

HOUSE COMMITTEE AMENDMENTS

2016 Regular Session

Amendments proposed by House Committee on Natural Resources and Environment to Reengrossed Senate Bill No. 427 by Senator Allain

1 AMENDMENT NO. 1

2 On page 1, delete lines 2 and 3 in their entirety and insert the following:

3 "To amend and reenact R.S. 30:4(C)(introductory paragraph) and (1) and to enact
4 R.S. 30:4(C)(18), relative to the office of conservation; to provide"

5 AMENDMENT NO. 2

6 On page 1, delete line 10 and 11 in their entirety and insert the following:

7 "Section 1. R.S. 30:4(C)(introductory paragraph) and (1) are hereby amended
8 and reenacted and R.S. 30:4(C)(18) is hereby enacted to read as follows:"

9 AMENDMENT NO. 3

10 On page 1, line 15, after "Chapter" and before the comma "," insert "**and in accordance**
11 **with the Administrative Procedure Act**"

12 AMENDMENT NO. 4

13 On page 2, at the end of line 4, change the semi-colon ";" to a period "." and delete lines 5
14 through 29 in their entirety and on page 3, delete lines 1 through 5 in their entirety and insert
15 the following:

16 "(iv) To require the plugging of each dry and abandoned well and the closure
17 of associated pits, the removal of equipment, structures, and trash, and to otherwise
18 require a general site cleanup of such dry and abandoned wells; ~~and~~ .

19 (v) To require reasonable bond with security, **as provided in Paragraph 18**
20 **of this Subsection**, for the performance of the duty to plug each dry or abandoned
21 well and to perform the site cleanup required by this Paragraph.

22 **(vi) To require wells classified as having future utility be plugged**"

23 AMENDMENT NO. 5

24 On page 3, at the beginning of line 9, change "**(2) Inactive**" to "**(vii) To require inactive**"

25 AMENDMENT NO. 6

26 On page 3, delete line 11 in its entirety and insert the following:

27 * * *

28 **(18)(a) To require a reasonable amount of bond with security from an**
29 **operator to plug each well and site cleanup required by Paragraph 1 of this**
30 **Subsection. Except as otherwise provided in this Subparagraph, the amounts**
31 **shall be established by the commissioner and may be on an individual-well or**
32 **multiple-well basis and may be categorized based on the well's location. The**
33 **establishment and the required funds of a site-specific trust account shall be**
34 **governed by R.S. 30:88.**

35 **(b)(i) For an individual well located on land of a depth equal to or less**
36 **than three thousand feet, the amount required shall be no more than two dollars**
37 **per foot.**

1 (ii) For multiple wells located on land, the amount required shall be no
 2 more than twenty-five thousand dollars for ten or fewer wells, one hundred
 3 twenty-five thousand dollars for eleven to ninety-nine wells, or two hundred
 4 fifty thousand dollars for one hundred or more wells.

5 (c) Operators shall not be required to provide bond with security in the
 6 following circumstances:

7 (i) All wells exempt from financial security prior to September 1, 2015,
 8 shall remain exempt so long as they remain with their current operator or the
 9 operator's immediate family as defined in R.S. 42:1102(13). A change of name
 10 by an operator of record through acquisition, merger, or otherwise does not
 11 preclude the successor operator from maintaining the exemption described
 12 herein.

13 (ii) Any well declared to be orphan by the commissioner or any well held
 14 by another operator and subsequently transferred to an operator with no
 15 outstanding violations and a record of compliance with applicable statutory
 16 requirements and the rules and regulations of the office of conservation for a
 17 period of forty-eight months immediately prior to the transfer.

18 (iii) Any well for which the operator has either earned or has received
 19 a plugging credit for plugging an orphaned oilfield site in accordance with rules
 20 and regulations promulgated by the commissioner. Such rules and regulations
 21 shall, at a minimum, provide for criteria under which plugging credits may be
 22 earned, requirements and procedures for issuance, transfer, and acceptance of
 23 such credits, and require approval by the commissioner for the earning, using,
 24 banking, or selling of the plugging credits. The criteria for earning a plugging
 25 credit shall include, but not limited to, that the orphaned oilfield site plugged
 26 for which a credit is earned shall be inactive for at least five years prior to being
 27 plugged ."

28 AMENDMENT NO. 7

29 On page 3, at the beginning line 12, change "Section 3." to "Section 2."