

**Current and Expected Cost Impacts to the Energy Program  
for Oil and Gas Operations**

**Current Estimated Annual Costs**

<b>Cost Impact</b>	<b>Amount per year</b>	<b>Notes</b>
Salary and Support	\$304,000	Employees include: Program Supervisor, Geologist, Senior Specialist, and Administrative Assistant. (Four employees)
Office Supplies	\$200	Assume \$50 per person.
Office Space (Rent)	---	Rent is not paid for offices in the Archdale Building.
Office Space (Operating)	\$5,200	Includes copier use, internet access, phone use, etc. Amount based on expansion budget figures of about \$1,300 per person.
Personal Protective Equipment	\$1,500	Estimated based on a standard amount of \$500 per operational person per year.
Professional Training	\$2,000	Estimated based on a standard amount of \$500 per person per year. Includes registration fees for locally-sponsored training.
Computer Software and Training	\$1,000	Estimated based on a standard amount of \$250 per person per year.
Cell Phone	\$200	The program has one cell phone total.
Vehicle Use (Rented)	\$11,000	Rental cost for one vehicle, based on minimal mileage use (1050 miles/month).
Travel	\$7,200	Assumes 5,000 miles at \$0.48/mi for each operational employee. Thus 15,000 miles total.
Meals	\$1,636	\$36.35/dy for 15 days/yr per operational employee. Thus, 45 days total.
Lodging	\$2,966	\$65.90/dy for 15 days per operational employee. Thus, 45 days total.
Miscellaneous Travel Expenses (parking fees, tolls, etc.)	\$600	Based on estimated amount of \$200 per operational person per year.
Public Meeting Advertising	\$8,250	15 Advertisements at \$550 per advertisement.
Postage	\$5,000	
<b>Total</b>	<b>\$348,952</b>	

**Current Estimated Non-Recurring Costs**

<b>Cost Impact</b>	<b>Amount</b>	<b>Notes</b>
Computers (hardware)	\$6,000	Based on about \$1,500 per computer and associated hardware. Assume a five year lift.
Office Equipment	\$11,600	Bookcases, desks, whiteboards, office chairs, etc. Estimated based on a standard rate of \$2,900 per person.
<b>Total</b>	<b>\$17,600</b>	

**Current and Expected Cost Impacts to the Energy Program  
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**Estimated Future Annual Costs**

<b>Cost Impact</b>	<b>Amount per year</b>	<b>Notes</b>
Salary and Support (13 Total Employees, which already includes the four current employees.)	\$908,432	Central Office: 1 Supervisor, 1 Geologist, 1 Engineer, 1 Senior Specialist, 1 Administrative Assistant, 1 Rules Coordinator, 1 Economist, 1 Public Information Specialist, 1 Business Application Technology Specialist. Regional Office (WSRO?): 1 Senior Specialist, 1 Environmental Specialist. Regional Office 2 (Fayetteville/Raleigh?): 1 Senior Specialist, 1 Environmental Specialist. (Note: assignment of RO personnel will depend on the location of future operations. Coastal Plain exploration may require additional specialists for the Washington RO.)
Office Supplies	\$650	Assume \$50 per person.
Office Space (Rent)	\$14,124	Amount based on the Winston-Salem Regional Office (WSRO) rate of \$3531/yr. per position. Four (4) positions will be in ROs
Office Space (Operating)	\$35,452	Includes copier use, internet access, phone use, etc. Amount based on the WSRO rate of \$5,938/yr. per position and the Archdale rate of \$1,300 per person.
Personal Protective Equipment	\$10,500	Includes fire retardant PPE specifically designed for oil and gas operations. Estimated based on bi-annual purchases of averaging about \$1,000 per year operational per employee (8). Also allot for \$500 per year for other employees (5).
Professional Training	\$13,000	Estimated based on an amount of \$1,000 per person per year, due to specialized training related to the oil and gas industry. Includes registration fees for locally-sponsored training.
Computer Software and Training	\$3,250	Estimated based on a standard amount of \$250 per person per year.
Cell Phone	\$600	Cost will cover seven cell phones: Two at each Regional Office (RO) and one for the Central Office (CO).
Vehicle Use (rented)	\$15,120	Rental cost for one vehicle, based on minimal mileage use (1050 miles/month at \$0.40 per mile). Three rental vehicles are proposed: one for each RO and a third for the CO.
Travel	\$19,200	Assumes 5,000 miles at \$0.48/mi for each operational employee (8 positions). Assumes that non-operational employees can travel with operational employees. Thus 40,000 miles total.
Meals	\$7,088	\$36.35/dy for 15 days/yr per employee (13 positions). Thus, 195 days total.
Lodging	\$12,850	\$65.90/dy for 15 days per employee (13 positions). Thus, 195 days total.
Miscellaneous Travel Expenses (parking fees, tolls, etc.)	\$2,600	Based on estimated amount of \$200 per person per year (13 people).
Public Meeting Advertising	\$8,250	15 Advertisements at \$550 per advertisement.
Postage	\$5,000	
Field Sampling	\$15,000	Ability to perform random or "on-call" sampling to ensure human health and environmental protection. Cost per sample depends on the analyses performed and the laboratory conducting analyses.
State-Owned Vehicle Maintenance	\$12,000	Basic maintenance and repairs over a 10 year life span. Also includes fuel costs.
<b>Total</b>	<b>\$1,083,116</b>	

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**Estimated Future Non-Recurring Costs**

<b>Cost Impact</b>	<b>Amount</b>	<b>Notes</b>
Computers (hardware)	\$12,000	Based on about \$1,500 per computer and associated hardware. Assume a five year life. Eight additional employees will need this equipment.
State-Owned Vehicle	\$50,000	4 X 4 Truck (estimated State contract cost). Each regional office should have one truck.
Field Equipment	\$10,000	Groundwater multi-meters (\$2,500 each, with one at each RO), GPS units, gas meters (one per Env. Specialist), mud balance/cement scale (\$300 each, one per Env. Specialist), buckets, shovels, etc. Total up front cost is about \$10,000. Assume five-year service life.
Office Equipment	\$23,200	Bookcases, desks, whiteboards, markers, etc. Estimated based on a five-year life of these items. Up front cost for one employee is about \$2,900. Nine additional employees will need this equipment.
<b>Total</b>	<b>\$95,200</b>	