



FOR IMMEDIATE RELEASE:

May 5, 2020

May AOGC Virtual Hearing Scheduled

NORTH LITTLE ROCK—The Arkansas Oil and Gas Commission (Commission) will hold a special virtual public hearing on Thursday, May 14 at 10:00 a.m. to address the five directives outlined by Governor Hutchinson in Executive Order 20-04, issued on May 1, 2020. This Executive Order was issued by Governor Hutchinson, in consultation with Secretary Becky Keogh, Arkansas Department of Energy and Environment, and recognizes that the COVID-19 crisis has had a sudden, unforeseeable, and devastating impact on the crude oil market, and the negative market impact has been exacerbated by external market forces such as the crude oil price war involving Russia and Saudi Arabia, causing prices to crash to unprecedented lows. Additionally, Governor Hutchinson recognizes that continued production and sale of crude oil in Arkansas at ordinary levels under the severely depressed or negative prices during the COVID-19 pandemic will, in many instances, cause the waste of oil or gas, which is prohibited pursuant to Ark. Code Ann. § 15-72-105. The five specific directives listed in the Executive Order to be considered or implemented by the Commission are as follows:

1. The Arkansas Oil & Gas Commission shall take expedient and reasonable steps to prevent waste of oil or gas and protect the correlative rights of all parties, including without limitation the imposition of restrictions on the production or sale of crude oil as are necessary and appropriate during the severely depressed or negative market prices for crude oil resulting from the COVID-19 pandemic to support the continued viability of Arkansas's independent oil producers;
2. The Arkansas Oil & Gas Commission shall waive the production assessment fee imposed on liquid hydrocarbon producers for an initial period of six months, with continued authority to review and extend up to an additional six months if deemed appropriate, beginning with production reports due in May 2020;
3. The Arkansas Oil & Gas Commission shall waive the annual well fee due in 2020 for noncommercial Class II UIC disposal wells located in the oil-producing counties in south Arkansas;
4. The Arkansas Oil & Gas Commission shall evaluate the continued impacts of the COVID-19 emergency on the oil producers of Arkansas and, at the appropriate time, consider waiving the annual well fee for liquid hydrocarbon production wells (due by March 1, 2021); and
5. The Arkansas Oil & Gas Commission shall monitor the crude oil market and take such other steps as necessary or appropriate to prevent waste and protect the correlative rights of all interested parties from the impacts of the COVID-19 emergency.

This special virtual public hearing will also take place at the Department of Energy and Environment headquarters located at 5301 Northshore Ave, North Little Rock, Arkansas 72118. A copy of Executive Order 20-04 can be found here: https://governor.arkansas.gov/images/uploads/executiveOrders/EO_20-24_.pdf.

CONTACT: EE-Press@adeq.state.ar.us

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