
SUBSTITUTE HOUSE BILL 3084

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Natural Resources, Ecology & Parks (originally sponsored by Representatives B. Sullivan, Buck, Chase and Sells)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to the study of state programs affecting
2 exploration, development, production, and storage of oil and gas; and
3 creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the passage of
6 the oil and gas conservation act in 1951 established a regulatory
7 framework for the oil and gas industry in Washington, and that
8 subsequent amendments in 1971, 1983, and 1994 have maintained the
9 original framework and that the integration of the state environmental
10 policy act and administrative procedure act is needed to strengthen the
11 existing framework.

12 The legislature further finds that since the last amendment in
13 1994, there is increasing interest in oil and natural gas resources and
14 the underground storage of natural gas. The legislature further finds
15 that the absence of a modern, comprehensive financial and regulatory
16 approach to these related issues has placed Washington at a
17 disadvantage in ensuring environmental protection and realizing
18 appropriate economic benefits from this activity.

1 The legislature further finds that it is in the state's interest to
2 foster oil and natural gas resources-related activities in an
3 appropriate regulatory, technical, environmental, and financial
4 framework, and that the existing framework does not adequately allow
5 the state to respond to potential discoveries.

6 NEW SECTION. **Sec. 2.** The commissioner of public lands shall
7 develop recommendations to improve the regulatory, technical,
8 environmental, and financial framework of the oil and gas industry as
9 specified in section 1 of this act by December 30, 2006. In developing
10 statewide recommendations, the commissioner shall assemble and consult
11 the work group created in section 3 of this act.

12 NEW SECTION. **Sec. 3.** (1) A work group is created to study current
13 state regulation of the oil and gas industry and opportunities to
14 improve the oil and gas financial and regulatory program as specified
15 in section 1 of this act and to help the commissioner of public lands
16 develop recommendations under section 2 of this act.

17 (2) The work group is comprised of individuals selected on the
18 basis of their knowledge of regulatory, technical, environmental, and
19 financial issues related to oil and natural gas resources and, if
20 determined by the commissioner of public lands to be necessary, should
21 represent a mix of individuals with knowledge regarding specific
22 regions of the state. Members of the work group must be appointed by
23 the commissioner of public lands and must include:

24 (a) The commissioner of public lands or the commissioner's
25 designee, who shall serve as chair of the work group;

26 (b) A representative of the water quality program in the department
27 of ecology;

28 (c) A representative of the state environmental policy act program
29 in the department of ecology;

30 (d) A representative of the department of community, trade, and
31 economic development;

32 (e) A representative of the department of revenue;

33 (f) A representative of farm interests;

34 (g) A representative of cattle interests;

35 (h) A representative of independent producers and royalty owners
36 interests;

1 (i) A representative of a statewide environmental group;
2 (j) A representative of the utility industry with experience in the
3 operation of underground natural gas storage;
4 (k) A representative of the oil and gas industry with interest in
5 conventional oil and gas exploration and development;
6 (l) A representative of the oil and gas industry with interest in
7 coal bed methane exploration and development;
8 (m) Two representatives from forest landowners, one representing
9 small forest landowners and one representing large forest landowners;
10 and
11 (n) Two representatives of counties, one from east of the crest of
12 the Cascade mountains and one from west of the crest of the Cascade
13 mountains.
14 (3) The work group must assist the commissioner of public lands in
15 developing recommendations as specified under section 2 of this act and
16 shall consider:
17 (a) Existing financial and regulatory programs affecting the oil
18 and gas industry in Washington;
19 (b) Funding amounts and sources necessary for an effective and
20 efficient oil and gas regulatory program;
21 (c) Current and foreseeable activities related to oil and gas
22 exploration, development, and underground storage of natural gas in the
23 state;
24 (d) Adequacy of current programs to address the technical,
25 environmental, and financial aspects of oil and gas-related activities
26 such as exploration wells, field development, underground natural gas
27 storage, coal bed methane development, and conservation of the
28 resources; and
29 (e) Other related matters that may come to the work group's
30 attention regarding current and foreseeable activities related to oil
31 and gas exploration, development, and underground storage of natural
32 gas in the state.
33 (4) By December 30, 2006, the commissioner of public lands must
34 submit the work group's findings, and recommendations for legislation
35 that is necessary to implement the findings, to the appropriate
36 standing committees of the legislature. The department of natural

1 resources must provide technical and staff support from existing staff
2 for the work group created by this section.

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