

**EXECUTIVE AGENCY  
FISCAL NOTE**

**AGENCY'S ESTIMATES**

Date Prepared: March 2, 2015

Agency Submitting: State Department of Conservation and Natural Resources, Division of Environmental Protection

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>	<b>Effect on Future Biennia</b>
(Expense)		\$300,000		
Total	0	\$300,000	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 46-438 states that "the Department of Minerals and Division of Environmental Protection (DEP) shall conduct a study of the potential effects of hydraulic fracturing on the waters of the state". The BDR lacks sufficient detail on the nature of the study to determine the exact cost. DEP estimates the cost to conduct the study required by BDR 46-438 to be at least \$300,000.

The Desert Research Institute (DRI) is currently conducting an Aquifer Quality Assessment Program to analyze the potential for subsurface migration of hydraulic fracturing fluids within the hydrographic basin. The purpose of the project is to determine if there is a potential for hydraulic fracturing fluids to migrate away from exploration areas. Even though this study is limited to 370,000 acres in Elko County and addresses exploration vs. full production, it cost approximately \$1,000,000. Since the BDR lacks sufficient detail on the parameters of the study, it is not possible to determine the exact cost.

Name Adele Basham

Title Bureau Chief

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

Date Friday, February 27, 2015

The agency's response appears reasonable.

Name Julia Teska

Title Director