

2016 Regular Session

SENATE BILL NO. 371

BY SENATOR ALLAIN

CONSERVATION. Provides relative to the recovery of site restoration costs expended from the oilfield site restoration fund. (See Act)

1 AN ACT

2 To amend and reenact R.S. 30:93(A)(1) and the introductory paragraph of (A)(3), relative
3 to the Louisiana Oilfield Site Restoration Law; to provide relative to the recovery of
4 site restoration costs; to provide for certain monetary limits and their effects; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:93(A)(1) and the introductory paragraph of (A)(3) are hereby
8 amended and reenacted to read as follows:

9 §93. Recovery of site restoration costs

10 A. If the assistant secretary undertakes restoration of an orphaned oilfield site
11 under this Part, the secretary shall seek to recover all costs incurred by the secretary,
12 assistant secretary, penalties, and other relief from any party who has operated or
13 held a working interest in such site, or who is required by law, rules adopted by the
14 department, or a valid order of the assistant secretary to control, clean up, close, or
15 restore the oilfield sites in accordance with the following:

16 (1) All oilfield sites for which there is no site-specific trust fund shall be
17 restored with monies provided by the fund. Except for the responsible party, the

1 secretary shall not be authorized to recover restoration costs from parties which
 2 formerly operated or held a working interest in an orphaned oilfield site unless
 3 restoration costs for a particular orphaned oilfield site including support facilities
 4 exceed ~~two hundred fifty~~ **one hundred** thousand dollars. Recovery of costs under
 5 this Paragraph shall be from the parties in inverse chronological order from the date
 6 on which the oilfield site was declared orphaned.

7 * * *

8 (3) If the oilfield site does not meet the provisions of R.S. 30:88(F) and
 9 restoration costs exceed ~~two hundred fifty~~ **one hundred** thousand dollars, recovery
 10 of costs shall be from the parties in inverse chronological order from the date on
 11 which the oilfield site has been declared orphaned, except that a party shall be
 12 exempt from liability for restoration of an orphaned oilfield site as provided for in
 13 this Part in which said party had an operating or working interest if, and only if, the
 14 party complies with all of the following:

15 * * *

16 Section 2. This Act shall take effect and become operative if and when the New
 17 York Mercantile Exchange Price per barrel of crude oil is sixty dollars per barrel or greater.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by J. W. Wiley.

DIGEST

SB 371 Engrossed

2016 Regular Session

Allain

Present law provides recovery of site restoration costs. Further provides that the secretary of Department of Natural Resources is not authorized to recover restoration costs from parties that formerly operated or held a working interest in an orphaned oilfield site unless restoration costs for a particular orphaned oilfield site including support facilities exceed \$250,000.

Proposed law reduces the restoration costs limitation from \$250,000 to \$100,000.

Present law provides that if the oilfield site does not meet the provisions of R.S. 30:88(F) and restoration costs exceed \$250,000, recovery of costs will be from the parties in inverse chronological order from the date on which the oilfield site has been declared orphaned, except that a party will be exempt from liability for restoration of an orphaned oilfield site if the party meets certain requirements.

Proposed law reduces the restoration costs limitation from \$250,000 to \$100,000.

Effective if and when the NYMEX price per barrel of crude oil is \$60 per barrel or greater.

(Amends R.S. 30:93(A)(1) and (A)(3)(intro para))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Natural Resources to
the original bill

1. Changes the restoration costs limitation.
2. Provides a contingent effective date.