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## FISCAL IMPACT REPORT

SPONSOR Sharer LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/12/24  
BILL Senate Memorial  
SHORT TITLE Oil & Gas Facility Setback Study NUMBER 14  
ANALYST Wan Smith

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Duplicates House Memorial 58 and Senate Memorial 8.

### Sources of Information

LFC Files

Agency Declined to Respond

Energy, Minerals and Natural Resources Department (EMNRD)

## SUMMARY

### Synopsis of Senate Memorial 14

Senate Memorial 14 (SM14) requests the Energy, Minerals and Natural Resources Department (EMNRD) convene a working group that includes legislators and relevant stakeholders to study current laws as well as oil and gas industry operating practices and to develop legislative recommendations for establishing setbacks for oil and gas facilities. The memorial also requests the agency consult with the Legislative Finance Committee to study the fiscal impacts to the state if setbacks for oil and gas facilities are adopted. EMNRD is also asked to study the adoption of setbacks that prevent waste and protect correlative rights while protecting human health and the environment.

Finally, SM14 requests EMNRD report its findings and legislative recommendations to the appropriate natural resources interim legislative committee and the Legislative Finance Committee by December 1, 2024.

## FISCAL IMPLICATIONS

No fiscal impact.

## **SIGNIFICANT ISSUES**

In response to similar legislation, EMNRD reported that agency staff participated in workgroups related to modernization and reform of the Oil and Gas Act, including the creation of setback requirements, between August 2023 and the start of the current legislative session. These workgroups included stakeholders from the oil and gas industry as well as nongovernmental organizations.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to and partially duplicates Senate Memorial 8 and House Memorial 58.

CWS/rl/ne