



Economic Impact Analysis Virginia Department of Planning and Budget

4 VAC 25-160 – Virginia Gas and Oil Board Regulations
Department of Mines, Minerals and Energy
April 20, 2009

Summary of the Proposed Amendments to Regulation

The Virginia Gas and Oil Board (Board) proposes to make several clarifications and to update technical language to reflect current conditions. Additionally, the Board proposes two small changes to paperwork requirements.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under the current regulations applicants must submit 10 sets of each application and accompanying exhibits. The proposed regulations only require that 8 sets are submitted. This will result in a small amount of savings in time and resources.

The current regulations also require that “Each person offering exhibits into evidence shall also have available a reasonably sufficient number of exhibits for other persons who are subject to the provisions of §§ [45.1-361.19](#) and [45.1-361.23](#) of the Code of Virginia and are expected to be in attendance at the hearing.” The Board proposes to amend this to “Each person offering exhibits into evidence shall also have available a reasonably sufficient number of exhibits for other persons who are subject to the provisions of §§ 45.1-361.19 and 45.1-361.23 of the Code of Virginia, *who have notified the division by certified mail notice of their request for copies of exhibits*, and are expected to be in attendance at the hearing. This proposed change will help applicants avoid spending time and resources on producing more copies than are needed. Similar to above though, the expected savings are small.

Businesses and Entities Affected

According to the Department of Mines, Minerals and Energy, four large firms drill most oil and gas wells in Virginia. An unknown number of other companies may also undertake such activities from time to time. None of these would be defined as small businesses. Interested citizens and localities are also potentially affected.

Localities Particularly Affected

Oil and gas wells in Virginia are predominately located in Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, & Wise Counties.¹

Projected Impact on Employment

The proposal amendments do not significantly affect employment.

Effects on the Use and Value of Private Property

The proposal amendments do not significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed amendments do not significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not significantly affect small businesses.

Real Estate Development Costs

The proposed amendments do not significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to

¹ Source: Department of Mines, Minerals and Energy

be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.