENT | REQUEST |
| 1. To ensure that operations involving the drilling or re-entry and completion, recompletion, or abandonment of any oil or gas well within Alaska is conducted in a manner that prevents underground waste of the resource, protects correlative rights and does not endanger freshwater. The number of applications processed. | 750              | 1294   | 500                     | 500               |                     | 500     |
| 2. To ensure that no uncontrolled flow of oil and gas occurs from any well within Alaska. The number of on-site inspections.  | 4000             | 5842   | 3500                    | 3500              |                     | 3500    |
| 3. To ensure that all oil and gas produced within Alaska is measured accurately for quality and quantity and appropriately allocated. The number of inspections performed.  | 160              | 87     | 160                     | 100               |                     | 100     |
| 4. a) Continue surveillance of all reservoir management operations to ensure that the maximum feasible resource recovery will be obtained. Number of pools reviewed.  | 0                | 0      | 0                       | 0                 |                     | 0       |
| b.) Number of new reservoir studies initiated.  | 1                | 0      | 1                       | 0                 |                     | 0       |
| 5. To reduce the volume of gas lost from operational upsets. The percent reduction in amount of gas lost by operational upsets.   | 1%               | 1%     | 1%                      | 1%                |                     | 1%      |

**B3/B4**

**BRU STRATEGY/  
PERFORMANCE  
PLANS**

AGENCY \_\_\_\_\_

Department of Commerce  
and Economic Development

BRU \_\_\_\_\_

Oil and Gas Conservation Commission

**FY 90**

Page 1 of 3

Revised Date: \_\_\_\_\_

000330

| OBJECTIVES AND PERFORMANCE MEASURES  | PRIOR YEAR FY 88 |        | CURRENT YEAR PLAN FY 89 | BUDGET YEAR FY 90 |                     |         |
|--|------------------|--------|-------------------------|-------------------|---------------------|---------|
|  | PLAN             | ACTUAL |                         | ADJUSTED BASE     | INCREMENT/DECREMENT | REQUEST |
| 6. To provide informational services to the public in an expeditious and accessible manner. The number of requests for information   | 200              | 147    | 100                     | 125               |                     | 125     |
| 7. To maintain a high level of administrative and support service efficiency in order to handle the increasing work load without a need for additional personnel.  | 10%              | 5%     | 10%                     | 3%                |                     | 3%      |
| 8. As primary enforcement agency within the State for the Safe Drinking Water Act of 1974 as amended, ensure that the underground injection of fluids related to the recovery and production of oil and gas does not occur unless permitted and the mechanical integrity of permitted injection wells is maintained in a manner to protect freshwater aquifers. The number of: |                  |        |                         |                   |                     |         |
| a) Applications processed.   | 60               | 33     | 60                      | 25                |                     | 25      |
| b) On-site inspections made.   | 100              | 178    | 100                     | 100               |                     | 100     |
| c) Files reviewed.   | 24               | 210    | 74                      | 75                |                     | 75      |
| d) Public hearings held.   | 1                | 1      | 1                       | 1                 |                     | 1       |
| e) Reports made to EPA.  | 10               | 35     | 10                      | 15                |                     | 15      |

**B3/B4** BRU STRATEGY/  
PERFORMANCE  
PLANS

Department of Commerce  
and Economic Development  
AGENCY \_\_\_\_\_  
BRU Oil and Gas Conservation Commission \_\_\_\_\_

**FY 90**

Page 2 of 2  
Revised Date: \_\_\_\_\_

00330

| OBJECTIVES AND PERFORMANCE MEASURES  | PRIOR YEAR FY 88 |        | CURRENT YEAR PLAN FY 89 | BUDGET YEAR FY 90 |                     |         |
|--|------------------|--------|-------------------------|-------------------|---------------------|---------|
|  | PLAN             | ACTUAL |                         | ADJUSTED BASE     | INCREMENT/DECREMENT | REQUEST |
| 9. Perform duties as the jurisdictional agency for Alaska by processing applications for establishment of the maximum lawful price for natural gas produced from a well. The number of determinations submitted to FERC. | 100              | 25     | 100                     | 50                |                     | 50      |
| 10. Perform duties of jurisdictional agency for the U S Treasury Department in processing applications for tertiary recovery. The number of applications processed.  | 1                | 2      | 1                       | 1                 |                     | 1       |

**B3/B4** BRU STRATEGY/  
PERFORMANCE  
PLANS

AGENCY Department of Commerce  
and Economic Development  
BRU Oil and Gas Conservation Commission

**FY 90**

Page 3 of 3  
Revised Date: \_\_\_\_\_

0000340

S T A T E O F A L A S K A  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 12/19/88  
TIME: 16:03:01  
PROG: FORMC1D

FY '90 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
BRU: OIL & GAS CONSERVATION  
COMPONENT: OPERATIONS (SER #: 368)

| ITEM                        | FY '88<br>AUTHORIZED | FY '88<br>FINAL AUTH | FY '88<br>ACTUAL | FY '89<br>AUTHORIZED | FY '90<br>ADJ BASE | FY '90<br>AGENCY | FY '90<br>GOVERNOR |
|-----------------------------|----------------------|----------------------|------------------|----------------------|--------------------|------------------|--------------------|
| * * * COMPONENT TOTAL * * * | 1,424.4              | 1,410.1              | 1,400.0          | 1,536.2              | 1,572.2            | 1,592.2          | 1,592.2            |
| <b>EXPENDITURES</b>         |                      |                      |                  |                      |                    |                  |                    |
| Personal Services           | 1,202.6              | 1,188.3              | 1,182.2          | 1,307.7              | 1,343.7            | 1,343.7          | 1,343.7            |
| Travel                      | 98.0                 | 49.8                 | 49.0             | 88.0                 | 88.0               | 88.0             | 88.0               |
| Contractual Services        | 112.4                | 154.6                | 152.7            | 127.4                | 127.4              | 147.4            | 147.4              |
| Commodities                 | 11.4                 | 17.4                 | 16.1             | 13.1                 | 13.1               | 13.1             | 13.1               |
| Equipment                   | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| Land/Buildings              | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| Grants/Claims               | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| Misc.                       | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| <b>FUNDING</b>              |                      |                      |                  |                      |                    |                  |                    |
| 1002 Fed Rcpts              | 100.0                | 100.0                | 100.0            | 100.0                | 100.0              | 100.0            | 100.0              |
| 1004 Gen Fund               | 1,324.4              | 1,310.1              | 1,300.0          | 1,436.2              | 1,472.2            | 1,492.2          | 1,492.2            |
| <b>STAFFING</b>             |                      |                      |                  |                      |                    |                  |                    |
| Full-time                   | 22.0                 | 22.0                 | 22.0             | 23.0                 | 23.0               | 23.0             | 22.0               |
| Part-time                   | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| Temporary                   | 0.0                  | 0.0                  | 0.0              | 0.0                  | 0.0                | 0.0              | 0.0                |
| Staff-months                | 264.0                | 264.0                | 264.0            | 276.0                | 276.0              | 276.0            | 264.0              |

11

ALERTS #: 6-08-14-06-00  
 COMP SER #: 368

STATE OF ALASKA  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 12/19/88  
 TIME: 14:58:46  
 PROG: CDETAILS

FY '90 DRAFT OPERATING BUDGET (DEC. 15, 1988 RELEASE)

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
 COMPONENT: OPERATIONS

BUDGET REQUEST UNIT: OIL & GAS CONSERVATION

\*\*\*\*\* COMPARISON OF AGENCY SUBMISSION TO GOVERNOR'S PROPOSAL \*\*\*\*\*

| DESCRIPTION   | REF NUM | TRANS TYPE | PROPOSED BY | ----- AGENCY SUBMISSION ----- |     |         |          |           | ----- GOVERNOR'S PROPOSAL ----- |     |         |          |           |
|---|---------|------------|-------------|-------------------------------|-----|---------|----------|-----------|---------------------------------|-----|---------|----------|-----------|
|   |         |            |             | PFT                           | PPT | TOTAL   | GEN FUND | OTH FUNDS | PFT                             | PPT | TOTAL   | GEN FUND | OTH FUNDS |
| FY '89 LEGISLATIVE CONFERENCE COMMITTEE   |         |            |             | 23.0                          | 0.0 | 1,536.2 | 1,436.2  | 100.0     | 23.0                            | 0.0 | 1,536.2 | 1,436.2  | 100.0     |
| Projected FY '90 Health Benefit Adjustment (\$36.7)                                     | 2378    | HISADJ     | OWB         | 0.0                           | 0.0 | 36.0    | 36.0     | 0.0       | 0.0                             | 0.0 | 36.0    | 36.0     | 0.0       |
| Increase in Annual Assessment Levied on Alaska by the Interstate Oil Compact Commission | 4043    | INC        | AGENCY      | 0.0                           | 0.0 | 20.0    | 20.0     | 0.0       | 0.0                             | 0.0 | 20.0    | 20.0     | 0.0       |
| Adjust Position Count to Match Available Funding  | 4070    | DEC        | OWB         | 0.0                           | 0.0 | 0.0     | 0.0      | 0.0       | -1.0                            | 0.0 | 0.0     | 0.0      | 0.0       |
| *** COMPONENT TOTALS ***  |         |            |             | 23.0                          | 0.0 | 1,592.2 | 1,492.2  | 100.0     | 22.0                            | 0.0 | 1,592.2 | 1,492.2  | 100.0     |

\*\*\*\*\* DERIVATION OF FY '90 PROPOSAL, BY IMPACT AND LINE ITEM \*\*\*\*\*

| DESCRIPTION   | REF NUM | PERSONAL SERVICES | TRAVEL | CONTRACTUAL SERVICES | COMMODITIES | EQUIPMENT | LAND/BUILDINGS | GRANTS/CLAIMS | MISC. | TOTALS  |
|---|---------|-------------------|--------|----------------------|-------------|-----------|----------------|---------------|-------|---------|
|   |         |                   |        |                      |             |           |                |               |       |         |
| FY '89 LEGISLATIVE CONFERENCE COMMITTEE   |         | 1,307.7           | 88.0   | 127.4                | 13.1        | 0.0       | 0.0            | 0.0           | 0.0   | 1,536.2 |
| Projected FY '90 Health Benefit Adjustment (\$36.7)                                     | 2378    | 36.0              | 0.0    | 0.0                  | 0.0         | 0.0       | 0.0            | 0.0           | 0.0   | 36.0    |
| Increase in Annual Assessment Levied on Alaska by the Interstate Oil Compact Commission | 4043    | 0.0               | 0.0    | 20.0                 | 0.0         | 0.0       | 0.0            | 0.0           | 0.0   | 20.0    |
| Adjust Position Count to Match Available Funding  | 4070    | 0.0               | 0.0    | 0.0                  | 0.0         | 0.0       | 0.0            | 0.0           | 0.0   | 0.0     |
| *** COMPONENT TOTALS ***  |         | 1,343.7           | 88.0   | 147.4                | 13.1        | 0.0       | 0.0            | 0.0           | 0.0   | 1,592.2 |

1010

| ITEM AND EXPLANATION                         | AMOUNT | FUNDING SOURCES |        | POSITIONS   | 100<br>PERSONAL<br>SERVICES | 200<br>TRAVEL | 300<br>CONTRACTUAL<br>SERVICES | 400<br>SUPPLIES | 500<br>EQUIPMENT | OTHER |
|--|--------|-----------------|--------|-------------|-----------------------------|---------------|--------------------------------|-----------------|------------------|-------|
| 1. FY 89 Conference<br>Committee Report      | 1536.2 | 1002            | 100.0  | PFT<br>23.0 | 1307.7                      | 88.0          | 127.4                          | 13.1            |                  |       |
|  |        | 1004            | 1436.2 | PPT         |                             |               |                                |                 |                  |       |
| 2. Fiscal Notes/Other<br>Appropriation Bills |        |                 |        | PFT         |                             |               |                                |                 |                  |       |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 3. Vetoes                                    | ( )    | ( )             |        | PFT         | ( )                         | ( )           | ( )                            | ( )             | ( )              | ( )   |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 4. Position<br>Adjustment                    |        |                 |        | PFT         |                             |               |                                |                 |                  |       |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 5. FY 89 Authorized                          | 1536.2 | 1002            | 100.0  | PFT<br>23.0 | 1307.7                      | 88.0          | 127.4                          | 13.1            |                  |       |
|  |        | 1004            | 1436.2 | PPT         |                             |               |                                |                 |                  |       |
| 6. Health Benefit<br>Adjustment              | 36.0   | 1004            | 36.0   | PFT         | 36.0                        |               |                                |                 |                  |       |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 7. One-Time Items                            | ( )    | ( )             |        | PFT         | ( )                         | ( )           | ( )                            | ( )             | ( )              | ( )   |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 8. Other Adjustments                         |        |                 |        | PFT         |                             |               |                                |                 |                  |       |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 9. FY 90 Base                                | 1572.2 | 1002            | 100.0  | PFT<br>23.0 | 1343.7                      | 88.0          | 127.4                          | 13.1            |                  |       |
|  |        | 1004            | 1472.2 | PPT         |                             |               |                                |                 |                  |       |
| 10. Transfers                                |        |                 |        | PFT         |                             |               |                                |                 |                  |       |
|  |        |                 |        | PPT         |                             |               |                                |                 |                  |       |
| 11. FY 90 Adjusted Base                      | 1572.2 | 1002            | 100.0  | PFT<br>23.0 | 1343.7                      | 88.0          | 127.4                          | 13.1            |                  |       |
|  |        | 1004            | 1472.2 | PPT         |                             |               |                                |                 |                  |       |

**C2 ADJUSTED BASE  
CALCULATION**

AGENCY Commerce & Economic Development  
 BRU Alaska Oil & Gas Conservation Commission  
 COMPONENT Operations

**FY 90**

Page 1 of 1  
 Revised Date: \_\_\_\_\_

11 0343

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)  
 Increase in annual assessment levied on Alaska by the Interstate Oil Compact Commission

AGENCY CONTACT/PHONE NUMBER:

Chat Chatterton 279-1433

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

At the July 2, 1986 Business Session in Anchorage, the Interstate Oil Compact Commission (IOCC) adopted a new allocation schedule for individual member state assessments for the Commission's General Fund. As a result of this action, the calendar year assessment for Alaska was revised upward from \$19,000 to \$39,000; a net increase of \$20,000. This increment is needed to maintain the State of Alaska's membership in the Compact in good standing. The Governor serves as Alaska's member, and is current chairman of the Interstate Oil Compact Commission.

The Commission was able to meet Alaska's obligation for the calendar years of 1986, 1987 and 1988 by implementing a 20 percent cut-back in the number and frequency of field inspections. With the increasing field inspection workload imposed by the Underground Injection Control Program, a continuation of the cut-back is no longer a viable option. Our problem is exacerbated by a cut in authorized FY'89 travel funds; a \$10,000 reduction of the funds requested for FY'89.

| CODE   | EXPENDITURE BY OBJECT  | AGENCY REQ.   | GOV'S REQ. |
|--|------------------------|---|------------|
| 100  | Personal Services      |   |            |
| 200  | Travel                 |   |            |
| 300  | Contractual Services   | 20.0  | 20.0       |
| 400  | Supplies               |   |            |
| 500  | Equipment              |   |            |
| 600  | Lands, Buildings, Etc. |   |            |
| 700  | Grants, Claims, Etc.   |   |            |
| 800  | Miscellaneous          |   |            |
| TOTAL  |                        | 20.0  | 20.0       |
| I-A Transfer (NON-ADD)   |                        |   |            |
| 1002   | Federal Receipts       |   |            |
| 1003   | General Fund Match     |   |            |
| 1004   | General Fund           | 20.0  | 20.0       |
| 1005   | GF/Program Receipts    |   |            |
| 1007   | I-A Receipts           |   |            |
| POSITION INFORMATION   | PFT                    |   |            |
|  | PPT                    |   |            |
|  | Non Permanent          |   |            |
|  | Staff Months           |   |            |
| <input type="checkbox"/> Enhance Existing Service<br><input checked="" type="checkbox"/> Compared to FY 89 |                        | <input type="checkbox"/> Formula Program<br><input type="checkbox"/> New Facility Oper. |            |
| <input type="checkbox"/> New Service Compared to FY 89   |                        |   |            |
| <input checked="" type="checkbox"/> Continuation of FY 89 Service Level                                    |                        |   |            |
| IMPACT FROM CAPITAL PROJECT (NAME)   |                        |   |            |
| N/A  |                        |   |            |
| Chapter _____ SLA _____ Page/Line _____  |                        |   |            |

**C5** INCREMENT/  
 DECREMENT  
 REQUEST  
 Agency Priority 1 of 1

AGENCY Department of Commerce and Economic Development  
 BRU Oil & Gas Conservation Commission  
 COMPONENT Operations  
 PROJECT \_\_\_\_\_

FY 90 4043  
 Page 1 of 1  
 Revised Date: \_\_\_\_\_

000344

10/06/88

## PERSONAL SERVICES EXPENDITURES SUMMARY REPORT

PAGE:

1

DEPT. OF COMMERCE &amp; ECONOMIC DEVELOPMENT SCENARIOS 30 AND 1

BRU: OIL &amp; GAS CONSERVATION COMMISS COMP: AO&amp;GCC ADMINISTRATION

|                     | FY88<br>ACTUAL | FY89<br>AUTH        | FY90<br>REQUEST     |
|---------------------|----------------|---------------------|---------------------|
| COSTS               |                |                     |                     |
| REG. DUTY COSTS     | 967331.91      | 1053636.00          | 1053636.00          |
| PREMIUM PAY         | 0.00           | 0.00                | 0.00                |
| BENEFITS            | 263166.22      | 308541.94           | 345785.86           |
| LUMP SUM PREM PAY   | 0.00           | 0.00                | 0.00                |
| TOTAL PERSONAL SVCS | 1232498.73     | 1362177.94          | 1399421.86          |
| FUNDING SOURCES     |                |                     |                     |
| GENERAL FUND        | 1232498.73     | 1362177.94          | 1399421.86          |
| OTHER FUNDING       | 0.00           | 0.00                | 0.00                |
| TOTAL FUNDING       | 1232498.73     | 1362177.94          | 1399421.86          |
| PFT POSITIONS       | 23             | 23                  | 23                  |
| PPT POSITIONS       | 0              | 0                   | 0                   |
| TEMP POSITIONS      | 0              | 0                   | 0                   |
| STAFF MONTHS        | 276.00         | 276.00              | 276.00              |
| VACANCY FACTOR      |                | 54477.95 (3.99933%) | 55721.02 (3.98172%) |
| LINE 100            | 1232498.73     | 1361699.99          | 1343700.84          |

00345

B201DETR 10/06/88

10:30:57.9

PERSONAL

RVICES EXPENDITURES DETAIL REPORT

PAGE:

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT

SCENARIO: 1 (FY90 AGENCY SCENARIO 1)

BRU NAME: OIL & GAS CONSERVATION COMMISSION

COMPONENT #: 08 4602500100 NAME: AD&GCC ADMINISTRATION

| PCN  | JOB CLASS TITLE             | T | LOCATION NAME | R | B | S | R&S | MOS   | ANNUAL BUDG | ANNUAL SALARY | PREMIUM PAY | ANNUAL BENEFITS | TOTAL PERS. SVCS | GEN. FUND AMOU |
|------|-----------------------------|---|---------------|---|---|---|-----|-------|-------------|---------------|-------------|-----------------|------------------|----------------|
| 0100 | STATISTICAL TECHNICIAN I    | F | ANCHORAGE     | A | G | A | 12L | 12.00 | 32424       |               | 0           | 12553           | 44977.10         | 44977          |
| 0101 | STATISTICAL TECHNICIAN I    | F | ANCHORAGE     | A | G | A | 12F | 12.00 | 29196       |               | 0           | 11838           | 41034.42         | 41034          |
| 0102 | ADMINISTRATIVE ASST I       | F | ANCHORAGE     | A | G | A | 12F | 12.00 | 29196       |               | 0           | 11838           | 41034.42         | 41034          |
| 0103 | CLERK TYPIST III            | F | ANCHORAGE     | A | G | A | 08D | 12.00 | 21420       |               | 0           | 10116           | 31536.82         | 31536          |
| 0104 | MICROFILM EQUIP OP II       | F | ANCHORAGE     | A | G | A | 12D | 12.00 | 27288       |               | 0           | 11415           | 38703.99         | 38703          |
| 0105 | CLERK TYPIST II             | F | ANCHORAGE     | A | G | A | 07B | 12.00 | 19032       |               | 0           | 9588            | 28620.11         | 28620          |
| 0106 | MICROFILM EQUIP OP I        | F | ANCHORAGE     | A | G | A | 10F | 12.00 | 25620       |               | 0           | 11046           | 36666.70         | 36666          |
| 0150 | COMMISSIONER O & GCC        | F | ANCHORAGE     | A | X | A | 27E | 12.00 | 74472       |               | 0           | 20154           | 94626.19         | 94626          |
| 0151 | COMMISSIONER O & GCC        | F | ANCHORAGE     | A | X | A | 27D | 12.00 | 71880       |               | 0           | 19748           | 91628.03         | 91628          |
| 0152 | COMMISSIONER O & GCC        | F | ANCHORAGE     | A | X | A | 27D | 12.00 | 71880       |               | 0           | 19748           | 91628.03         | 91628          |
| 0153 | Petro Geol Assistant        | F | ANCHORAGE     | A | X | A | 16B | 12.00 | 33816       |               | 0           | 12801           | 46617.29         | 46617          |
| 0155 | SR PETRO GEOLOGIST          | F | ANCHORAGE     | A | X | A | 24F | 12.00 | 66816       |               | 0           | 18954           | 85770.50         | 85770          |
| 0156 | SR PETRO ENGINEER           | F | ANCHORAGE     | A | X | A | 24F | 12.00 | 66816       |               | 0           | 18954           | 85770.50         | 85770          |
| 0158 | SR PETRO ENGINEER           | F | ANCHORAGE     | A | X | A | 24F | 12.00 | 66816       |               | 0           | 18954           | 85770.50         | 85770          |
| 0160 | SR PETRO RES ENGINEER       | F | ANCHORAGE     | A | X | A | 24F | 12.00 | 66816       |               | 0           | 18954           | 85770.50         | 85770          |
| 0161 | PETROLEUM INSPECTOR         | F | ANCHORAGE     | A | X | A | 21E | 12.00 | 52548       |               | 0           | 16718           | 69266.70         | 69266          |
| 0162 | PETROLEUM ENGINEER ASST     | F | ANCHORAGE     | A | X | A | 16B | 12.00 | 33816       |               | 0           | 12801           | 46617.29         | 46617          |
| 0163 | PETROLEUM INSPECTOR         | F | ANCHORAGE     | A | X | A | 21E | 12.00 | 52548       |               | 0           | 16718           | 69266.70         | 69266          |
| 0164 | PETROLEUM INSPECTOR         | F | ANCHORAGE     | A | X | A | 21E | 12.00 | 52548       |               | 0           | 16718           | 69266.70         | 69266          |
| 0164 | PETRO Research Analyst Asst | F | ANCHORAGE     | A | X | A | 18E | 12.00 | 42984       |               | 0           | 14831           | 57815.08         | 57815          |
| 0165 | EXECUTIVE SECRETARY         | F | ANCHORAGE     | A | X | A | 12F | 12.00 | 29340       |               | 0           | 11810           | 41150.30         | 41150          |
| 0167 | Petro Geol Assistant        | F | ANCHORAGE     | A | X | A | 16B | 12.00 | 33816       |               | 0           | 12801           | 46617.29         | 46617          |
| 0169 | PETROLEUM INSPECTOR         | F | ANCHORAGE     | A | X | A | 21E | 12.00 | 52548       |               | 0           | 16718           | 69266.70         | 69266          |

COLUMN TOTALS: 1053636 0 345785 1399421.86

FULL TIME POSITIONS 23  
 PART TIME/SEASONAL POSITIONS 0  
 NON PERMANENT POSITIONS 0  
 OTHER..... 0  
 =====

TOTAL PERSONAL SERVICES 1399421.86  
 PLUS LUMP SUM PREMIUM PAY 0.00  
 SUB-TOTAL 1399421.86  
 MINUS 3.98172 % VACANCY ADJUSTMENT 55721.06  
 =====

NUMBER OF POSITIONS IN COMPONENT 4602500100 = 23  
(INCLUDES 0 BUDGETED NEW POSITIONS)

PERSONAL SERVICES, LINE 100 1343700.80

STAFF MONTHS: 276.00

FUNDING DATA: 1399421.86  
1004 (GENERAL FUND) =====

TOTAL FUNDING: 1399421.86

C-100

00340  
Pg 1 of 1

| CODE  | TRAVEL AND MOVING CLASSIFICATION           | PRIOR<br>YEAR<br>FY 88<br>ACTUAL | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | BUDGET YEAR - FY 90 |                         |                   |
|-------|--|----------------------------------|--|---------------------|-------------------------|-------------------|
|       |  |                                  |  | ADJUSTED<br>BASE    | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |
| 72240 | Field Travel                               | 23.8                             | 40.0                                   | 40.0                |                         | 40.0              |
| 72270 | Administrative Travel                      |                                  | 2.0                                    | 2.0                 |                         | 2.0               |
| 72300 | Conventions and Meeting Travel             |                                  | 3.0                                    | 3.0                 |                         | 3.0               |
| 72330 | Boards, Commissions and Legislators Travel |                                  |  |                     |                         |                   |
| 72360 | Moving or Relocation Expense               |                                  |  |                     |                         |                   |
| 72390 | Non-Employee Travel                        |                                  |  |                     |                         |                   |
| 72500 | Per Diem                                   | 25.2                             | 43.0                                   | 43.0                |                         | 43.0              |
| 72800 | Honorarium/Stipends                        |                                  |  |                     |                         |                   |
| 72000 | TOTAL TRAVEL AND MOVING                    | 49.0                             | 88.0                                   | 88.0                |                         | 88.0              |
|       | INTER-AGENCY TRANSFERS (NON-ADD)           |                                  |  |                     |                         |                   |

| CODE  | EXPLANATION   | ADJUSTED<br>BASE | INCREMENT/<br>DECREMENT |
|-------|---|------------------|-------------------------|
| 72240 | Provides funding for field inspections of drilling, production, injection and metering operations to ensure compliance with regulations.                              | 40.0             |                         |
| 72270 | Provides funding for travel to Juneau for Legislative hearings etc.   | 2.0              |                         |
| 72300 | Provides funding for out-of-state travel to represent Alaska at Interstate Oil Compact Commission (IOCC) and Underground Injection Practices Council (UIPC) meetings. | 3.0              |                         |
| 72500 | Provides per diem for field inspections, administrative and meeting travels.  | 43.0             |                         |
| 72000 | TOTAL   | 88.0             |                         |

**C200 TRAVEL AND MOVING**

Department of Commerce and  
Economic Development

AGENCY \_\_\_\_\_

BRU \_\_\_\_\_  
Oil and Gas Conservation Commission

COMPONENT \_\_\_\_\_  
Operations

**FY 90**

Page 1 of 1

Revised Date: \_\_\_\_\_

000347

| CODE  | CONTRACTUAL SERVICES CLASSIFICATION         | PRIOR<br>YEAR<br>FY 88<br>ACTUAL | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | BUDGET YEAR - FY 90 |                         |                   |
|-------|---|----------------------------------|--|---------------------|-------------------------|-------------------|
|       |   |                                  |  | ADJUSTED<br>BASE    | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |
| 73100 | Professional Services                       | 1.1                              | 5.0                                    | 5.0                 |                         | 5.0               |
| 73253 | DP Chargeback (DOA)                         |                                  |  |                     |                         |                   |
| 73300 | Communication                               | 18.1                             | 13.0                                   | 13.0                |                         | 13.0              |
| 73400 | Transportation                              |                                  |  |                     |                         |                   |
| 73420 | Transportation - State Equipment Fleet Fees | 26.3                             | 26.0                                   | 26.0                |                         | 26.0              |
| 73500 | Advertising, Printing and Binding           | 10.7                             | 5.0                                    | 5.0                 |                         | 5.0               |
| 73600 | Public Utilities Services                   | 15.9                             | 18.0                                   | 18.0                |                         | 18.0              |
| 73700 | Minor Repair and Maintenance                | 29.7                             | 24.3                                   | 24.3                |                         | 24.3              |
| 73800 | Rental for Land, Buildings and Space        | 1.8                              | 5.0                                    | 5.0                 |                         | 5.0               |
| 73860 | Rental for Machinery and Equipment          | 2.5                              | 9.0                                    | 9.0                 |                         | 9.0               |
| 73900 | Other Expenditures and Services             | 60.7                             | 22.1                                   | 22.1                | 20.0                    | 42.1              |
| 73000 | TOTAL CONTRACTUAL                           | 167.5                            | 127.4                                  | 127.4               | 20.0                    | 147.4             |
|       | INTER-AGENCY TRANSFERS (NON-ADD)            | 13.7                             | 13.7                                   | 13.7                |                         | 13.7              |

| CODE  | EXPLANATION  | ADJUSTED<br>BASE | INCREMENT/<br>DECREMENT |
|-------|--|------------------|-------------------------|
| 73100 | Professional Services: Provide funding for Software analysis and improvement   | 5.0              |                         |
| 73300 | Communications: Provides funding for telephone, telegraph, data communication, paging and answering services. Also includes funding for postage.   | 13.0             |                         |
| 73420 | State Equipment Fleet Fees: Provides funding for one Class IIID stationwagon for Anchorage office support and one pick-up rental at Deadhorse for ground transportation inspection needs.                            | 26.0             |                         |
| 73500 | Advertising, Printing and Binding: Provides funding for legal notices, court reporting services for commission hearings, photo processing, subscriptions, and reproduction of forms, regulations, drawings and maps. | 5.0              |                         |
| 73600 | Public Utilities Services: Telephone, electricity, heat.   | 18.0             |                         |

**C300** CONTRACTUAL  
SERVICES

Department of Commerce and  
Economic Development  
AGENCY \_\_\_\_\_  
Oil and Gas Conservation Commission  
BRU \_\_\_\_\_  
Operations  
COMPONENT \_\_\_\_\_

Page 1 of 2  
Revised Date: \_\_\_\_\_

**FY 90**

00343

| CODE  | EXPLANATION   | ADJUSTED<br>BASE | INCREMENT/<br>DECREMENT |
|-------|---|------------------|-------------------------|
| 73700 | <u>Minor Repair and Maintenance:</u> Provides funding for maintenance contracts covering data and word processing equipment including modems and terminals as well as microfilm camera, copiers, and postage meter. Also provides funds for repair and maintenance of telephone system, furniture and office equipment. | 24.3             |                         |
| 73800 | <u>Rental for Land, Buildings and Space:</u> Provides funding for all utility services, repair and upkeep, janitorial and caretaker service, etc. for State Office Building #106654 including maintenance of the building's mechanical equipment and the grounds.   | 5.0              |                         |
| 73860 | <u>Rental for Machinery and Equipment:</u> Provides funding for lease of Ricoh Copiers, postage meter, Display-writers and telecopier. Also funds occasional charters of fixed and rotor wing aircraft for required well inspections at remote locations.   | 9.0              |                         |
| 73900 | <u>Other Expenditures and Services:</u> Provides funding for State's annual Interstate Oil Compact Commission (IOCC) and Underground Injection Practices Council (UIPC) assessments, risk management, training conference and registration fees.  | 22.1             | 20.0                    |
| 73000 | TOTAL Contractual   | 127.4            | 20.0                    |

|     |                                   |
|-----|-----------------------------------|
| 300 | ADDITIONAL<br>EXPLANATION<br>FORM |
|-----|-----------------------------------|

Department of Commerce and  
Economic Development

AGENCY \_\_\_\_\_

Oil and Gas Conservation Commission

BRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

Operations

FY 90

Page 2 of 2

Revised Date: \_\_\_\_\_

00349

| CODE  | SUPPLIES AND MATERIALS CLASSIFICATION | PRIOR<br>YEAR<br>FY 88<br>ACTUAL | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | BUDGET YEAR - FY 90 |                         |                   |
|-------|---------------------------------------|----------------------------------|--|---------------------|-------------------------|-------------------|
|       |                                       |                                  |  | ADJUSTED<br>BASE    | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |
| 74220 | Office and Library Supplies           | 10.6                             | 10.7                                   | 10.7                |                         | 10.7              |
| 74440 | Agricultural Supplies                 | 0.4                              |  |                     |                         |                   |
| 74480 | Household and Institutional Supplies  | 0.1                              |  |                     |                         |                   |
| 74520 | Professional and Scientific Supplies  | 0.3                              |  |                     |                         |                   |
| 74560 | Data Processing Supplies              | 0.3                              |  |                     |                         |                   |
| 74600 | Other Operating Supplies              | 3.6                              |  |                     |                         |                   |
| 74650 | Repair and Maintenance Supplies       | 0.8                              | 2.4                                    | 2.4                 |                         | 2.4               |
| 74000 | TOTAL SUPPLIES AND MATERIALS          | 16.1                             | 13.1                                   | 13.1                |                         | 13.1              |
|       | INTER-AGENCY TRANSFERS (NON-ADD)      |                                  |  |                     |                         |                   |

| CODE  | EXPLANATION  | ADJUSTED<br>BASE | INCREMENT/<br>DECREMENT |
|-------|--|------------------|-------------------------|
| 74220 | <u>Office and Library Supplies:</u> Provides funding for general office and library supplies, commodities, photographic, books, maps, and training material. | 10.7             |                         |
| 74650 | Provides funding for maintenance supplies and minor repairs to Building #106654.   | 2.4              |                         |
| 74000 | TOTAL  | 13.1             |                         |

**C400** SUPPLIES AND  
MATERIALS

AGENCY Department of Commerce and  
Economic Development  
BRU Oil and Gas Conservation Commission  
COMPONENT Operations

**FY 90**

Page 1 of 1

Revised Date:

0350

| TYPE OF REVENUE                    | PRIOR<br>YEAR<br>FY 88<br>ACTUAL | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | CURRENT<br>YEAR<br>FY 89 CASH<br>ESTIMATE | FY 90 BUDGET YEAR |                         |                   | FY 91<br>ESTIMATE |
|------------------------------------|----------------------------------|--|---|-------------------|-------------------------|-------------------|-------------------|
|                                    |                                  |  |   | ADJUSTED<br>BASE  | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |                   |
| RESTRICTED - FEDERAL RECEIPTS      | 100.0                            | 100.0                                  | 100.0                                     | 100.0             |                         | 100.0             | 100.0             |
| RESTRICTED - INTER-AGENCY RECEIPTS |                                  |  |   |                   |                         |                   |                   |
| RESTRICTED - CIP RECEIPTS          |                                  |  |   |                   |                         |                   |                   |
| RESTRICTED - OTHER                 |                                  |  |   |                   |                         |                   |                   |
| RESTRICTED - OTHER                 |                                  |  |   |                   |                         |                   |                   |
| RESTRICTED RECEIPTS TOTAL          | 100.0                            | 100.0                                  | 100.0                                     | 100.0             |                         | 100.0             | 100.0             |
| UNRESTRICTED RECEIPTS              | 15.6                             | 24.1                                   | 14.5                                      | 16.1              |                         | 16.1              | 16.1              |
| TOTAL RECEIPTS                     | 115.6                            | 124.1                                  | 114.5                                     | 116.1             |                         | 116.1             | 116.1             |

**C20**

**REVENUE  
SUMMARY**

AGENCY Department of Commerce and  
Economic Development  
BRU Oil and Gas Conservation Commission  
COMPONENT Operations

**FY 90**

Page 1 of 1

Revised Date: \_\_\_\_\_

0 0001

| TYPE OF REVENUE:<br>Unrestricted |       |                 |                  | NAME AND TELEPHONE NUMBER OF AGENCY CONTACT:<br>C. V. Chatterton, Commissioner/Chairman (907) 279-1433 |  |   |                   |                         |                   |                   |
|----------------------------------|-------|-----------------|------------------|--|--|---|-------------------|-------------------------|-------------------|-------------------|
| FUNDING SOURCE                   | FUND  | REVENUE ACCOUNT | COLLOCATION CODE | PRIOR YEAR<br>FY 88<br>ACTUAL  | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | CURRENT<br>YEAR<br>FY 89<br>CASH ESTIMATE | BUDGET YEAR FY 90 |                         |                   | FY 91<br>ESTIMATE |
|                                  |       |                 |                  |  |  |   | ADJUSTED<br>BASE  | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |                   |
| 1004                             | 11100 | 61500           | 08462001         | 14.5   | 22.5                                   | 14.5                                      | 14.5              |                         | 14.5              | 14.5              |
| 1004                             | 11100 | 64020           | 08462001         | 1.1  | 1.6                                    | 1.6                                       | 1.6               |                         | 1.6               | 1.6               |
| TOTAL                            |       |                 |                  | 15.6   | 24.1                                   | 16.1                                      | 16.1              |                         | 16.1              | 16.1              |

EXPLANATION (SEE INSTRUCTIONS):

(61500) AS 31.05.080 provides that any person desiring to drill a well in search of oil or gas shall pay a fee of \$100.00. We now estimate that 145 applications will be forthcoming in FY 89 and 145 applications in FY 90. Checks are made payable to the Department of Revenue by the applicant and are forwarded to the department for deposit to the General Fund. These receipts are unrestricted and not a funding source for the agency budget.

(64020) 6 AAC 95.130(a) requires members of the public to pay 25 cents per sheet for copies of public documents. Historically, revenue from this source approximates the above estimate. Funds collected are transferred to the Department of Revenue for deposit to the General Fund. These receipts are unrestricted and not a funding source for the agency budget.

6065M

**C21a** UNRESTRICTED  
REVENUE  
DETAIL

AGENCY Commerce and Economic Development  
BRU Oil and Gas Conservation Commission  
COMPONENT Operations

**FY 90**

Page 1 of 1  
Revised Date: \_\_\_\_\_

000052

|                                |  |
|--------------------------------|--|
| TYPE OF REVENUE:<br>Restricted | NAME AND TELEPHONE NUMBER OF AGENCY CONTACT:<br>C. V. Chatterton, Commissioner/Chairman (907) 279-1433 |
|--------------------------------|--|

| FUNDING SOURCE | FUND  | REVENUE ACCOUNT | COLLOCATION CODE | PRIOR YEAR<br>FY 88<br>ACTUAL | CURRENT<br>YEAR<br>FY 89<br>AUTHORIZED | CURRENT<br>YEAR<br>FY 89<br>CASH ESTIMATE | BUDGET YEAR FY 90 |                         |                   | FY 91<br>ESTIMATE |
|----------------|-------|-----------------|------------------|-------------------------------|--|---|-------------------|-------------------------|-------------------|-------------------|
|                |       |                 |                  |                               |  |   | ADJUSTED<br>BASE  | INCREMENT/<br>DECREMENT | AGENCY<br>REQUEST |                   |
| 1002           | 11100 | 51010           | 08462003         | 100.0                         | 100.0                                  | 100.0                                     | 100.0             |                         | 100.0             | 80.0              |
| TOTAL          |       |                 |                  | 100.0                         | 100.0                                  | 100.0                                     | 100.0             |                         | 100.0             | 80.0              |

EXPLANATION (SEE INSTRUCTIONS):  
 (51010) E.P.A. Federal Grant to administer Underground Injection Control Program.

6065M-2

**C21b** RESTRICTED  
REVENUE  
DETAIL

AGENCY Commerce and Economic Development  
 BRU Oil and Gas Conservation Commission  
 COMPONENT Operations

**FY 90**

Page 1 of 1  
 Revised Date: \_\_\_\_\_

00350



3/10/89 LCS

United States  
Environmental Protection  
Agency

Region 10  
1200 Sixth Avenue  
Seattle WA 98101

Alaska  
Idaho  
Oregon  
Washington

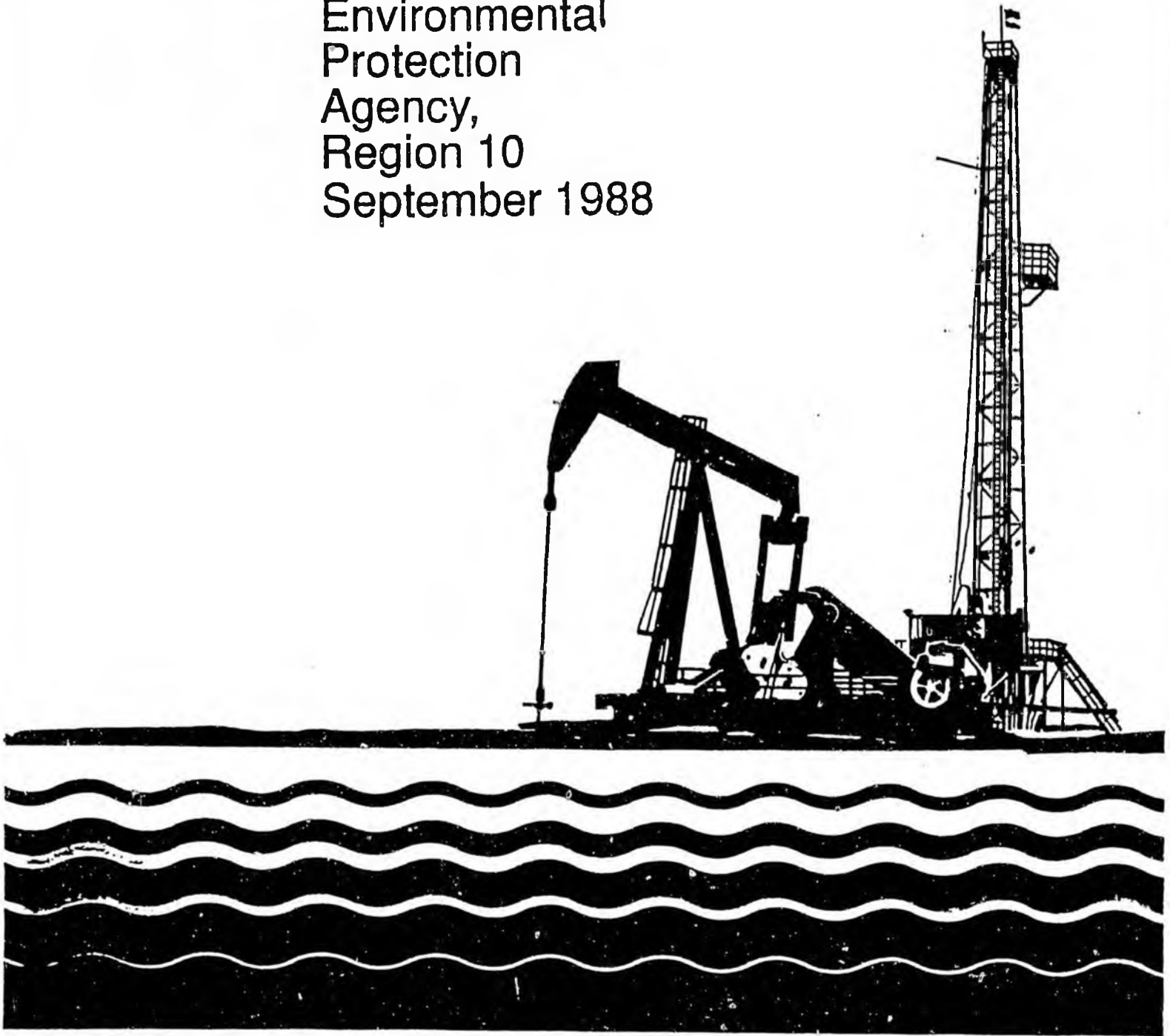
Water Division

Drinking Water



# Evaluation of the Alaska Oil & Gas Conservation Commission Underground Injection Control Program

U.S.  
Environmental  
Protection  
Agency,  
Region 10  
September 1988



Evaluation of the Alaska Oil and Gas Conservation Commission  
Underground Injection Control Program

Executive Summary

On June 19, 1986, the Alaska Oil and Gas Conservation Commission (AOGCC) was delegated primacy for the Class II Underground Injection Control (UIC) Program as authorized under Section 1425 of the Safe Drinking Water Act. The remainder of the UIC Program for Class I, III, IV, and V injection wells continues to be administered by the U.S. Environmental Protection Agency (EPA) Region 10.

A representative of the EPA conducted an in-depth performance audit of the AOGCC Class II UIC Program on September 12-19, 1988. Three days were used for office review and four days for inspections and field review of Class II wells on the North Slope. This audit is an expanded version of the routine Region 10 Mid-Year review. The purpose was to evaluate the overall implementation of the AOGCC UIC primacy program since its approval in June of 1986.

The evaluation of the AOGCC UIC Program focused on the following major elements:

- I. Administration
- II. Public Outreach
- III. Inventory/Data Management
- IV. Permitting/File Reviews/Aquifer Exemptions
- V. Mechanical Integrity Testing
- VI. Financial Assurance
- VII. Plugging and Abandonment
- IX. Compliance/Enforcement

Discussions on each of these elements is contained in the body of this report. In general, the Alaska Section 1425 UIC Program is a well implemented and well staffed operation. The AOGCC staff is technically competent; environmentally sensitive; and responsive to the public, the regulated community, and EPA. However, there are some areas of concern where program changes are recommended. Discussed below is a brief summary of the audit team's findings.

Highlights

1. The AOGCC maintains a trained technical staff sufficient to manage the UIC Program.
2. AOGCC has completed and maintains an accurate inventory for all Class II wells.
3. All injection wells are regulated under AOGCC Area Injection Orders or Disposal Injection Orders.
4. The AOGCC continues to make environmentally sound permit determinations for Class II injection wells, which afford protection of underground sources of drinking water (USDWs).
5. The AOGCC maintains a close working relationship with EPA for processing aquifer exemptions.

6. The AOGCC has effectively utilized federal grant dollars to meet national and regional priorities as defined in the state specific guidance.
7. Widespread public involvement is obtained by publication of public notices in the states' largest newspaper; sending copies of notices to those people on the mailing list; and requiring applicants to provide a copy of their permit application to operators and surface owners within a 1/4 mile radius of the injection project.
8. The Mechanical Integrity Test (MIT) requirement of an initial baseline pressure test and a repeat of the pressure test at least every four years, coupled with annulus monitoring, provide good assurance that USDWs are being protected.
9. The quarterly and annual reports, program plans, grant applications, and Financial Status Reports have been submitted to EPA on schedule.
10. The commitment to an effective field inspection effort is a strong point.
11. The Commission's UIC Program Manager continues to maintain a strong commitment to meeting UIC program requirements and working with EPA.

#### Findings and Recommendations

1. EPA is concerned that the public notification effort does not include publication of notices in local newspapers and the holding of hearings in the local area where the injection operation is located. It is recommended that local newspapers be used and hearings be held closer to the injection well operation. In lieu of local hearings a television or telephone hookup could be used.
2. Financial assurance requirements may not be adequate to assure proper plugging and abandonment of wells if economic conditions worsen. Financial responsibility should be increased.
3. Using two inspectors on the North Slope during periods of increased MIT testing would preclude the current need to occasionally waive important inspections.
4. Permit applications do not consistently demonstrate or document the requirements of state regulations. A closer review of the permit applications and permits would ensure the state regulations are met.
5. Other recommendations are noted in the report.

#### EPA Review Team

Harold Scott, Alaska UIC Coordinator - Region 10

#### AOGCC Participants

C.V. Chatterton, Chairman  
 Lonnie Smith, Commissioner  
 Blair Wondzell, Senior Petroleum Engineer  
 Mike Mender, Senior Petroleum Engineer  
 Bob Crandall, Geologist  
 Harold Hawkins, Petroleum Inspector

## Agency Overview Format

### A. Discussion of Functions

1. The Commission is created by AS 31.05.005.
2. Duties of the commission are set forth by AS 31.05.030. Briefly, the Commission is charged with administration of AS 31.05, "The Alaska Oil and Gas Conservation Act" which provides for regulation of in-State Subsurface oil and gas operations to ensure that physical waste of the resource does not occur.
3. The Commissioners and staff are located at 3001 Porcupine Drive in Anchorage. Currently (FY'89"), three Commissioners and a staff of 20, as detailed by attached organizational chart are authorized. Two vacancies exists, a Commissioner and a Petroleum Inspector. The proposed FY'90 deletes the vacant Petroleum Inspector position.

### B. Funding History

1. The agency's annual appropriations dropped steeply (32%) from FY'85 thru FY'88. Since FY'88 and thru FY'90 request, a slight upward creep (less than 5%) has occurred. Agency appropriations and compliment are tabulated as follows:

| <u>Fiscal Year</u> | <u>\$ in 1000's</u> | <u>Personal</u> |
|--------------------|---------------------|-----------------|
| FY'85              | 2231.0              | 26              |
| FY'86              | 2140.9              | 26              |
| FY'87              | 1613.9              | 25              |
| FY'88              | 1518.7              | 23              |
| FY'89              | 1536.2              | 23              |
| FY'90 (Request)    | 1592.2              | 22              |

2. The agency was instrumental in gaining enactment of Chapter 56 SLA 1987 which amended AS 43.57.010, the Oil and Gas Conservation Tax, to provide for a separate account within the General Fund for deposit of tax proceeds. Annual Tax proceeds now approximate \$3,000,000, thus offsetting agency appropriations.

C. Changes to FY'90 Appropriation Request.

Our FY'90 request includes a \$20,000 increment to offset the Interstate Oil Compact Commission (IOCC) increase in annual assessment for Alaska and a reduction in staff of one Petroleum Inspector.

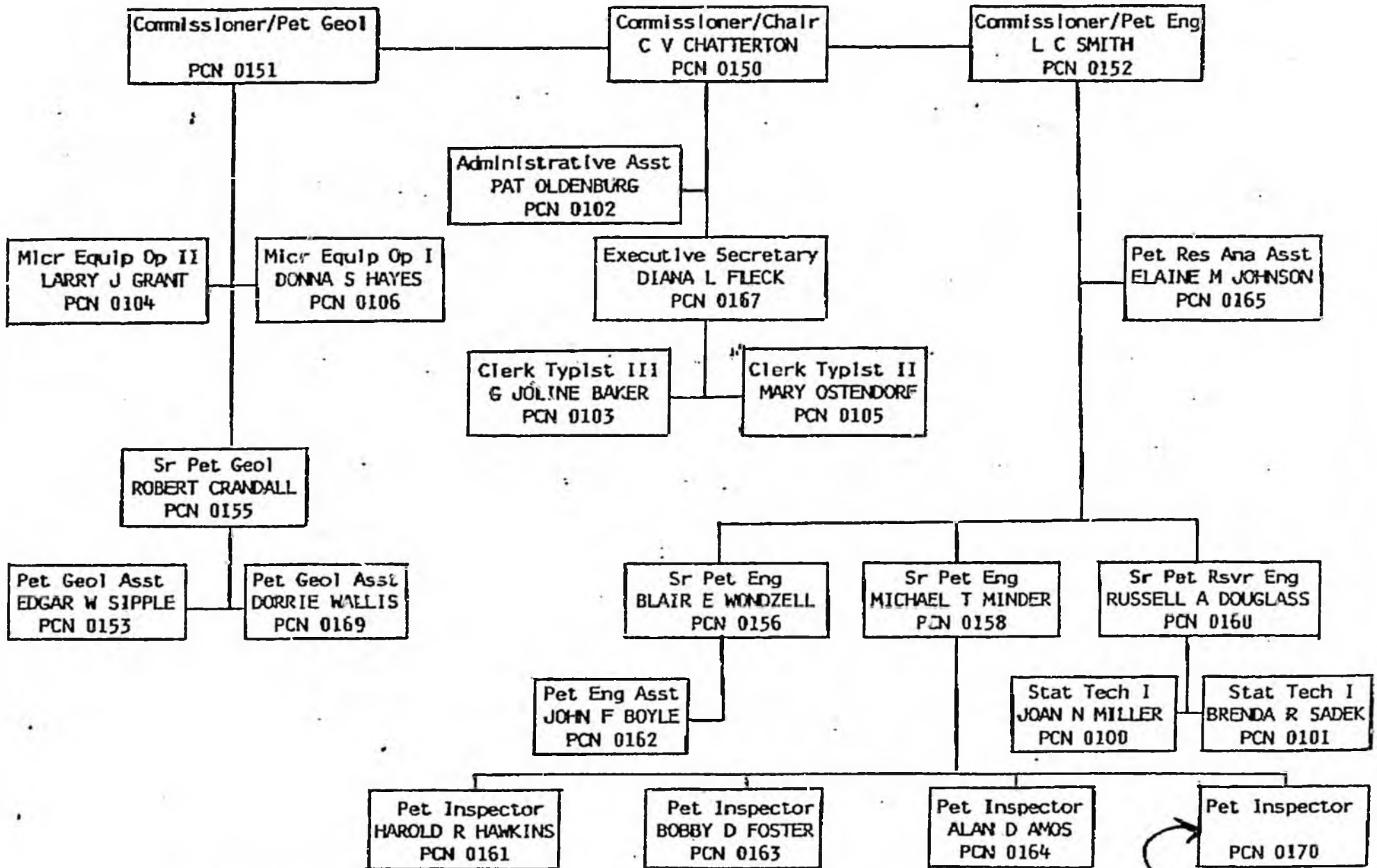
D. Highlights of budget request

1. No reduction or deletion of projects/programs is contemplated.
2. New projects or expanded programs are not planned.

E. Major Issues.

1. The agency currently has no unfunded increments, capital requests or other comments.
2. HB 55 The Commission urges introduction and passage of the "underground injection bill". The bill calls for amendments to AS 31.05 that the Commission is obligated by a memorandum of agreement with the U. S. Environmental Protection Agency (EPA) to seek. Failure to enact these amendments jeopardizes receipt of \$100,000 in FY'90 federal funds and retention of Administrative responsibilities for EPA's Class II underground injection program for Alaska.

ORGANIZATION CHART



ALASKA OIL AND GAS CONSERVATION COMMISSION

*Dropped for  
FY'90 BRU  
rev 08/15/88 [D]*