

STATE OF OREGON
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES
Suite 965
800 N.E. Oregon Street # 28
Portland, Oregon 97232

Mist Gas Field Production Figures 2002*

Supplement to
Open-File Report O-03-01
Mist Gas Field Map 2003

2003

*Production figures for 1979-1992 are available as Open-File Report O-94-06
Production figures for 1993-2000 are available as Open-File Report O-01-01 and
on the Agency website at <http://www.oregongeology.com/oil/mistgas1.htm>.

The Oil, Gas and Geothermal Regulatory and Reclamation Program at DOGAMI

To learn more about the Oil, Gas and Geothermal Program go to:
<http://www.oregon-geology.com>

The oil and gas regulatory program dates back to a 1923 statute governing oil and gas operations. Further law-making in 1949 and 1953 resulted in a statute modeled after that from other oil and gas producing states and included funding for carrying out the regulatory program. In 1992, a law was passed adding the authority to regulate seismic and information holes drilled for oil and gas exploration activities. The program has evolved into other areas which include geothermal regulation, planning, land use and siting of facilities, water resource issues, environmental resources, seismic and geologic hazards, technical scientific projects and other areas. The oil and gas regulatory program consisted of one position until 1979 when the discovery of Mist Gas Field, Columbia County, necessitated a second position. In 1999, the program was reduced to one position.

The purpose of the oil and gas regulatory program, as in most states, is to supervise drilling, production, maintenance, abandonment and reclamation of oil and gas exploratory, development and service wells and seismic and information holes drilled for exploration for oil and gas. The program ensures these activities are done in a manner which ensures conservation of the resource, protects the environment including groundwater resources, and allocates revenue from production among owners of mineral rights in an equitable manner. Other related functions include dissemination of data, records management and liaison with the public, industry and county, state and federal agencies. This includes involvement in policy making and planning as related to regulation of oil and gas activities.

In 1971, legislation conferred similar duties to the subprogram relating to geothermal exploration and production. This has evolved into the supervision of drilling, abandonment and reclamation of geothermal wells and include similar functions to those of oil and gas regulation.

Accomplishments of the oil and gas regulatory program include a study of gas storage that helped lead to the discovery of the Mist Gas Field. The Mist Gas Field located in Columbia County has been of significant economic importance to Columbia County and the State. The field has produced over 65 billion cubic feet of gas since its discovery in 1979 with a value of about \$125 million. The State applies a severance tax of 6% on the gas production, which goes to the common school fund. Exploration wells continue to be drilled at the Mist Gas Field each year and the use of modern seismic technology is used to continue to discovery new pools at the field.

All regulatory aspects of oil and gas drilling activity at Mist Gas Field and throughout the State is handled by the oil and gas regulatory program. Enforcement of rules at Mist Gas Field has been successfully handled including spacing and other issues arising at the field.

Mist Gas Field now includes two underground natural gas storage projects, which are also regulated by the oil and gas regulatory program. The natural gas storage projects are of economic benefit to users of natural gas in the State and also provide gas delivery capacity through several pipelines from the Mist Gas Field.

The oil and gas regulatory program maintains and disseminates monthly records on the gas production at Mist Gas Field. This and other data are available on the oil and gas homepage on the DOGAMI website. Some gas wells also produce water with the gas, and water disposal is monitored with records maintained by the program. Other drilling and activity throughout the State has been successfully supervised and changes to statutes and rules are made as needed.

In total, over 500 oil and gas wells have been permitted. Permit fees are \$250 per well, which is consistent with other States. An annual \$500 fee is assessed for active wells, which do not generate revenue from natural gas production, which exceeds required bonding amounts. A bond is required for all wells at the amount of \$10,000 less than 2,000 foot depth, \$15,000 for 2,000 to 5,000 foot depth and \$25,000 greater than 5,000 foot depth. Bonds are maintained until wells are plugged and sites reclaimed.

Samples and records are maintained on all wells, including a sample repository available to all individuals for study of the wells. In addition, the program enters into contracts with individuals who want to study wells samples and data. These studies become available for public use. Other duties include publications in the oil and gas investigation series, articles in Oregon Geology, a database of well information for the DOGAMI oil and gas home page and similar public outreach efforts.