

RÉSUMÉ DIGEST

ACT 126 (SB 285)

2024 Regular Session

Cathey

Existing law provides for jurisdiction over the natural resources of the state and provides for definitions.

New law retains existing law and provides that ownership of brine produced during oil and gas operations lies with the person who has the right to drill and produce from a pool.

New law provides that a field or pool may contain brine. Provides that a producer may be the owner of a brine well. Provides that a product may be any commodity made from brine and may include lithium carbonate and lithium hydroxide and any commodity or product made from brine or its component parts. Provides that waste is an action that may result in reducing the quantity of brine recoverable from a pool.

New law provides that brine is subterranean salt water and its constituent parts, minerals, elements, compounds, or substances. Provides that brine does not include salt water produced in oil or gas production and not saved or sold for extraction of minerals. Further provides that drinking water and solution mining sources are excluded.

New law provides that brine production operations include exploration, extraction, and reinjection through wells.

New law provides that a multiple mineral development area is designated for efficient development of various concurrent mineral operations. Provides that the commissioner of conservation has authority to designate such an area and to adjudicate conflicts where there is potential injury to deposits or development, or there are concurrent operations by multiple owners affecting the same property.

Existing law provides that the office of conservation has authority to regulate brine production operations and may establish drilling or pooling units upon certain findings, including that the order will increase or insure recovery of oil or gas. Provides that no order can enlarge or change existing contracts for production of oil or gas. Provides for owner approval of unit operation orders.

New law retains existing law and adds brine to pooling and unitization orders. Further provides that three quarters of ownership as to a particular interest is required for approval of a unit operation order, and approval is evidenced by written contract filed with the office of conservation on or before the hearing date.

Existing law excludes certain existing oil and gas wells from unitization for waste reduction.

New law retains existing law and adds brine wells to potential exclusions.

Existing law defines just and equitable share of recoverable oil or gas and provides that each producer gets an opportunity to use that share of production.

New law retains existing law and adds production of brine to the just and equitable share.

Existing law provides that pooling orders account for the just and equitable share of oil or gas production for each owner and that the commissioner may limit production of oil and gas among fields or pools.

New law retains existing law and adds production of brine.

Existing law provides that where a unit includes lands to which an operator or producer has no mineral interest, the operator or producer must provide production reports for oil and gas. Provides for penalties for failure to report.

New law retains existing law and adds production of brine to reporting requirements.

Existing law provides substances to which the Mineral Code applies.

New law retains existing law and adds brine to applicability.

Effective August 1, 2024.

(Amends R.S. 30:3(2), (10), (11), (12), (16)(a), 5(C)(2) and (6), 9(B) and (D), 10(A)(1)(a), 11, 103.1(A)(intro para), 103.1(A)(2)(a), and (C), and 103.2 and R.S. 31:4; adds R.S. 30:2.1, 3(18), (19), and (20) and 4(C)(18), (19), and (20))