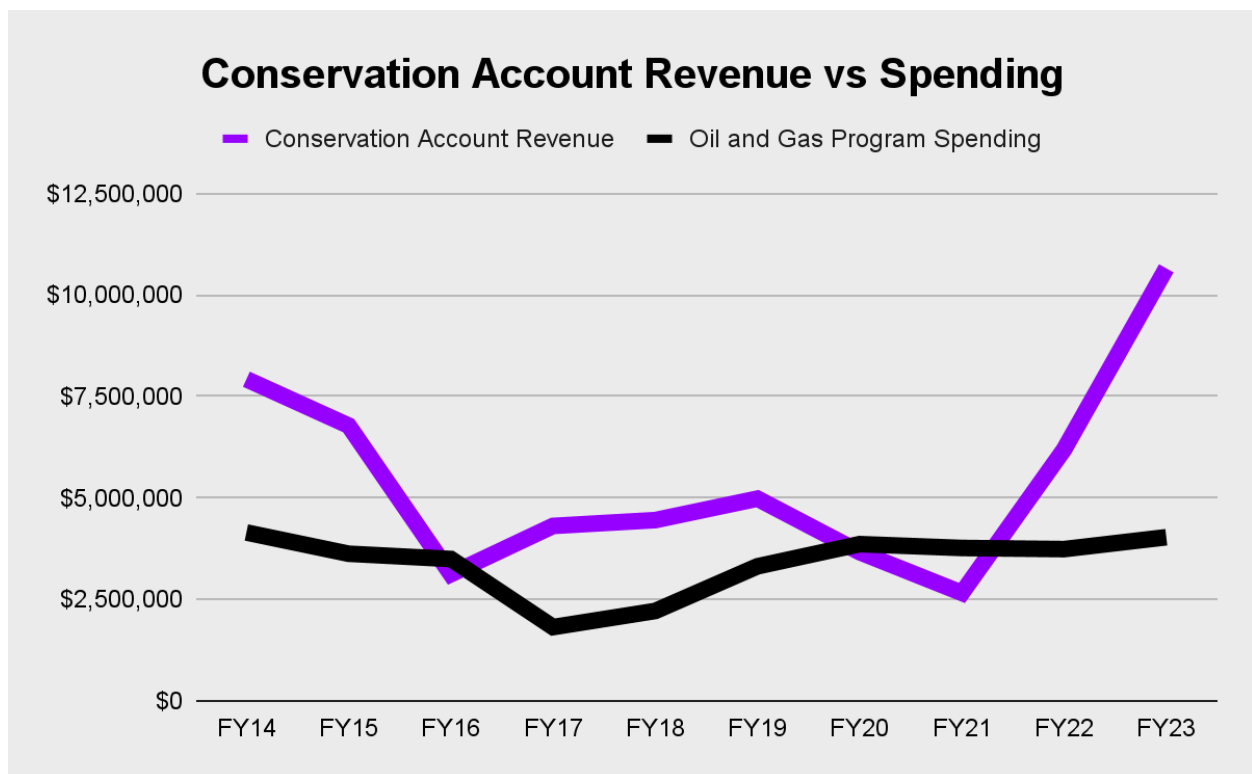


Conservation Fund Fact Sheet



Oil and gas regulation is funded through dollars collected from a .002 levy or 2/10th of a cent per dollar collected on the value of oil and gas production. This restricted account, the Oil and Gas Conservation Account, is used by the Division of Oil, Gas and Mining to fund the administration of oil and gas regulation, plugging and reclamation of orphan wells, and public education of mineral and petroleum resources.

According to Utah Code 40-6-14.5, the priority use of Oil and Gas Conservation Account dollars shall be given to pay for the administration of oil and gas regulation. Excess money at the end of the fiscal year shall be transferred to the General Fund.



The legislature acknowledged that the Oil and Gas Conservation Account's income would fluctuate with commodity prices. To address this expected variability and maintain stability, they allowed the division to retain a balance equivalent to one year's appropriation in the account.

The \$120,000 for the Fiscal Note of HB 295 Produced Water Amendments will be taken from the Oil and Gas Conservation Account. This funding, along with the purpose of HB 295, aims to offer regulatory certainty, encouraging industry investment in reusing salty produced water. This, in turn, will decrease the reliance on freshwater, benefiting all Utah residents.