

Form #2
Commission On Mineral Resources
Nevada Division Of Minerals
Small Business Impact Disclosure Process
Pursuant To 233b “Nevada Administrative Procedures Act”

The purpose of this Form is to provide a framework pursuant to NRS 233B.0608 for drafting and submitting a Small Business Impact Statement (SBIS) to the Nevada Division of Minerals (NDOM) and to determine whether a SBIS is required to be noticed and available at the public workshop. A SBIS must be completed and submitted to the Legislative Counsel Bureau for ALL adopted regulations.

Note: Small Business is defined as a “business conducted for profit which employs fewer than 150 full-time or part-time employees” (NRS 233B.0382).

To determine whether a SBIS must be noticed and available at the public workshop, answer the following questions:

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

No. The proposed temporary regulation will lessen the financial burden on a small business. The proposed temporary regulation would reduce the administrative fee that a producer of oil must pay from 15 cents per barrel of oil to 5 cents per barrel of oil (NAC 522.342). Using 2019 data for oil production and fees paid, the total savings for the five current oil producers resulting from this fee reduction would be approximately \$26,687, see attached spreadsheet. Actual savings will depend on the amount of oil production that occurs during the time the temporary regulations are in effect, which will be 35 days after the adoption date through October 31, 2021.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

No. The proposed temporary regulation will not restrict the formation, operation or expansion of a small business.

If Yes to either of questions 1 & 2, a SBIS must be noticed and available at the public workshop.

Form #2
Small Business Impact Statement
(NRS 233B.0609)

1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary. *(Attach copies of the comments received and copies of any workshop attendance sheets, noting which are identified as a small business.)*

Comment was not solicited as the proposed temporary regulation change only involves a decrease of the fee paid by oil producers from 15 cents to 5 cents per barrel of oil produced. There is no new burden on small business.

2. The manner in which the analysis was conducted (if an impact was determined).

Using 2019 operator submitted data for oil production and fees paid, the total savings for the five current oil producers resulting from this fee reduction would be approximately \$26,687, see attached spreadsheet.

3. The estimated economic effect of the proposed regulation on small businesses:

The proposed temporary regulation will lessen the financial burden on a small business. If oil production during the timeframe the temporary regulations were in effect was similar to that during 2019, operators may see a combined savings of nearly \$27,000. This amount will vary depending on actual production by the operators.

A. Both adverse and beneficial effects

There are no adverse effects. The beneficial effect is the immediate savings of 10 cents per barrel of oil produced and potential for increased oil production during this rate reduction time period.

B. Both direct and indirect effects

Direct effect to small businesses is a net increase on revenue from proceeds of oil sales which may be used elsewhere in the business (e.g. equipment, field maintenance, personnel). Indirect effects may include additional company expenditures in the local community and state.

4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of the methods. *(Include a discussion of any considerations of the methods listed below.)*

Not applicable as there is no impact on small businesses.

- A. Simplification of the proposed regulation

Not applicable.

- B. Establishment of different standards of compliance for a small business

Not applicable.

- C. Modification of fees or fines so that a small business is authorized to pay a lower fee or fine.

Not applicable.

5. The estimated cost to the agency for enforcement of the proposed regulation. *(Include a discussion of the methods used to estimate those costs.)*

There is no change in the cost to the agency for the enforcement of the proposed regulation.

6. If this regulation provides for a new fee or increases an existing fee, the total annual amount the agency expects to collect and manner in which the money will be used.

Not applicable


7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why such duplicative or more stringent provisions are necessary.

Not applicable

8. The reasons for the conclusions regarding the impact of a regulation on small businesses.

The proposed temporary regulation will lessen the financial burden on a small business nor will it restrict the formation, operation or expansion of a small business. The proposed temporary regulation would reduce the administrative fee that a producer of oil must pay from 15 cents per barrel of oil to 5 cents per barrel of oil (NAC 522.342). Using 2019 data for oil production and fees paid, the total savings for the five current oil producers resulting from this fee reduction would be approximately \$26,687, see attached spreadsheet.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on a small business and that the information contained in this statement was prepared properly and is accurate.



Administrator, NDOM



Date

Operator	Field	Production (barrels)	2019 Fees Paid (\$0.15/barrel)	Savings at \$0.05/bbl
Makoil	Trap Springs-Munson Ranch	125,540	\$18,831.00	\$12,554.00
Makoil	Ghost Ranch	4,818	\$722.70	\$481.80
Makoil	Kate Springs	5,405	\$810.75	\$540.50
Makoil	Total	135,763	\$20,364.45	\$13,576.30
Western General	Kate Springs	20,023	\$3,003.45	\$2,002.30
Kirkwood	Eagle Springs	35,205	\$5,280.75	\$3,520.50
Kirkwood	Ghost Ranch	7,774	\$1,166.10	\$777.40
Kirkwood	Total	42,979	\$6,446.85	\$4,297.90
Grant Canyon	Grant Canyon	33,495	\$5,024.25	\$3,349.50
Grant Canyon	Blackburn	22,559	\$3,383.85	\$2,255.90
Grant Canyon	Three Bar	5,910	\$886.50	\$591.00
Grant Canyon	Bacon Flat	4,623	\$693.45	\$462.30
Grant Canyon	Sans Spring	1,148	\$172.20	\$114.80
Grant Canyon	Total	67,735	\$10,160.25	\$6,773.50
Tomera Oil Fields	Tomera Ranch	372	\$55.80	\$37.20
Totals	All Fields	266,872	\$40,030.80	\$26,687.20