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FISCAL IMPACT REPORT

ORIGINAL DATE 3/1/07

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE Produced Water Options Task Force SB SM 53

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Memorial 53 requests the secretary of Energy, Minerals & Natural Resources (EMNRD) to convene an executive task force to review options for use of produced water. The task force shall include the director of the Oil Conservation Division (OCD), the state director of the Bureau of Land Management and members of the oil and gas industry and produced water disposal industry.

The secretary of EMNRD shall report the findings of the task force and its recommendations for legislation to the appropriate interim committee by December 1, 2007.

FISCAL IMPLICATIONS

NFI

SIGNIFICANT ISSUES

The oil and gas industry in the course of drilling wells produces incidental by-products defined as produced water. Significant amounts of produced water are re-injected into the ground in this process. This produced water may have other applications authorized by existing law.

The OCD of EMNRD has regulatory authority over produced water and the alternative application of produced water has not been allowed by the OCD in previous years.

ADMINISTRATIVE IMPLICATIONS

The EMNRD will have to provide staff to the task force.

DW/mt