SLS 25RS-68 ORIGINAL

2025 Regular Session

SENATE BILL NO. 193

BY SENATOR HENSGENS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

NATURAL RESOURCES DEPT. Provides for the Dept. of Energy and Natural Resources. (8/1/25)

1 AN ACT

2 To amend and reenact R.S. 30:1(A), (B), and (C), 3(3), (6), (7), (9), and (18), 4(C)(16)(b) and the introductory paragraph of R.S. 30:4 (D) and (D)(1)(a), (b), (d), (e), (f), and 3 (g), (2), (3)(a) and (b) and (5), and (T), 4.1(B) and (K), 82(6), 83.1(B)(3) as enacted 4 5 by Section 1 of Act 16 of the 2024 Third Extraordinary Session of the Legislature of Louisiana, 136.3(B), (C), (D), (E), (F), (I), and (K), 4.2, 4.3 (A), (B) (2), and (C) 6 7 5 (A), (B), (C) (1) (a), (b), introductory paragraph of (c) (2), (d), (4), and (b), and (D) 8 (1) and (2), 5.1 (A) (1), (2), introductory paragraph of (3), (3) (e), (5) through (9), 9 (B) (1), (2), introductory paragraph of (3), (5), (7), (9), (10), (12), and (13), 6.1 (A), 10 (B), (C), (D), and (F), 82(6), 83(B)(3), 136.3(B)(1), 153, 209.1(A), 503(2), (6), and 11 (8), 2455, 2456, R.S. 36:351, 353, 354(A)(13) and (15), (B)(1)(b), (2), (4), (6), (8), (10) and (12), 355, 356, 356.1(B)(1), 357, and 358, R.S. 38:3098(A), (B), and (E) 12 13 and 3098.1(4), R.S. 39:1367(E)(2)(b)(xi), R.S. 45:251(3) and 252, and 56:432.1(C)(2), 700.13(B), and 700.14(B), to enact R.S. 30:4(C)(21), 29(N), 30 14 through 30.4, 98.1 through 98.11, 124.1, 136.3(B)(6), 209(6), and 2454(33), R.S. 15 36:351.1, 354(B)(13) and (14), 354.1, 356.1(B)(6) and (D), R.S. 38:3098(G), R.S. 16 39:1367(E)(2)(b)(xi), and R.S. 45:351(4) and to repeal R.S. 17:200 through 220, R.S. 17

30:2458 and 2470 through 2474, and R.S. 38:3071 through 3084, 3087.131 through 138, and 3097.4, relative to the Department of Energy and Natural Resources; to provide for definitions; to provide for bonding authority; to provide for the Oyster Lease Acquisition and Compensation Program, to rename the Department of Energy and Natural Resources; to provide for the creation of offices; to provide for directors; to provide for the secretary; to provide for the deputy secretary; to provide for the undersecretary; to provide for the Natural Resources Commission; to provide for the Louisiana Natural Resources Trust Authority; to provide for remediation of environmental damage; to provide for net state supported debt; to provide for water resource management; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 30:1 (A), (B), and (C), 3(3), (6), (7), (9), and (18), 4(C) (16)(b) and the introductory paragraph of R.S. 30.4(D) and (D)(1)(a), (b), (d), (e), (f), and (g), (2), (3)(a) and (b) and (5), and (T), 82(6) and 83.1(B)(3) as enacted by Section 1 of Act 16 of the 2024 Third Extraordinary Session of the Legislature of Louisiana 136 (B), (C), (D), (E), (F), (I), and (K), 4.2, 4.3 (A), (B) (2), and (C), 5 (A), (B), (C) (1) (a) (b), introductory paragraph of (c) (2), (d), (4), and (b), and (D) (1) and (2) 5.1 (A) (1), (2), introductory paragraph of (3), (3) (e), (5) through (9), (B) (1), (2), introductory paragraph of (3), (5), (7), (9), (10), (12), (13), 6.1 (A), (B), (C), (D), and (F), 82(6), 83(B)(3), 136.3(B)(1), are hereby amended and reenacted and R.S. 30:4(c)(21), 29(N), 30 through 30.4, 98.1 through 98.11, 124.1, 136.3 (B)(6), 209 (6), and 2454 (33) are hereby enacted to read as follows:

§1. Department established; appointment of commissioners; term; vacancies; jurisdiction; salary

A. There is established the state Department of Conservation and Energy, hereinafter referred to in this Subtitle as the department. The department shall be directed and controlled by a commissioner of conservation secretary, who shall be appointed by the governor, with the consent of the Senate, for a term of four years. In case of vacancy for any cause the governor shall, with consent of the Senate, fill the office by appointment for the unexpired term.

| 2 | of the commissioner of conservation shall be fixed by the governor All natural |
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| 3 | resources of the state not within the jurisdiction of other state departments or |
| 4 | agencies are with the jurisdiction of the department. |
| 5 | C. All natural resources of the state not within the jurisdiction of other state |
| 6 | departments or agencies are within the jurisdiction of the department. The |
| 7 | Department shall manage all natural resources within its jurisdiction through |
| 8 | the following offices: |
| 9 | (1) The office of permitting and compliance shall oversee all portions of |
| 10 | this Title within the jurisdiction of the department which relate to the issuance |
| 11 | of permits and compliance with legal and regulatory requirements. |
| 12 | (2) The office of enforcement shall oversee all portions of this Subtitle |
| 13 | within the jurisdiction of the department which relate to penalties and |
| 14 | enforcement of violations. |
| 15 | (3) The office of state resources shall oversee all portions of this Title |
| 16 | within the jurisdiction of the department which relate to management of the |
| 17 | state's natural resources, including but not limited to mineral and energy |
| 18 | leasing, management of groundwater resources, and energy-related |
| 19 | management of state lands and water bottoms. |
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| 21 | §3. Definitions |
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| 23 | (3) "Commissioner" means the Commissioner of Conservation of the State |
| 24 | of Louisiana "Department" means the Louisiana Department of Conservation |
| 25 | and Energy, or any successor agency. |
| 26 | * * * |
| 27 | (6) "Illegal gas" means gas which has been produced within the state from |
| 28 | any well in excess of the amount allowed by any rule, regulation, or order of the |
| 29 | commissioner department, as distinguished from gas produced within the state not |

B. Notwithstanding the provisions of any other law to the contrary, the salary

| 1 | in excess of the amount so allowed by any rule, regulation, or order, which is "legal |
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| 2 | gas." |
| 3 | (7) "Illegal oil" means oil which has been produced within the state from any |
| 4 | well in excess of the amount allowed by any rule, regulation, or order of the |
| 5 | commissioner department, as distinguished from oil produced within the state not |
| 6 | in excess of the amount so allowed by any rule, regulation, or order, which is "legal |
| 7 | oil." |
| 8 | * * * |
| 9 | (9) "Multiple mineral development area" means an area designated by the |
| 10 | commissioner department for the management and development of various |
| 11 | concurrent surface and sub-surface mineral or resource production or extraction |
| 12 | operations, including exploratory activities, for the purpose of efficient and effective |
| 13 | development of minerals or resources in the area without unreasonable interference. |
| 14 | * * * |
| 15 | (18) "Tender" means a permit or certificate of clearance for the transportation |
| 16 | of oil, gas, or products, approved and issued or registered under the authority of the |
| 17 | commissioner department. |
| 18 | * * * |
| 19 | §4. Jurisdiction, duties, and powers of the assistant secretary; rules and regulations |
| 20 | * * * |
| 21 | C. The commissioner secretary has authority to make, after notice and |
| 22 | hearings as provided in this Chapter, any reasonable rules, regulations, and orders |
| 23 | that are necessary from time to time in the proper administration and enforcement |
| 24 | of this Chapter, including rules, regulations, or orders for the following purposes: |
| 25 | * * * |
| 26 | (16)(a) * * * |
| 27 | (b) Provided that before a permit to operate a new commercial operations' |
| 28 | waste disposal well may be granted, a public hearing shall be held on the application |
| 29 | for a permit, and shall fix the date, time, and place therefor. The operator or owner, |

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prior to such public hearing, shall give public notice on three separate days within a period of thirty days prior to the public hearing, with at least five days between each publication of the notice, both in the official state journal and in the official journal of the parish in which the well is to be located, that application for a permit for a new commercial operations' waste disposal well has been made and that a public hearing on the matter will be held on the date and at the time and place which shall be stated in the public notice. The assistant secretary shall prescribe the form of the advertisement. In addition, the applicant for a permit shall place an advertisement in the same newspapers but not in the classified advertisement or public notice section of the newspapers, in a form which shall be not less than one-half page in size and printed in bold face type; which shall inform the public that application for a permit has been made for a new commercial operations' waste disposal well and that a public hearing, at which all interested persons are charged to be present and to present their views and which shall state the date, time, and place at which the meeting will be held. The content of both the public notice and the 16 one-half page announcement or advertisement also shall include the name of the owner or operator; location of the proposed well, materials to be disposed in the well, a statement that comments may be sent to the assistant commissioner of the Office 19 of Conservation secretary prior to the public meeting, and the mailing address of the 20 assistant secretary.

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(21) To require reporting of the production of oil, gas, and condensate on an individual well basis.

D. The assistant secretary shall make, after notice and public hearing as provided in this Chapter, any reasonable rules, regulations, and orders that are necessary:

(1) To require that all pipelines, excluding field transmission, flow, and gathering lines; all wells; and all associated structures, including any fittings, tie-overs, appliances, and equipment, which are constructed on state water bottoms

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pursuant to the grant of a right-of-way by the secretary of the Department of Energy and Natural Resources or the issuance of a lease by the State Mineral and Energy Board shall conform to the following provisions:

- (a) The owner or operator of a pipeline constructed on a right-of-way granted on state water bottoms shall be responsible for burying the line to a depth consistent with regulations promulgated by the office of conservation and for maintaining it at said depth to the extent feasible and practical, as determined by the assistant secretary, taking into account the changes wrought by natural forces.
- (b) Upon abandonment of a pipeline, well, or associated structure, the owner or operator thereof shall be responsible for removing any related object above the mudline which may unduly interfere with other uses of state waters or water bottoms, including navigation or fishing, or shall adequately mark it for the duration of the obstruction according to regulations of the United States Coast Guard and regulations promulgated by the assistant secretary. If necessary for environmental reasons or to prevent undue interference with other uses of state waters or water bottoms, the owner of an abandoned buried pipeline, well, or associated structure; an abandoned pipeline, well, or associated structure; or portions thereof shall cause removal of that which constitutes an obstruction or hazard to navigation or fishing, as determined necessary by the assistant secretary after a public hearing.

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- (d) If determined by the governor and the secretary of the Department of Energy and Natural Resources to be in the best interests of the state, the owner or operator of a pipeline, well, or associated structure shall not be required to have it removed but shall be required to adequately mark it for the duration of the obstruction according to regulations of the Coast Guard and of the assistant secretary.
- (e) At regular intervals subsequent to the abandonment of any pipeline, well, or associated structure constructed on a right-of-way or lease established on state waterbottoms, the owner or operator of such facility shall cause and be responsible

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for inspection of that property if the assistant secretary requires it to ensure compliance with applicable rules and regulations of state and federal agencies. The assistant secretary shall require an inspection if he determines that the public interest requires that an inspection is necessary.

- (f) A person shall not construct any pipeline, well, or associated structure on a right-of-way or lease established on state waterbottoms unless he has obtained a permit from the assistant secretary prior to the initiation of construction.
- (g) An owner or operator of any pipeline, well, or associated structure constructed on state water bottoms pursuant to a right-of-way or lease shall report to the assistant secretary any activities, incidents, developments, or accidents creating an obstruction to navigation or fishing, and any permanent abandonments.
- (2) To require that all field transmissions, flow, and gathering lines constructed on state water bottoms pursuant to the grant of a right-of-way by the secretary of the Department of Energy and Natural Resources or the issuance of a lease by the State Mineral and Energy Board shall meet all requirements of the United States Army Corps of Engineers for burial and shall be located, installed, marked, and maintained in a proper manner, to be approved by the assistant secretary, so as to minimize undue interference with persons making other uses of state waters or water bottoms, including mariners and fishermen.
- (3) To require that all equipment, machinery, and materials associated with the construction, operation, maintenance, or abandonment of all pipelines, including field transmission, flow, and gathering lines; all wells; and all associated structures, which are constructed on state water bottoms pursuant to the grant of a right-of-way by the secretary of the Department of Energy and Natural Resources or the issuance of a lease by the State Mineral and Energy Board shall conform to the following provisions:
- (a)(i) The owner or operator of a pipeline, well, or associated structure constructed on a right-of-way or lease upon state waterbottoms shall cause and be responsible for inspection of that property if the assistant secretary requires it to

| 2 | on the lease or right-of-way, including sunken boats and barges, has been discarded |
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| 3 | or abandoned above the mudline. The assistant secretary shall require an inspection |
| 4 | if he determines that the public interest requires that an inspection is necessary. |
| 5 | (ii) If the inspection reveals any equipment, machinery, or material above the |
| 6 | mudline, the owner shall be responsible for its removal to avoid its constituting an |
| 7 | obstruction which may unduly interfere with other uses, including navigation or |
| 8 | fishing. However, the assistant secretary may by rule grant exceptions or variances |
| 9 | from this requirement if the location of the equipment, machinery, or material would |
| 10 | cause removal to be extraordinarily onerous or impractical. Moreover, removal shall |
| 11 | not be required if the governor and the secretary of the Department of Energy and |
| 12 | Natural Resources determine that in the best interests of the state removal shall not |
| 13 | be required. However, the owner shall be required to mark it for the duration of the |
| 14 | obstruction according to regulations of the Coast Guard and the assistant secretary. |
| 15 | (b) The owner or operator of any pipeline, well, or associated structure shall |
| 16 | promptly notify and report to the assistant secretary concerning any discarded or |
| 17 | abandoned equipment, machinery, or materials, including sunken barges and boats, |
| 18 | known to be remaining on state waterbottoms as a result of activities conducted |
| 19 | pursuant to a state right-of-way or lease. He shall also report to the assistant secretary |
| 20 | the removal of any such equipment, machinery, or materials. |
| 21 | * * * |
| 22 | (5) To provide that the office of conservation shall conduct such inspections |
| 23 | as the assistant secretary may deem necessary or appropriate in carrying out the |
| 24 | provisions of this Subsection. |
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| 26 | T. In addition to the requirements set forth in Subsection R of this Section, |
| 27 | an organization seeking to enter into a cooperative endeavor agreement with the |
| 28 | assistant secretary to assist with plugging orphaned wells, in order to alleviate the |
| 29 | burden on operators in meeting financial security requirements, shall include in the |

determine whether any equipment, machinery, or material associated with activity

cooperative endeavor agreement a provision that allows full access to their operations and financial records for the purpose of any audit conducted by the legislative auditor.

§4.1. Underground injection control

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B. The assistant secretary of the office of conservation of the Department of Energy and Natural Resources, hereafter referred to as the "assistant secretary", shall have authority to make, after notice and hearings as provided in this Chapter, any reasonable rules, regulations, and orders that are necessary from time to time in the proper administration and enforcement of this Section, including but not limited to rules, regulations, or orders for the following purposes:

- (1) To regulate, by rules, the drilling, casing, cementing, disposal interval, monitoring, plugging, and permitting of disposal wells which are used to inject hazardous waste products in the subsurface, and to regulate all surface and storage waste facilities incidental to oil and gas exploration and production, in such a manner as to prevent the escape of such hazardous waste product into a fresh groundwater aquifer or into oil or gas strata; may require the plugging of each abandoned well or each well which is of no further use and the closure of associated pits, the removal of equipment, structures, and trash, and the general site cleanup of such abandoned or unused well sites; and may require reasonable bond with security for the performance of the duty to plug each abandoned well or each well which is of no further use and to perform the site cleanup required by this Section. Only an owner as defined in R.S. 30:3(8) shall be held or deemed responsible for the performance of any actions required by the commissioner secretary.
- (2) To require by rule that before a permit to operate a new commercial operations' hazardous waste disposal well may be granted, a public hearing shall be held on the application for a permit, and shall fix the date, time, and place therefor. The operator or owner, prior to such public hearing, shall give public notice on three separate days within a period of thirty days prior to the public hearing, with at least

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five days between each publication of the notice, both in the official state journal and in the official journal of the parish in which the well is to be located, that application for a permit for a new commercial operations' hazardous waste disposal well has been made and that a public hearing on the matter will be held on the date and at the time and place which shall be stated in the public notice. The assistant secretary shall prescribe the form of the advertisement. In addition, the applicant for a permit shall place an advertisement in the same newspapers, but not in the classified advertisement or public notice section of the newspapers, in a form which shall be not less than one-half page in size and printed in bold face type; which shall inform the public that application for a permit has been made for a new commercial operations' hazardous waste disposal well and that a public hearing, at which all interested persons are charged to be present and to present their views and which shall state the date, time, and place at which the meeting will be held. The content of both the public notice and the one-half page announcement or advertisement also shall include the name of the owner or operator, location of the proposed well, materials to be disposed in the well, a statement that comments may be sent to the assistant commissioner of the Office of Conservation secretary prior to the public meeting, and the mailing address of the assistant secretary.

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C.(1) No person shall inject, pump, dispose, or in any manner allow the escape of any hazardous waste into any well or underground strata by way of an injection well without obtaining a permit from the assistant secretary or in violation of any permit issued by the assistant secretary; or violate any rule, regulation, or order of the assistant secretary issued under the authority of this Section.

(2) The assistant secretary shall not issue any new permit for a previously unpermitted Class I well for the disposal of hazardous waste as defined in the comprehensive state hazardous waste control program, provided for in R.S. 30:2175, which previously produced or was drilled for the purpose of producing oil or gas, whether oil or gas was actually produced therein. Where a new permit has been

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issued for such a Class I well for disposal of hazardous waste, the assistant secretary shall immediately proceed to revoke such permit, giving notice and upon request, an opportunity for the parties to be heard, and set a schedule for the abandonment and closure of the well, in accordance with rules and regulations of the office of conservation. No later than November 15, 1985, the assistant secretary shall order the cessation of injection and issue an order for closure which shall be completed within one hundred twenty days of the order.

D. Whenever the assistant secretary or an authorized representative of the assistant secretary determines that a violation of any requirement of this Section has occurred or is about to occur, the assistant secretary or the authorized representative of the assistant secretary shall either issue an order requiring compliance within a specified time period or shall commence a civil action for appropriate relief, including a temporary or permanent injunction.

E. Requirements of compliance orders. Any order issued under this Section shall state with reasonable specificity the nature of the violation and specify a time for compliance and, in the event of noncompliance, assess a civil penalty, if any, which the assistant secretary determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements.

F. Penalties. (1) Except as otherwise provided by law, any person to whom a compliance order or a cease and desist order is issued and who fails to take corrective action within the time specified and said order or any person found by the assistant secretary to be in violation of any requirement of this Section, may be liable for a civil penalty, to be assessed by the assistant secretary or court, of not more than twenty-five thousand dollars for each day of the continued noncompliance or violation. The assistant secretary in order to enforce the provisions of this Section may suspend or revoke any permit, compliance order, license, or variance which has been issued to said person.

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I. Settlement of suits. Except as otherwise provided herein, the assistant secretary, with the concurrence of the attorney general, may settle or resolve as he may deem advantageous to the state any suits, disputes, or claims for any penalty under any provisions of this Section or the regulations or permit license terms and conditions applicable thereto.

* * *

K. The commissioner secretary shall not authorize or issue any permit which allows the use or withdrawal of three million gallons or more of ground water per day from the Chicot aquifer that shall be injected into the subsurface in a parish whose population is more than seventy thousand and less than seventy-five thousand. §4.2. Effective enforcement of wildlife and fisheries laws

The assistant secretary shall make, after notice and public hearing as provided in this Chapter, any reasonable rules, regulations, and orders which are necessary to prohibit the operators of oil and gas wells from performing any acts on lands subject to a drilling permit which may preclude agents of the Department of Wildlife and Fisheries from effectively enforcing any of the provisions of Title 56 of the Louisiana Revised Statutes of 1950. The assistant secretary shall revoke any permit granted to an operator and deny any application for a permit to drill any well by an operator found to be in violation of the rules provided for in this Section.

§4.3. Financial security

A. As required by R.S. 30:4, an applicant for a permit to drill or to amend a permit to drill for change of operator shall provide financial security as provided in this Section in a form acceptable to the commissioner secretary. For an application for a permit to drill, the security shall be provided within thirty days of the completion date or from the date the operator is notified that financial security is required. For an application to amend a permit to drill for a change of operator, the security shall be provided as required by this Section or by establishing a site-specific trust account in accordance with R.S. 30:88 prior to the operator change.

B.(1) * * *

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(2) For an individual well located on land of a depth equal to or less than three thousand feet, the financial security required shall be two dollars per foot. However, the commissioner secretary may increase the financial security by rules and regulations promulgated after September 1, 2017, in accordance with the Administrative Procedure Act.

- C. Financial security shall not be required for the following wells:
- (1) Any well declared to be orphaned by the commissioner secretary and subsequently transferred to another operator.
- (2) Any well to be drilled by an operator who has an agreement with the office of conservation department to plug a well that has been declared to be orphaned by the commissioner secretary and that orphaned well is similar to the proposed well in terms of depth and location.
- §5. Permission to convert gas into carbon black; recycling gas; unit operations

A. In order to prevent waste of natural gas, the commissioner secretary may grant to bona fide applicants permits for the building and operation of plants and to burn natural gas into carbon black for the period of time fixed by the commissioner **secretary** in the permit, not to exceed twenty-five years and subject to the provisions of the laws of the state and the rules and regulations of the department. It shall be a violation of this Chapter for any person to build or operate a new plant, for these purposes without the permit required by this Section.

B. In order to prevent waste and to avoid the drilling of unnecessary wells, the commissioner secretary shall, after notice and upon hearing, and his determination of feasibility, require the re-cycling of gas in any pool or portion of a pool productive of gas from which condensate or distillate may be separated or natural gasoline extracted, and promulgate rules to unitize separate ownership and to regulate production of the gas and reintroduction of the gas into productive formations after separation of condensate or distillate, or extraction of natural gasoline, from the gas.

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- (a) The assistant secretary of the office of conservation upon the application of any interested party, also is authorized and empowered to enter an order requiring the unit operation of any pool or a combination of two pools in the same field, productive of oil or gas, or both, in connection with the institution and operation of systems of pressure maintenance by the injection of gas, water, or any other extraneous substance, or in connection with any program of secondary or tertiary recovery; and
- (b) The assistant secretary of the office of conservation is further authorized and empowered to require the unit operation of a single pool in any situation where the ultimate recovery can be increased and waste and the drilling of unnecessary wells can be prevented by such a unit operation.
- (2) In connection with such an order of unit operation, the assistant secretary of the office of conservation shall have the right to unitize, pool, and consolidate all separately owned tracts and other property ownerships. Any order for such a unit operation shall be issued only after notice and hearing and shall be based on all of the following findings:

* * *

(d) At least three-fourths of the owners and three-fourths of the royalty owners, as to a particular interest, as hereinafter defined, such three-fourths to be in interest as determined under Subparagraph (c) of this Paragraph, shall have approved the plan and terms of unit operation, such approval to be evidenced by a written contract or contracts covering the terms and operation of the unitization signed and executed by the three-fourths in interest of the owners and three-fourths in interest of the royalty owners and filed with the assistant secretary of the office of conservation on or before the day set for the hearing. Notwithstanding any other provision of this Subparagraph to the contrary, with respect to an order for unit operation for the production of brine, such approval shall only be required from at least three-fourths of the owners as to the particular interest, such approval to be evidenced by a written contract or contracts covering the terms and operation of the

unitization signed and executed by the three-fourths in interest of the owners and filed with the assistant secretary of the office of conservation on or before the day set for the hearing.

* * *

(4) Upon application and after notice and a public hearing and consideration of all available geological and engineering evidence, the Assistant Secretary of the Office of Conservation secretary, to the extent required by such evidence, may revise any reservoirwide unit or units heretofore created by the Assistant Secretary of the Office of Conservation secretary.

* * *

(6) No order of the commissioner secretary entered pursuant hereto shall have the effect of enlarging, displacing, varying, altering, or in anywise whatsoever modifying or changing contracts in existence on the effective date of this Act concerning the unitization of any pool (reservoir) or pools (reservoirs) or field (as defined in the contract) for the production of oil, gas, brine, or any combination thereof.

D.(1) In order to prevent waste and increase the ultimate recovery of oil or gas, or both, the assistant secretary of the office of conservation, upon the application of any interested owner, and only after notice and a public hearing, is authorized to approve a cyclic injection project for the operation of a well by the method of enhanced recovery known as cyclic injection, without the formation of a unit under Subsection C of this Section or under any other provisions of this Chapter. No operator shall utilize cyclic injection without first securing the assistant secretary's approval pursuant to this Subsection. For the purposes of this Subsection, "cyclic injection" is hereby defined as a single-well process in which a production well is injected with a substance for the purpose of enhanced recovery. After a shut-in period, the well is returned to production. This procedure may be performed repeatedly on one or more wells in a reservoir.

(2) Prior to approving any cyclic injection project the assistant secretary must

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| 1 | find that the project will not drain any area of the reservoir different from that being |
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| 2 | drained by the project well prior to initiation of the project, and that the project will |
| 3 | not otherwise adversely affect other owners having rights in the same reservoir in |
| 4 | which the applicant proposed to conduct cyclic injection. If the assistant secretary |
| 5 | does not make these findings required in the preceding sentence, he shall not approve |
| 6 | the cyclic injection project, and it shall not be conducted, unless: |
| 7 | * * * |
| 8 | §5.1. Deep pool order; ultra deep structure units; application; procedure; allocation |
| 9 | of costs; rules and regulations |
| 10 | A. The following shall be applicable to deep pool units: |
| 11 | (1) In order to prevent waste and to avoid the drilling of unnecessary wells, |
| 12 | and to encourage the development of deep oil and gas pools in Louisiana, the |
| 13 | commissioner secretary of conservation is authorized, as provided in this |
| 14 | Subsection, to establish a single unit to be served by one or more wells for a deep |
| 15 | pool and to adopt a development plan for such deep unit. |
| 16 | (2) Without in any way modifying the authority granted to the commissioner |
| 17 | secretary in R.S. 30:9(B) to establish a drilling unit or units for a pool and in |
| 18 | addition to the authority conferred in R.S. 30:5, the commissioner secretary upon |
| 19 | the application of any interested party may enter an order requiring the unit operation |
| 20 | of any deep pool when such unit operation will promote the development of such |
| 21 | deep pools, prevent waste, and avoid the drilling of unnecessary wells. |
| 22 | (3) In connection with such order, the commissioner secretary shall have the |
| 23 | right to establish a unit for a deep pool and to unitize, force pool, and consolidate all |
| 24 | separately owned tracts and other property ownerships within such unit. Any order |
| 25 | creating a unit for a deep pool shall be issued only after notice and public hearing |
| 26 | and shall be based on findings that: |
| 27 | * * * |
| | |

(e) The plan of development for the unit is reasonable. The plan shall be

revised only if approved by the commissioner secretary after notice and public

hearing.

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(5) No order shall be issued by the commissioner secretary unless interested parties have been provided a reasonable opportunity to review and evaluate all data submitted by the applicant to the commissioner secretary to establish the limits of the deep pool, including seismic data.

- (6) The order creating the unit shall designate a unit operator and shall also make provision for the proportionate allocation to the owners (lessees or owners of unleased interests) of the costs and expenses of the unit operation, which allocation shall be in the same proportion that the separately owned tracts share in unit production. The cost of capital investment in wells and physical equipment and intangible drilling costs, in the absence of voluntary agreement among the owners to the contrary, shall be shared in like proportion. However, no such owner who has not consented to the unitization shall be required to contribute to the costs or expenses of the unit operation or to the cost of capital investment in wells and physical equipment and intangible drilling costs except out of the proceeds of production accruing to the interest of such owner out of production from such unit operation. In the event of a dispute relative to the calculation of unit well costs or depreciated unit well costs, the commissioner secretary shall determine the proper costs after notice to all interested owners and public hearing thereon.
- (7) Upon application and after notice and public hearing and consideration of all available geological and engineering evidence, the commissioner secretary, to the extent required by such evidence, may create, revise, or dissolve any unit provided for under this Subsection or modify any provision of any order issued hereunder. Any such order shall provide for the allocation of unit production on a just and equitable basis to each separately owned tract within the unit.
- (8) The commissioner secretary shall prescribe, issue, amend, and rescind such orders, rules, and regulations as he may find necessary or appropriate to carry out the provisions of this Subsection.

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- (9) While this Subsection authorizes the initial creation of a single unit to be served by one or more wells, nothing herein shall be construed as limiting the authority of the commissioner secretary to approve the drilling of alternate unit wells on drilling units established pursuant to R.S. 30:9(B).
 - B. The following shall be applicable to ultra deep structure units:
- (1) In order to prevent waste and to avoid the drilling of unnecessary wells, and to encourage the development of ultra deep oil and gas structures in Louisiana, the commissioner secretary of conservation is authorized, as provided in this Subsection, to establish a single unit to be served by one or more wells for an ultra deep structure and to adopt a plan of development for such ultra deep structure unit. For purposes of this statute, a "structure" is defined as a unique geologic feature that potentially traps hydrocarbons in one or more pools or zones.
- (2) Without in any way modifying the authority granted to the commissioner secretary by R.S. 30:9(B) to establish a drilling unit or units for a pool and in addition to the authority conferred by R.S. 30:5 and 5.2, the commissioner secretary, upon the application of any interested party, may enter an order requiring the unit operation of any ultra deep structure when such unit operation will promote the development of such ultra deep structure, prevent waste, and avoid the drilling of unnecessary wells.
- (3) In connection with such order, the commissioner secretary shall have the right to establish a unit no greater than nine thousand acres for an ultra deep structure and to unitize, force pool, and consolidate all separately owned tracts and other property ownerships within such unit. Any order creating a unit for an ultra deep structure shall be issued only after notice and public hearing and shall be based on findings that:

* * *

(5) Upon application of any landowner or other interested party, or at the commissioner's secretary's discretion, the plan of development may be revised by the commissioner secretary after notice and public hearing for good cause.

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| (7) No order creating a unit for an ultra deep structure shall be issued by the |
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| commissioner secretary unless interested parties have been provided a reasonable |
| opportunity to review and evaluate all data, including seismic data, submitted by the |
| applicant to the commissioner secretary to establish the limits of the deep structure. |

* * *

- (9) The initial well and each subsequent well proposed or drilled pursuant to the plan of development shall be deemed a unit well. The provisions of R.S. 30:10(A)(2) shall be applicable to ultra deep structure units, including the applicable risk charge. In the event of a dispute relative to the calculation of unit well costs or depreciated unit well costs, the commissioner secretary shall determine the proper costs after notice to all interested owners and public hearing thereon.
- (10) Upon application by any landowner or other interested party, or at the commissioner's secretary's discretion, and after notice and public hearing and consideration of available geological, engineering, and other relevant evidence, the commissioner secretary, to the extent required by such evidence, may by order create, revise, confirm, or dissolve any unit provided for under this Subsection or modify any provision of any order issued hereunder. Any such order shall provide for the allocation of unit production on a just and equitable basis to each separately owned tract within the unit. The applicant shall, in all cases, have the burden of proof that the existing unit or order should be revised, confirmed, dissolved, or amended in the manner proposed in the application. If the commissioner secretary determines that the unit operator has not substantially complied with the plan of development, the unit operator shall be required to show cause why the unit should not be reduced in size.

* * *

(12) The commissioner secretary shall prescribe, issue, amend, and rescind such orders, rules, and regulations as he may find necessary or appropriate to carry out the provisions of this Subsection.

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(13) While the provisions of this Subsection authorize the initial creation of a single unit to be served by one or more wells, nothing herein shall be construed as limiting the authority of the commissioner secretary to approve the drilling of alternate unit wells on drilling units established pursuant to R.S. 30:9(B).

* * *

§6.1. Declaration of emergency

A. Notwithstanding any other provision of this Title, upon receipt of evidence that there is an incident occurring or threatening to occur imminently at an oilfield site or other facility, structure, or pipeline under the commissioner's department's jurisdiction pursuant to R.S. 30:1 et seq., which is of such magnitude as to require immediate action to prevent substantial or irreparable damage to the environment or a serious threat to life or safety based on recognized criteria, standards or industry practices, the commissioner department may declare in writing that an emergency exists.

B. Upon declaration of an emergency, the commissioner department shall notify the operator of record. Notification shall be made by telephone at the emergency number on file in the commissioner department, telegraph, facsimile, or personal appearance. If the operator cannot be contacted for notification within twenty-four hours or if the operator of record fails to begin abatement procedures within twenty-four hours after notice by the commissioner department, the commissioner department shall begin the emergency procedures provided for in this Section. Refusal on the part of the operator to begin abatement procedures after notification by the commissioner department shall constitute a failure or refusal to comply with the provisions of this Title and rules, regulations, and orders issued thereunder.

C. When an emergency situation is declared, the commissioner department is authorized to undertake the containment and abatement of the pollution source and pollutants and may retain personnel or contract for these purposes with persons who shall operate under his direction. All contracts let by the commissioner department

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| 1 | to respond to a declared emergency shall be exempt from the provisions of Chapter |
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| 2 | 10 of Title 38 of the Louisiana Revised Statutes of 1950 and the Louisiana |
| 3 | Procurement Code. However, the commissioner department may employ an |
| 4 | informal bidding procedure by which bids are solicited from at least three bidders- |
| 5 | He and may order the operator of record or owner to undertake the containment, |
| 6 | abatement, or cleanup of such pollution source and pollutants. Failure to comply with |
| 7 | his order shall be a violation of this Title and shall be punishable as provided in this |
| 8 | Title. The commissioner department shall submit an annual report to the House |
| 9 | Committee on Natural Resources and Environment and Senate Committee on |
| 10 | Natural Resources listing the number and type of emergencies declared within the |
| 11 | previous year. |
| 12 | D.(1) The commissioner department may issue permits, variances, or other |
| 13 | orders as necessary to respond to the emergency, which shall be effective |
| 14 | immediately upon issuance, and any request for hearing, appeal, or request for |
| 15 | review shall not suspend the implementation of the action ordered. The term of any |
| 16 | such emergency action shall be limited to the time necessary to address the |
| 17 | emergency conditions. |
| 18 | * * * |
| 19 | F. In responding to an emergency, the commissioner department may utilize |
| 20 | any funds allowable under federal law or state law or any funds which have been |
| 21 | appropriated for such purposes, including but not limited to the Oilfield Site |
| 22 | Restoration Fund pursuant to R.S. 30:80 et seq. Recovery of costs expended shall be |
| 23 | in accordance with the statutes, rules, and regulations applicable to the source of |
| 24 | funds. |
| 25 | * * * |
| 26 | §29. Remediation of oilfield sites and exploration and production sites |
| 27 | * * * |

N. This section shall not be applicable to any suit filed on or after

January 1, 2026, in connection with environmental damage to property arising

| 1 | from activities subject to the jurisdiction of the Department of Conservation |
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| 2 | and Energy. |
| 3 | §30. Remediation of oilfield sites and exploration and production sites; |
| 4 | saltwater and oil assessment process |
| 5 | A. The legislature hereby finds and declares that Article IX, Section 1 of |
| 6 | the Constitution of Louisiana mandates that the natural resources and the |
| 7 | environment of the state, including ground water, are to be protected, |
| 8 | conserved, and replenished insofar as possible and consistent with the health, |
| 9 | safety, and welfare of the people and further mandates that the legislature enact |
| 10 | laws to implement this policy. It is the duty of the legislature to set forth |
| 11 | procedures to ensure that damage to the environment is remediated to a |
| 12 | standard that protects the public interest. The legislature hereby finds that past |
| 13 | efforts to remedy these issues have proved unworkable. To this end, this Section |
| 14 | provides the procedure for resolution of regulatory remediation for |
| 15 | environmental damage to property arising from activities subject to the |
| 16 | jurisdiction of the Department of Conservation and Energy. The provisions of |
| 17 | this Section shall not be construed to impede or limit provisions under private |
| 18 | contracts imposing remediation obligations in excess of the requirements of the |
| 19 | department or limit the right of a party to a private contract to enforce any |
| 20 | contract provision in a court of proper jurisdiction. |
| 21 | B. This Section shall be applicable to any suit filed on or after January |
| 22 | 1, 2026, in connection with environmental damage to property arising from |
| 23 | activities subject to the jurisdiction of the Department of Conservation and |
| 24 | Energy. |
| 25 | C. The department is hereby authorized to adopt rules and regulations |
| 26 | in accordance with the Administrative Procedure Act to provide for the efficient |
| 27 | administration of this Part. |
| 28 | §30.1. Definitions |
| 29 | For the purposes of this Section, the following terms shall have the |

| following | meanings |
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(1) "Contamination" shall mean the introduction or presence of substances or contaminants into a usable groundwater aquifer, an underground source of drinking water (USDW) or soil in such quantities as to render them unsuitable for their reasonably intended purposes.

- (2) "Environmental damage" shall mean any actual or potential impact, damage, or injury to environmental media caused by contamination resulting from activities associated with oilfield sites or exploration and production sites. Environmental media shall include but not be limited to soil, surface water, ground water, or sediment.
- (3) "Evaluation or remediation" shall include but not be limited to investigation, testing, monitoring, containment, prevention, or abatement.
- (4) "Remediation Plan" means the plan, adopted in accordance with this Section, which addresses environmental damage in conformity with the requirements of Article IX, Section 1 of the Constitution of Louisiana to protect the environment, public health, safety and welfare, and is in compliance with the specific relevant and applicable standards and regulations promulgated by a state agency in accordance with the Administrative Procedure Act in effect at the time of clean up to remediate contamination resulting from oilfield or exploration and production operations or waste.
- (5) "Oilfield site "or "exploration and production (E&P) site" means any location or any portion thereof on which oil or gas exploration, development, or production activities have occurred, including wells, equipment, tanks, flow lines or impoundments used for the purposes of the drilling, workover, production, primary separation, disposal, transportation or storage of E&P wastes, crude oil and natural gas processing, transportation or storage of a common production stream of crude oil, natural gas, coal seam natural gas, or geothermal energy prior to a custody transfer or a sales point. In general, this definition would apply to all exploration and production operations located on

| 1 | the same lease, unit or field. |
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| 2 | (6) "Timely notice" means written notice sent by certified mail, return |
| 3 | receipt requested. |
| 4 | (7) "Department" means the Department of Conservation and Energy, |
| 5 | or any successor agency. |
| 6 | (8) "Review Panel" means a three member review panel convened in |
| 7 | accordance with the provisions of 30:30.2 through 30.4 to review the incident |
| 8 | of contamination and recommend a remediation plan. |
| 9 | (9) "Party" means both the "Landowner" and "Operator" of the "E&P |
| 10 | site" and location of the alleged "Contamination" involved in the dispute at |
| 11 | issue. Any use of the singular shall be interpreted to include the plural and the |
| 12 | plural the singular. |
| 13 | (10) "Landowner" means the owner of the surface rights and the owner |
| 14 | of the mineral rights of the immovable property where the alleged |
| 15 | "contamination" is located. Any use of the singular shall be interpreted to |
| 16 | include the plural and the plural the singular. |
| 17 | (11) "Operator" means the current and past operator of record with the |
| 18 | Department for the E&P site associated with the alleged Contamination at issue |
| 19 | in the dispute, along with the working interest owner for the E&P site. Any use |
| 20 | of the singular shall be interpreted to include the plural and the plural the |
| 21 | singular. |
| 22 | §30.2. Review panel; membership; selection; convening |
| 23 | A. Upon any dispute between a landowner and an operator regarding the |
| 24 | appropriate response to alleged contamination, the operator shall, at the earliest |
| 25 | opportunity, send timely notice to the Department of Conservation and Energy, |
| 26 | office of the secretary, and to any affected landowner of the alleged |
| 27 | contamination, a description of the contamination and the alleged |
| 28 | environmental damage, a description of the property alleged to have been |
| | |

damaged, and the operator's immediate efforts to stop and remediate the

| 2 | means where practicable. The operator shall provide the names and addresses |
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| 3 | of any known landowners, as well as the operator's name and address, in its |
| 4 | notice to the department. |
| 5 | B. The operator shall act reasonably and prudently to execute immediate |
| 6 | remediation procedures to stop any ongoing contamination while the process |
| 7 | described in this Section is pending, and shall document his efforts for inclusion |
| 8 | in the process. |
| 9 | C. In the event that a lawsuit subject to La. R.S. 30:30 et seq. is filed |
| 10 | prior to completion of the regulatory evaluation and report or remediation plan |
| 11 | development process described in this Section, such suit shall be stayed pending |
| 12 | the completion of the regulatory evaluation and report or remediation plan |
| 13 | development process described in this Section. |
| 14 | D. In the event that no lawsuit has been filed prior to notification of the |
| 15 | department, prescription for private claims arising from the contamination |
| 16 | shall be suspended from the date timely notice is sent to the department and |
| 17 | affected landowners until ninety days after the decision of the review panel is |
| 18 | mailed in accordance with R.S. 30:30.3. The review panel shall retain exclusive |
| 19 | jurisdiction over the controversy until its final remediation plan, or decision of |
| 20 | compliance with regulatory obligations, is mailed to all parties pursuant to R.S. |
| 21 | <u>30:30.3.</u> |
| 22 | E. Upon receipt of timely notice, the department shall convene a review |
| 23 | panel consisting of three members in accordance with the following procedures. |
| 24 | F. The panel shall consist of three individuals with generalized expertise |
| 25 | in environmental evaluation and remediation who are appropriately licensed |
| 26 | and certificated. |
| 27 | G. Within fifteen days of the receipt of notice by the department, the |
| 28 | department shall provide notice via certified mail that a panel is being formed |
| 29 | and advising the landowners collectively and the operators collectively that they |

contamination. Said notice shall also be accompanied by notice via electronic

| 1 | shall each nominate one member of the panel within thirty days. If, for any |
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| 2 | reason, a party fails to select a member in accordance with this Section, the |
| 3 | department shall choose at random a member on behalf of the party within |
| 4 | fifteen days. |
| 5 | H. Within ten days of appointment by a party or set of parties, the |
| 6 | department shall notify the panel member of his appointment. After the second |
| 7 | panel member is appointed, the department shall immediately advise both |
| 8 | members that they shall, within fifteen days, consult and agree upon a third |
| 9 | member of the panel. |
| 10 | I. Upon the appointment and notification of the third panel member, the |
| 11 | panel shall be deemed convened, and the department shall notify the parties. |
| 12 | J. There shall be a chairperson of every review panel, who shall be an |
| 13 | employee or contractor of the department with experience in evaluation and |
| 14 | remediation of oilfield sites. The chairperson shall serve to advise the panel and |
| 15 | shall not vote on the evaluation or restoration plan. |
| 16 | K. An advisory attorney shall be appointed to assist the chairperson and |
| 17 | the panel with any legal issues, and the attorney shall not vote on the evaluation |
| 18 | or remediation plan. The advisory attorney shall be an employee or contracted |
| 19 | attorney of the department as designated by the secretary. |
| 20 | L. Upon finalization, each review panel shall be approved by the State |
| 21 | Mineral and Energy Board as sufficient to meet the requirements of this Part |
| 22 | prior to the panel entering its duties. |
| 23 | M. Prior to entering their duties, each member of the review panel shall |
| 24 | subscribe before a notary public the following oath: |
| 25 | "I, (name) do solemnly swear/affirm that I will faithfully perform the |
| 26 | duties of review panel member to the best of my ability and without partiality |
| 27 | or favoritism of any kind. I acknowledge that I represent neither side and that |
| 28 | it is my lawful duty to serve with complete impartiality and to render a decision |
| 29 | in accordance with law and the evidence." |

| | §30.3. | Review | panel; | procedure |
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A. All evidence submitted to the review panel shall be in written form only, including depositions if appropriate. The department may utilize its subpoena power in R.S. 30:8 at the request of a party.

B. Each party shall submit a delineation of the areas of interest for evaluation and remediation. The evaluation and remediation plan of the panel shall be limited to the combined areas identified by the parties. Further, each party shall submit any evidence they possess regarding responsibility for the contamination and environmental damage at issue.

C. Should the panel deem it necessary, it may consult with persons with specialized areas of expertise, either within or outside the department, on issues relating to regulatory responsibility and the evaluation or remediation procedures necessary within the area of interest. Should the panel deem it necessary, it may seek factual information, reports, and expert opinions from the parties on issues relating to regulatory responsibility and the evaluation or remediation procedures necessary within the area of interest.

D. The review panel shall review all evidence submitted by the parties within a reasonable time. When the panel determines it necessary, the review panel shall draft an evaluation plan which will be used to determine: (1) whether contamination exists, (2) causation, and (3) who is the regulatorily responsible party or parties in accordance with adopted regulatory obligations. The evaluation plan shall also include a scheduling order with deadlines by which the evaluation work and resulting analysis shall be completed and reports of the same submitted to the panel. The evaluation plan shall require split sampling and allow both the operator(s) and landowner(s) to submit a report setting forth the findings and their analysis of the results. If following receipt of these reports and underlying data, the review panel determines causation of contamination and who is the responsible party or parties, the review panel shall develop a remediation plan to regulatory standards based on the evidence.

| 1 | If the review panel instead determines that there is no contamination or no |
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| 2 | responsible party exists, then the review panel shall draft a report to that effect |
| 3 | including the basis for its decision and forward the report to the appropriate |
| 4 | agencies in accordance with Subsection F for their review and either approval |
| 5 | or comment. Regulatory responsibility shall be determined in accordance with |
| 6 | adopted regulatory obligations and shall not be based upon contractual |
| 7 | obligations whereby any operator agrees to take on the liability of another |
| 8 | operator, such as through indemnification or otherwise. |
| 9 | E. Any disputes that arise during the course of the review panel's work |
| 10 | shall be resolved by the secretary or his designee. |
| 11 | F. The review panel, in consultation with the chairperson and the |
| 12 | attorney advisor, shall prepare and render an order. The order, along with any |
| 13 | remediation plan developed by the panel, shall either state that previous |
| 14 | remediation efforts are sufficient to fulfill regulatory requirements or that |
| 15 | further remediation is necessary. If further remediation is found to be necessary |
| 16 | by the review panel, the remediation plan shall include all further necessary |
| 17 | remediation to fulfill regulatory requirements, along with the anticipated cost |
| 18 | of remediation efforts as well as an approved remediation cost estimate. The |
| 19 | review panel shall, within five days of rendering an order, send copies of the |
| 20 | order and any remediation plan via certified mail to the following: |
| 21 | (1) All parties to the review panel. |
| 22 | (2) The secretary of the Department of Conservation and Energy. |
| 23 | (3) The secretary of the Department of Environmental Quality. |
| 24 | (4) The commissioner of Agriculture. |
| 25 | (5) The secretary of the Department of Wildlife and Fisheries. |
| 26 | G. Upon receipt of a report of no contamination or responsible party or |
| 27 | receipt of the remediation plan, the applicable state agencies shall review the |
| 28 | report or plan solely for the purposes of determining compliance with its laws |

and regulations and issue any comments to the review panel within thirty days

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| 1 | via certified mail. If the agencies approve the report or plan, the agency shall |
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| 2 | approve it via signature by the agency's secretary or his designee. If any agency |
| 3 | does not approve of the report or plan, the agency shall submit its comments in |
| 4 | writing to the review panel within thirty days of receipt. If an agency does not |
| 5 | approve the plan, the panel shall incorporate the agency's comments and |
| 6 | resubmit the report or plan with revisions to each agency in Subsection F of this |
| 7 | Section. This process shall continue until all agencies listed in Subsection F of |
| 8 | this Section approve the plan. Along with their approval all agencies listed in |
| 9 | Subsection F of this Section shall include an estimate, if any, of the cost in |
| 10 | overseeing implementation of the approved plan and an invoice for their costs |
| 11 | in reviewing the report or plan, as well as, in the case of the Department of |
| 12 | Conservation and Energy, the costs of staffing the review panel. |
| 13 | H. Upon approval of a remediation plan by all agencies in Subsection F |
| 14 | of this Section, the responsible party shall deposit the approved remediation |
| 15 | cost estimate amount along with any invoiced amount by the departments listed |
| 16 | in Subsection F into an account managed by the Natural Resources Trust |
| 17 | Authority to be disbursed at the direction of the authority for remediation work |
| 18 | in accordance with the remediation plan. |
| 19 | §30.4 Appeals, Admissibility, Testimony |
| 20 | A. There shall be no suspensive appeal. The implementation of the final |
| 21 | regulatory plan may be enjoined in a separate proceeding if the requirements |
| 22 | of the Code of Civil Procedure with respect to injunctions are met, including the |
| 23 | provision of appropriate security. |
| 24 | B.(1) Any appeal of the final regulatory plan or order shall be filed as a |

B.(1) Any appeal of the final regulatory plan or order shall be filed as a hearing request with the division of administrative law (DAL) in accordance with R.S. 49:991 et seq. Said request shall be filed with sixty days from final regulatory or plan issuance to the parties.

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(2) Within thirty days after service of the request for hearing or within further time allowed by the hearing officer, the department shall transmit to the

| 2 | review. By stipulation of all parties to the review proceedings, the record may |
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| 3 | be shortened. A party unreasonably refusing to stipulate to limit the record may |
| 4 | be taxed by the DAL for the additional costs. The DAL may require or permit |
| 5 | subsequent corrections or additions to the record. |
| 6 | (3) The review shall be confined to the record. In cases of alleged |
| 7 | irregularities in procedure before the department not shown in the record, |
| 8 | proof thereon may be taken in the hearing. The hearing officer, upon request, |
| 9 | shall hear oral argument and receive written briefs. |
| 10 | (4) The hearing officer may affirm the decision of the secretary or |
| 11 | remand the case for further proceedings. The hearing officer may reverse or |
| 12 | modify the decision if substantial rights of the appellant have been prejudiced |
| 13 | because the administrative findings, inferences, conclusions, or decisions are |
| 14 | any of the following: |
| 15 | (a) In violation of constitutional or statutory provisions. |
| 16 | (b) In excess of the statutory authority of the agency. |
| 17 | (c) Made upon unlawful procedure. |
| 18 | (d) Affected by other error of law. |
| 19 | (e) Arbitrary or capricious, or characterized by abuse of discretion or |
| 20 | clearly unwarranted exercise of discretion. |
| 21 | (f) Manifestly erroneous in view of the reliable, probative, and, |
| 22 | substantial evidence on the whole record. |
| 23 | (5) Any person aggrieved by the ruling of the hearing officer, including |
| 24 | the department, shall have the right of judicial appeal directly to the First |
| 25 | Circuit Court of Appeals. |
| 26 | C. Any member of the review panel, or the attorney chairperson, |
| 27 | department, agency, or any department or agency staff who either assists the |
| 28 | review panel in its work or reviewed the panel remediation plan, approved such |
| 29 | plan, or commented on such plan shall have absolute immunity from civil |

DAL the original or a certified copy of the entire record of the proceeding under

| 1 | liability for all communications, findings, opinions and conclusions made in the |
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| 2 | course and scope of duties prescribed by this Part. |
| 3 | D. The written record of the review panel, approved remediation plan, |
| 4 | and report shall be admissible in any subsequent court proceedings as evidence |
| 5 | of the state's regulatory action and approved remediation plan and shall be res |
| 6 | judicata concerning the regulatory requirements of remediation within the area |
| 7 | of interest delineated by the parties. |
| 8 | E. The testimony of any member of the review panel, the attorney |
| 9 | chairperson and their staff and any member of the department or agencies |
| 10 | listed in Subsection A of this Section shall be inadmissible in court in any court |
| 11 | proceeding arising out of the contamination or operations at issue in the process |
| 12 | outlined in R.S. 30:30 through 30.4 of this Subtitle. |
| 13 | * * * |
| 14 | §82. Definitions |
| 15 | As used in this Part, the following terms shall have the meanings ascribed to |
| 16 | them in this Section, unless the context or use clearly indicates otherwise: |
| 17 | * * * |
| 18 | (6) "Issuer" means a public trust and public corporation organized and |
| 19 | existing by, under, and pursuant to the provisions of R.S. 9:2341 through 2347, |
| 20 | whose beneficiary is the state of Louisiana, and who is authorized to issue revenue |
| 21 | bonds on behalf of the state of Louisiana or the Louisiana Local Government |
| 22 | Environmental Facilities and Community Development Authority, pursuant to |
| 23 | the provisions of R.S. 33:4548.1 et seq. |
| 24 | * * * |
| 25 | §83.1. Authorization of bonds |
| 26 | * * * |
| 27 | B.(1) * * * |
| 28 | (3) The secretary, the undersecretary, and the Natural Resources Trust |
| 29 | Authority are hereby authorized to execute loan, reimbursement, investment, and |

bond purchase agreements, and all documents as may be necessary or desirable to carry out the provisions of this Section and are further authorized to take any and all further actions and execute and deliver all other documents as may be necessary in connection with the issuance of any bonds, notes, certificates, reimbursement obligations, or other evidences of indebtedness referred to in this Section. The provisions of R.S. 9:2347(J) and R.S. 39:112(G) shall not apply to bonds or any contractual obligation, including the pledge of state funds, to be undertaken or incurred in connection therewith.

9 * *

§98.1. Legislative Declaration; Purpose

The legislature declares that the management, protection, and development of water resources in the state are essential for public welfare, economic prosperity, and environmental sustainability. To fulfill these objectives, it is necessary to provide a framework for comprehensive water resource management, balancing environmental needs with human and economic activities. Accordingly, the legislature grants broad authority to the Department of Conservation and Energy to administer, manage, and regulate water resource dependent activities within the state.

§98.2. Definitions

The department shall define through rules adopted in accordance with the Administrative Procedure Act necessary terms relevant to the management, use, conservation, and protection of water resources.

§98.3. Powers of the Department of Conservation and Energy

A. In carrying out the provisions of this Chapter, the Department of

Conservation and Energy is empowered but not limited to do the following:

- (1) Make reasonable rules and regulations for the purpose of carrying out the provisions of this Chapter as well as for the proper drilling and abandonment of wells and holes, excluding oil and gas wells.
 - (2) Prepare required forms and establish other procedures to govern the

| 1 | submission of applications, reports, and other information authorized to be sent |
|----|---|
| 2 | to the office as required by this Chapter. |
| 3 | (3) Deposit all fees in a special fund in the office of the state treasurer to |
| 4 | be used for the implementation of this Chapter. |
| 5 | (4) Upon presenting valid identification as an inspector for the office, |
| 6 | enter upon and be given access at reasonable times and under reasonable |
| 7 | conditions to any premises for the purposes of inspecting water wells. |
| 8 | B. If the office finds that compliance with all the requirements of this |
| 9 | Chapter would result in undue hardship, an exemption from any one or more |
| 10 | of such requirements may be granted by the office to the extent necessary to |
| 11 | ameliorate such undue hardship and to the extent such exemption can be |
| 12 | granted without impairing the intent and purpose of this Chapter. |
| 13 | §98.4. Groundwater districts; water resource management |
| 14 | A. The department may designate aquifer-specific groundwater districts |
| 15 | based on rules and regulations adopted by the department. |
| 16 | B. The department may do all things necessary to prevent waste of |
| 17 | groundwater resources, and to prevent or alleviate damaging or potentially |
| 18 | damaging subsidence of the land surface caused by withdrawal of groundwater. |
| 19 | The department shall have authority to do, as required, the following within a |
| 20 | district designated by the department: |
| 21 | (1) To hold hearings. |
| 22 | (2) To require permits for the drilling or construction of all wells drilled |
| 23 | after July 31, 1974, having a capacity in excess of fifty thousand gallons per day. |
| 24 | (3) To require registration of all wells showing the date drilled, the name |
| 25 | of the driller, if available, and the current ownership together with such other |
| 26 | information as the department may reasonably require to permit it to |
| 27 | accomplish the purposes of this legislation. No charge shall be assessed for such |
| 28 | registration. |
| 29 | (4) To require that all users of groundwater register with the department |

| 1 | showing the number, location, and capacity of wells owned or operated by them |
|----|---|
| 2 | or solely for their benefit and designating the beneficial use or uses of that |
| 3 | groundwater. The department shall classify each user as an industrial user or |
| 4 | as a commercial, rural or municipal user of groundwater upon the basis of such |
| 5 | information. The department shall have authority in its discretion to require |
| 6 | periodical renewals of registrations to determine alterations in uses of water. |
| 7 | Such registrations may be required on an annual basis or such greater periods |
| 8 | of time as the department may deem appropriate. |
| 9 | (5) To establish standards for the construction of wells that would come |
| 10 | under the jurisdiction of this part drilled after July 31, 1974. |
| 11 | (6) To specify spacing of wells drilled after July 31, 1974, in limited areas |
| 12 | upon a showing that the water quality, quantity of withdrawal or subsidence in |
| 13 | such area threatens the public interest. |
| 14 | (7) To require well owners who are users, well owners providing water |
| 15 | to other users, and users of groundwater who are not well owners to keep and |
| 16 | furnish, on request, information necessary to carry out the provisions of this |
| 17 | Part pertinent to wells, drawdowns, grouting, casing sizes, property descriptions |
| 18 | and other pertinent information reasonably required by the department, |
| 19 | provided that as to wells in existence on the effective date of this Part such |
| 20 | information is available. |
| 21 | (8) To collect data; to make investigations and inspections; to examine |
| 22 | properties, papers, books, and records relevant to groundwater use or |
| 23 | conservation; to examine, survey, check test, and gauge all water wells; to |
| 24 | require well owners who are users or well owners providing water to other |
| 25 | users, at their own expense, to meter wells to permit accurate determination of |
| 26 | rates of use. Metering may be required on a continuous or periodic basis, and |
| 27 | the department may require approval by it of metering devices; to provide for |
| 28 | the keeping of records and making of reports by owners of water wells |

providing water to users, and users of groundwater.

29

| 1 | (9) To require that authorized representative of the department be |
|----|---|
| 2 | enabled to enter property at reasonable times and under reasonable conditions |
| 3 | to inspect wells, perform tests and examine records. |
| 4 | (10) To establish standards for the control of existing and future flowing |
| 5 | wells and the sealing of abandoned wells. |
| 6 | (11) To require that all abandoned wells be reported and sealed in |
| 7 | accordance with such standards. |
| 8 | (12) To establish groundwater use priorities, under conditions supported |
| 9 | by research data, which indicate depletion of water subject to this Part. |
| 10 | (13) To assess the following: |
| 11 | (a) A charge against all users within the district based upon the annual |
| 12 | rate of use of each user sufficient to meet costs and expenses of operation. Such |
| 13 | charges must be uniform as to all users, being assessed on the basis of units of |
| 14 | water used, whether a cubic, acre-foot, or other unit be used, and without |
| 15 | distinctions or graduations as to total amounts of water produced by individual |
| 16 | users or classes of users, except that no charge shall be made against the |
| 17 | quantity of water pumped from the Mississippi River alluvial aquifer. Further, |
| 18 | such charges shall be assessed and income therefrom used only to defray the |
| 19 | costs and expenses of operation of the district assessing them. |
| 20 | (b) Costs for capital expenditures assessed to users based on either |
| 21 | annual flows or specific costs for wells to individual users based on capital, debt |
| 22 | service, and operation and maintenance costs. Costs may include specific |
| 23 | systems and technologies to allow for remote monitoring of flows, water levels, |
| 24 | water quality, and other parameters considered necessary by the department |
| 25 | to conserve and protect groundwater resources and may include but are not |
| 26 | limited to monitoring wells, scavenger wells, reclaimed water systems, pressure |
| 27 | differential systems, water treatment systems, and other subsurface systems |
| 28 | related to the protection of the aquifers. |
| 29 | (c) Late fees for nonpayment of monthly or quarterly invoices not to |

| 1 | exceed twenty-five dollars per month or one and one-half percent per day of the |
|----|---|
| 2 | balance due, whichever is greater, calculated beginning thirty days after the due |
| 3 | date. |
| 4 | (d) Application fees not to exceed two thousand dollars for each |
| 5 | application submitted for a new or upgraded well. |
| 6 | (14) To cooperate with and enter into contracts or cooperative |
| 7 | agreements with other governmental units and agencies of this state, with |
| 8 | governments and agencies of other states and of the United States, and with |
| 9 | private agencies or other groundwater conservation districts for the |
| 10 | achievement of the purposes of this Part. |
| 11 | (15) To receive grants and enter into contracts for groundwater resource |
| 12 | development. |
| 13 | (16) To conduct studies and investigations of all problems concerning |
| 14 | groundwater resources of the district. |
| 15 | (17) To take all necessary steps to prevent intrusion of salt water or any |
| 16 | other form of pollutant into any aquifer or aquifers, including the powers to |
| 17 | operate withdrawal wells for the extraction of salt water or water affected by |
| 18 | any pollutant and to dispose of such water by injection or otherwise; to operate |
| 19 | injection wells to create freshwater barriers against salt water intrusion or the |
| 20 | intrusion of any other pollutant; and to control pumping rates by users in any |
| 21 | area threatened by intrusion of salt water or other form of pollutant. |
| 22 | (18) Within affected areas, to limit rates of production of water from any |
| 23 | aquifer or aquifers, after detailed research, considering both recharge and |
| 24 | withdrawal data, when the quality or quantity of the supply of water afforded |
| 25 | by such aquifer or aquifers is in danger for any reason or where the danger of |
| 26 | damaging subsidence exists. |
| 27 | (19) To use and permit the use of any of its property or facilities for |
| 28 | recreational purposes and to operate thereon such concessions as may be |
| 29 | appropriate to such recreational use or uses as long as such activities do not |

| 1 | increase the net operating expenses to the district. |
|----|---|
| 2 | (20) To sue and be sued as a body corporate. |
| 3 | (21) To hire such personnel and retain such consultants as shall be |
| 4 | reasonably necessary to the performance of its functions. Personnel from other |
| 5 | agencies shall be used wherever practical and possible. |
| 6 | (22) To advise and consult with the commissioner of conservation and the |
| 7 | Water Resources Commission on matters that impact water resources within |
| 8 | the department's jurisdiction. |
| 9 | C. No order limiting rates of production as authorized in Subsection A |
| 10 | of this Section shall have the effect of in any way denying to any owner of the |
| 11 | land or any other person holding rights to water derivative from any landowner |
| 12 | a reasonable opportunity to produce and beneficially use his just and equitable |
| 13 | share of the groundwater supply affected by an order limiting rates of |
| 14 | production. |
| 15 | D. Anything herein to the contrary notwithstanding, the department |
| 16 | shall have no regulatory power over and no authority to assess pumping charges |
| 17 | for a well or wells with a total depth of less than four hundred feet or wells in |
| 18 | the Mississippi River alluvial aquifer; or wells from which the production is |
| 19 | used exclusively for bona fide agricultural or horticultural purposes or for |
| 20 | domestic use of persons resident upon the same premises and capable of |
| 21 | producing not more than fifty thousand gallons per day in the aggregate. |
| 22 | E. The department shall have authority to make, after notice and hearing |
| 23 | and to enforce reasonable rules, regulations, or orders necessary from time to |
| 24 | time to achieve the purposes and powers as outlined in this Part, and such rules, |
| 25 | regulations and orders shall be effective and enforceable immediately upon |
| 26 | promulgation in the official journal of each parish affected. |
| 27 | F.(1) The department shall not require users to undertake the |
| 28 | installation of additional metering devices or prescribe new requirements |
| 29 | thereof if the user's installation of metering devices meets all of the following |

| 1 | <u>criteria:</u> |
|----|---|
| 2 | (a) Demonstrates compliance with the user's obligation to meter. |
| 3 | (b) Measures flow data at least hourly for each well, for each stratum |
| 4 | from which the well draws, and reports the data to the department monthly. |
| 5 | (c) Ensures proper operation of the metering device through installation, |
| 6 | calibration, validation, and maintenance practices that are consistent with the |
| 7 | accepted capability of that type of metering device. Calibration of each metering |
| 8 | device shall be performed at least once per year by a qualified source, which is |
| 9 | a person or entity that has received formal training or has practical field |
| 10 | experience in the calibration of that type of metering device. |
| 11 | (d) Adheres to accepted scientific practices to safeguard the accuracy |
| 12 | and reliability of measurements of the volume of monitored withdrawals. |
| 13 | (e) Measures flows with a maximum deviation of less than five percent |
| 14 | from true withdrawal rates throughout the range of expected withdrawal |
| 15 | volumes. |
| 16 | (2) The department shall have authority to audit the performance of flow |
| 17 | measurement devices installed and maintained by users. Audits of the flow |
| 18 | measurement devices of all users other than nuclear electric generating stations |
| 19 | may include temporary installation of a flow measurement device and other |
| 20 | necessary equipment by the department, at the department's expense, in order |
| 21 | to verify performance of a user-installed flow measurement device. Each |
| 22 | user-installed flow measurement device may be audited once per calendar year. |
| 23 | G. The department is hereby vested with the authority and responsibility |
| 24 | for the comprehensive management, conservation, and protection of the state's |
| 25 | water resources. |
| 26 | H. The department shall adopt rules and regulations necessary to |
| 27 | implement and enforce this Chapter, encompassing all water resource |
| 28 | management activities currently regulated, authorized, or practiced within the |
| | |

state, including but not limited to:

| l | (1) Regulation and permitting of surface and groundwater usage. |
|----|---|
| 2 | (2) Identification and protection of water recharge areas. |
| 3 | (3) Monitoring and evaluation of water quality and quantity. |
| 4 | (4) Planning and coordinating water resource development projects. |
| 5 | (5) Implementing conservation measures and best practices for water |
| 6 | resource sustainability. |
| 7 | (6) Establishing fees for permits, compliance monitoring, and other |
| 8 | regulatory activities. |
| 9 | §98.5. Comprehensive water resource plan |
| 10 | A. The department, utilizing the Natural Resources Commission, shall |
| 11 | develop, implement, and periodically update a comprehensive statewide water |
| 12 | resource management plan, addressing current and future water demands, |
| 13 | conservation strategies, infrastructure needs, environmental impacts, and |
| 14 | sustainable water management practices. |
| 15 | B. The comprehensive plan shall be developed through a transparent |
| 16 | public process, including stakeholder input, interagency collaboration, and |
| 17 | review by the Natural Resources Commission. |
| 18 | §98.6. Enforcement and compliance |
| 19 | The department shall have authority to: |
| 20 | A. Conduct inspections and investigations necessary for compliance and |
| 21 | enforcement of rules adopted under this Chapter. |
| 22 | B. Issue notices of violation, compliance orders, and penalties consistent |
| 23 | with established regulations. |
| 24 | C. Collaborate with federal, state, and local agencies to ensure |
| 25 | coordinated enforcement efforts. |
| 26 | §98.7. Administrative review and appeals |
| 27 | Any party adversely affected by a decision or action of the department |
| 28 | under this Chapter shall be entitled to an administrative hearing in accordance |
| 29 | with rules adopted pursuant to the Administrative Procedure Act. Judicial |

| 1 | review shall be available following the exhaustion of administrative remedies as |
|----|--|
| 2 | provided by law. |
| 3 | §98.8. Immunity from liability |
| 4 | The department and its officers, employees, agents, and designated |
| 5 | representatives acting in the discharge of their duties under this Chapter shall |
| 6 | be immune from civil liability for actions taken in good faith in compliance with |
| 7 | established rules and regulations. |
| 8 | §98.9. Cooperation with other agencies |
| 9 | The department is authorized to collaborate and enter into agreements |
| 10 | with local, state, federal, and private entities to facilitate efficient and effective |
| 11 | water resource management and conservation efforts. |
| 12 | §98.10. Funding and financial assistance |
| 13 | The department may seek, receive, and administer funding, grants, and |
| 14 | financial assistance from federal, state, local, and private sources to implement |
| 15 | the objectives of this Chapter. |
| 16 | §98.11. Severability |
| 17 | If any provision of this Chapter or its application is held invalid, the |
| 18 | invalidity shall not affect other provisions or applications that can be given |
| 19 | effect without the invalid provision or application, and to this end, the |
| 20 | provisions of this Chapter are severable. |
| 21 | * * * |
| 22 | §124.1. Confidential information |
| 23 | Information submitted to the Board or the Office of Mineral Resources |
| 24 | as part of a bid or proposal for the right to explore, develop, or utilize public |
| 25 | property may be deemed confidential and withheld from public disclosure by |
| 26 | the Board or Office of Mineral Resources if disclosure of such information |
| 27 | would be reasonably likely to: |
| 28 | A. Reveal technical, operational, or financial details to be used in the bid |
| 29 | or proposal; and |

| 1 | B. Give any advantage to a competitor. |
|----|---|
| 2 | Information withheld pursuant to this provision shall be subject to |
| 3 | disclosure in accordance with Public Records Law upon conclusion of the |
| 4 | competitive evaluation process and a final board determination regarding bid |
| 5 | or proposal. |
| 6 | * * * |
| 7 | §136.3. Mineral and Energy Operation Fund |
| 8 | * * * |
| 9 | B. Out of the funds remaining in the Bond Security and Redemption Fund, |
| 10 | after a sufficient amount is allocated from that fund to pay all obligations secured by |
| 11 | the full faith and credit of the state which become due and payable within any fiscal |
| 12 | year as required by Article VII, Section 9(B) of the Constitution of Louisiana, the |
| 13 | treasurer in each fiscal year shall pay into the fund revenues and amounts from the |
| 14 | following sources: |
| 15 | (1) An The amount equal to one million six hundred thousand dollars |
| 16 | received by the state through the office of mineral resources from nonjudicial |
| 17 | settlements, including but not limited to settlements of disputes of royalty audit |
| 18 | findings and acreage conflicts, and court-awarded judgments and settlements. For |
| 19 | Fiscal Years 2021-2022 through 2024-2025, an additional amount equal to nine |
| 20 | hundred thousand dollars received by the state through the office of mineral |
| 21 | resources from nonjudicial settlements, including but not limited to settlements of |
| 22 | disputes of royalty audit findings, and court-awarded judgments and settlements. |
| 23 | * * * |
| 24 | (6) All revenue received from fees collected pursuant to activities and |
| 25 | authorities identified at R.S. 36:358(E)(3). |
| 26 | C. Monies in the fund shall be invested by the state treasurer in the same |
| 27 | manner as monies in the state general fund. Interest earned on investment of monies |
| 28 | in the fund shall be credited to the state general fund. |

D. The monies in the fund shall be appropriated by the legislature to the

| 1 | Department of Energy and Natural Resources to be used solely for the administration |
|----|--|
| 2 | and regulation of minerals, ground water, and related conservation and energy |
| 3 | activities. Additionally, monies deposited into the fund pursuant to Paragraph (B)(5) |
| 4 | of this Section shall be used solely for the administration and regulation of solar |
| 5 | power generation facilities. |
| 6 | * * * |
| 7 | §153. Agencies may lease or administer through State Mineral and Energy Board |
| 8 | A. Any agency may by resolution direct the State Mineral and Energy Board |
| 9 | to lease or otherwise contract for the exploration, development, or use of its land |
| 10 | in the manner provided in Subpart A of this Part. The bonus money, if any, received |
| 11 | for the lease pursuant to any such contract shall be transmitted by the State |
| 12 | Mineral and Energy Board to the agency. After the execution of the original lease |
| 13 | contract, all rights and authority in connection therewith shall be vested in the |
| 14 | agency to the same extent as if the agency had itself leased the land administered |
| 15 | and executed the contract. |
| 16 | B. Upon request, the State Mineral and Energy Board may administer and |
| 17 | manage the leases and other contracts of any levee district, state university, state |
| 18 | college, state penal or charitable institution, or agency, unit, or institution of the |
| 19 | state. If the State Mineral and Energy Board agrees to administer and manage such |
| 20 | leases contracts, the parties shall enter into a cooperative endeavor agreement to |
| 21 | accomplish this purpose. |
| 22 | * * * |
| 23 | §209. State Mineral and Energy Board; authority |
| 24 | In order to carry out the provisions of R.S. 30:208, the State Mineral and |
| 25 | Energy Board may: |
| 26 | * * * |
| 27 | (6) Notwithstanding any other provision of law to the contrary, the State |
| 28 | Mineral and Energy Board is hereby authorized to enter into operating |
| 29 | agreements for the usus or fructus of state resources under the department's |

1 juris

jurisdiction, or other arrangements to fulfill the purposes and functions of the office of mineral resources pursuant to R.S. 36:358(E), and to adopt, promulgate, amend, or repeal all rules and regulations necessary to implement, administer, and enforce any such agreements.

§209.1. Acquisition of geological information and data

A. The right of the State Mineral and Energy Board under R.S. 30:209 to conduct or contract for geophysical and geological surveys and other operations on lands which the board might lease for the state in order to carry out the provisions of R.S. 30:208, relative to exploration and development of mineral resources shall include the right to acquire and receive, either as owner in its own right or licensee, from the company acquiring and processing the data under the geophysical or geological surveys, and geophysical, geological, and engineering information and data acquired or processed from the surveys or operations conducted on any lands, whether public or private, for evaluation, administration, and development of the mineral resources of state-owned properties the right to acquire and receive, either as owner in its own right or licensee, information and data acquired or processed from geological and geophysical surveys or other operations conducted on any lands, whether public or private, for evaluation, administration, and development of the mineral resources of state-owned properties.

* * *

§503. Definitions

As used in this Chapter, the following words and phrases have the meaning ascribed to them in this Section except as otherwise provided in this Chapter or unless a different meaning is plainly required by the context:

- (1) "Assistant secretary" means the assistant secretary of the office of conservation of the Department of Energy and Natural Resources.
- (2) "Commissioner" means the commissioner of conservation of the state of Louisiana, which shall be the secretary of the Department of Conservation and

| 1 | Energy. |
|----|---|
| 2 | * * * |
| 3 | (6) "Intrastate natural gas" is defined as that gas produced, transported, and |
| 4 | utilized wholly within the state of Louisiana, through the use of intrastate pipelines |
| 5 | or of interstate pipelines where such use of interstate pipelines is or may hereafter |
| 6 | be exempt from the control of the Federal Power Energy Regulatory Commission |
| 7 | under the Natural Gas Act and/or rules and regulations promulgated by the Federal |
| 8 | Power Commission thereunder; and gas, wherever produced, which is or may be |
| 9 | transported into this state and delivered to an intrastate pipeline in this state to be |
| 10 | used or consumed wholly within this state. |
| 11 | * * * |
| 12 | (8) "Intrastate pipeline" is defined as a pipeline which is located and operated |
| 13 | wholly within in the state of Louisiana and is or may hereafter be exempt from |
| 14 | the control of the Federal Energy Regulatory Commission for the transportation |
| 15 | of intrastate natural gas within the state of Louisiana, which does not extend beyond |
| 16 | the boundaries of the state of Louisiana, and which is not merely a local branch of |
| 17 | an interstate pipeline system. |
| 18 | * * * |
| 19 | §2454. Definitions |
| 20 | In this Chapter: |
| 21 | * * * |
| 22 | (33) "Secretary" means the secretary of the Department of Conservation |
| 23 | and Energy. |
| 24 | §2455. Office of the Louisiana oil spill coordinator |
| 25 | The office of the Louisiana oil spill coordinator is hereby created within the |
| 26 | Department of Public Safety and Corrections, public safety services Conservation |
| 27 | and Energy, and shall exercise the powers and duties set forth in this Chapter or |
| 28 | otherwise provided by law. The office shall be administered by the coordinator who |

shall be appointed by the governor, subject to Senate confirmation a director

29

| 1 | <u>pursuant to R.S. 36:357</u> . The initial coordinator shall not perform any official duties |
|----|--|
| 2 | prior to confirmation. |
| 3 | §2456. General powers and duties of the coordinator |
| 4 | A. The coordinator, under the direction and control of the deputy secretary |
| 5 | for public safety services, shall: |
| 6 | * * * |
| 7 | Section 2. R.S. 36:351, 353, 354(A)(13) and (15), (B)(1)(b), (2), (4), (6), (8), (10), |
| 8 | and (12), 355, 356, 356.1(B)(1), 357, 358 are hereby amended and reenacted and R.S. |
| 9 | 36:351.1, 354(B)(13) and (14), 354.1, 356.1(B)(6) and (D) are hereby enacted to read as |
| 10 | follows: |
| 11 | CHAPTER 8. DEPARTMENT OF CONSERVATION AND |
| 12 | ENERGY AND NATURAL RESOURCES |
| 13 | §351. Department of Energy and Natural Resources; creation; domicile; |
| 14 | composition; purposes and functions |
| 15 | A. The Department of Conservation and Energy and Natural Resources is |
| 16 | created and shall be a body corporate with the power to sue and be sued. The |
| 17 | domicile of the department shall be in Baton Rouge. |
| 18 | B. The Department of Conservation and Energy and Natural Resources, |
| 19 | through its offices and officers, shall be responsible for the conservation, |
| 20 | management, and development of water, minerals, and other such natural resources |
| 21 | of the state, including coastal management, state water bottom management and |
| 22 | permitting, the issuance of energy-related rights of way on state water bottoms and |
| 23 | state lands, and energy-related leasing of state water bottoms and state lands as |
| 24 | further set forth in law, but not including timber or fish and wildlife and their |
| 25 | habitats. |
| 26 | C.(1) The Department of Conservation and Energy and Natural Resources |
| 27 | shall be composed of the executive office of the secretary, the office of management |
| 28 | and finance, the office of conservation, the office of mineral resources, the office of |
| 29 | coastal management administration, the office of enforcement, the office of energy, |

2 and compliance, the office of state resources, and other offices as shall be created 3 by law. (2) Whenever the secretary determines that the administration of the 4 5 functions of the department may be more efficiently performed by eliminating, merging, or consolidating existing offices or establishing new offices, the secretary 6 7 shall present a plan therefor to the legislature for its approval by statute. In addition, 8 beginning January 15, 2026, and thereafter in the same year as the sunset of the 9 Department of Energy and Natural Resources, the secretary shall recommend to the 10 Senate Committee on Natural Resources and the House Committee on Natural 11 Resources and Environment to either terminate or continue the boards and 12 commissions provided for in this Chapter. Any recommendation to terminate a board 13 or commission shall include a plan to eliminate, merge, or consolidate the functions 14 and responsibilities of that board or commission. 15 §351.1 Natural Resources Commission; creation composition; purposes and 16 functions A. The Natural Resources Commission is hereby reconstituted within the 17 18 Department of Conservation and Energy. The commission shall not have 19 authority to grant or deny permits, to take enforcement action, or to take other 20 action which has traditionally been within the sole jurisdiction of the 21 department. 22 B. The Natural Resources Commission shall be composed of the following individuals, who shall not have the ability to serve by proxy or 23 24 designee: 25 (1) The secretary of the Department of Conservation and Energy. (2) The secretary of Louisiana Economic Development. 26 27 (3) The secretary of the Department of Environmental Quality. 28 (4) The secretary of the Department of Revenue. 29 (5) The secretary of the Department of Wildlife and Fisheries.

the office of land and water, the Oilfield Site Restoration Commission permitting

| 1 | (6) The executive secretary of the Louisiana Public Service Commission. |
|----|---|
| 2 | (7) One individual, appointed by the governor, who shall represent |
| 3 | statewide flood control interests. This individual shall be one of the following: |
| 4 | (a) The secretary of the Department of Transportation and Development. |
| 5 | (b) The executive director of the Coordinated Use of Resources for |
| 6 | Recreation, Economy, Navigation, and Transportation Authority. |
| 7 | (c) The executive director of the Coastal Protection and Restoration |
| 8 | Authority. |
| 9 | (d) The chief resilience officer. |
| 10 | C. The department shall staff the commission and may engage the |
| 11 | legislative auditor for reports requested by legislature or commission. The |
| 12 | commission shall meet four times per year, preferably quarterly. The |
| 13 | commission will facilitate strategic alignment and coordination amongst |
| 14 | members. The commission shall coordinate with the legislative auditor to |
| 15 | provide investigative oversight to the commission. |
| 16 | D. The commission shall: |
| 17 | (1) Serve as primary coordination body for water management planning, |
| 18 | statewide flood protection, and develop a process for its centralization striving |
| 19 | for uniformity. |
| 20 | (2) Develop a process in which agencies coordinate intergovernmental |
| 21 | responses. |
| 22 | (3) Develop a process in responding to legislative study requests, |
| 23 | including their prioritization. |
| 24 | (4) Engage legislative auditor for staffing on matters related to |
| 25 | investigation, reporting, and review of the executive branch. |
| 26 | (5) Develop a process to identify, review, receive, clarify and act on |
| 27 | matters of agency overlap, including independent agencies and political |
| 28 | subdivisions. |
| 29 | E. The commission shall meet on the first Wednesday of March, June, |

September, and December of each year. In the event of a state declared

emergency or holiday, the meeting shall be held on the next working day. The

date may be changed by unanimous agreement of the members in writing.

* * * *

§353. Secretary of natural resources conservation and energy

There shall be a secretary of natural resources conservation and energy, who shall be appointed by the governor with consent of the Senate and who shall serve at the pleasure of the governor at a salary fixed by the governor, which salary shall not exceed the amount approved for the position by the legislature while in session. The secretary shall serve as the executive head and chief administrative officer of the Department of Conservation and Energy and Natural Resources and shall have the responsibility for the policies of the department except as otherwise provided by this Title and for the administration, control, and operation of the functions, programs, and affairs of the department, provided that the secretary shall perform his functions under the general control and supervision of the governor. The secretary shall be an ex officio member of the State Mineral and Energy Board The secretary shall also assume all duties and functions of the commissioner of conservation as set forth in law.

§354. Powers and duties of secretary of **conservation and** energy and natural resources

A. In addition to the functions, powers, and duties otherwise vested in the secretary by law, the secretary shall:

* * *

(13) Contract, if the secretary so desires, or, if the secretary deems necessary, designate one of the offices within the department or its assistant secretary, under the secretary's supervision, to do so, with private or public research organizations for the purchase, out of funds available to the Department of **Conservation and** Energy and Natural Resources, of services in scientific, economic, and technological research, including but not limited to surveys, studies, and experiments with a view toward

| 1 | protecting and replenishing the natural resources of the state under the jurisdiction |
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| 2 | of the Department of Conservation and Energy and Natural Resources, toward |
| 3 | preventing the waste, wasteful use, and wasteful utilization thereof, except as defined |
| 4 | in R.S. 30:3, toward preventing the use of the natural resources in such a manner and |
| 5 | in such quantities as will threaten with premature exhaustion, extinction, and |
| 6 | destruction of the supply of these resources in the state, and toward the energy policy |
| 7 | of this state, and to prepare and implement plans and programs in relation thereto. |
| 8 | * * * |
| 9 | (15) Set priorities for program funds as provided in R.S. 30:2483 and declare |
| 10 | emergencies pursuant to R.S. 30:6.1. |
| 11 | * * * |
| 12 | B. The secretary shall have authority to: |
| 13 | (1)(a) * * * |
| 14 | (b) All of the above are to be accomplished in accordance with applicable |
| 15 | civil service laws, rules, and regulations, and with policies and rules of the |
| 16 | Department of <u>Conservation and</u> Energy and Natural Resources, and all are subject |
| 17 | to budgetary control and applicable laws. |
| 18 | (2) Appoint, subject to gubernatorial approval disapproval, advisory |
| 19 | councils, boards, and commissions necessary in the administration of the department |
| 20 | or for providing expertise within the department's jurisdiction, except as otherwise |
| 21 | provided by law or by executive order. |
| 22 | * * * |
| 23 | (4) Contract upon terms as the secretary may agree upon, for legal, financial, |
| 24 | engineering, and other professional services necessary or expedient in the conduct |
| 25 | of the affairs of the Department of Conservation and Energy and Natural Resources |
| 26 | under the provisions of this Chapter. |
| 27 | * * * |
| 28 | (6) Represent, or designate an assistant secretary to represent, the state in all |
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matters involving or affecting the interest of the state and its residents relative to

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SB NO 193 energy and natural resources within the jurisdiction of the Department of Conservation and Energy and Natural Resources before all federal agencies, offices, and officials, and congressional committees, and in all judicial actions arising out of the proceedings of the agencies, offices, and committees or in relation thereto. Those employed or contracted with as provided by this Section shall be entitled to represent the state and the secretary and to appear in the courts and before agencies of this state or the agencies, officials, and courts of the United States and of other states to carry out the purposes of this Chapter. (8) Obtain from the federal government and its agencies, the offices of the Department of **Conservation and** Energy and Natural Resources, and other state agencies any information and data collected by the entities relating to energy, natural resources, or the environment, upon mutually agreeable terms and conditions or as required by law; however, information and data subject to nondisclosure under R.S. 44:4 shall maintain that status while in the custody of the secretary. (10) Establish in his office the department a capacity for policy analysis, development of information and statistics, and generation of economic information relating to the natural resources and environmental affairs of the state.

(12) Delegate his duties and responsibilities to other personnel within the department as necessary for the efficient administration of the department and its programs.

- (13) Do such other things not inconsistent with law, as are necessary to perform properly the functions vested in him.
- (14) Issue directives, acting through an initiative of the deputy secretary and upon certification by the undersecretary, that establish immediate agency policy effective upon issuance. Such orders shall remain in effect unless and until they are superseded by subsequent directive or subjected to additional

| 1 | administrative rulemaking through the Louisiana Administrative Procedure |
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| 2 | Act, including but not limited to the processes for emergency rulemaking or |
| 3 | potpourri notices, if and when the secretary deems further formal rulemaking |
| 4 | necessary. These directives, which do not constitute "adjudications" within the |
| 5 | meaning of federal or state administrative law, shall serve as statements of |
| 6 | policy that the department may apply to its programs and operations forthwith. |
| 7 | * * * |
| 8 | 354.1. Authorization for Administrative Reorganization and Delegation of |
| 9 | Functions, Authority of Secretary |
| 10 | A. The purpose of this Section is to streamline and modernize the |
| 11 | operations of the department, provide flexibility to the department to respond |
| 12 | to changing conditions, and ensure the continuity of effective administration. |
| 13 | B. Where consistent with this Title and other applicable laws, the |
| 14 | secretary is hereby authorized to: |
| 15 | (1) Reorganize, consolidate, create, merge or abolish divisions, offices, |
| 16 | bureaus, sections, or other administrative units within the department as |
| 17 | deemed necessary for the efficient, economical, and effective performance of its |
| 18 | functions. |
| 19 | (2) Delegate any function or duty vested in the secretary by law to any |
| 20 | subordinate officer or employee within the department. Delegation may be |
| 21 | rescinded by the secretary at any time. |
| 22 | C. The secretary shall follow the following procedures for reorganization |
| 23 | under this Section: |
| 24 | (1) Where contemplated reorganization materially affects the procedural |
| 25 | rights of the public or substantively changes the department's administrative |
| 26 | processes, the secretary shall follow the provisions of the administrative |
| 27 | procedure act to implement such changes, but for any provision of this Title. |
| 28 | (2) Where contemplated reorganization is internal, ministerial, or |
| 29 | otherwise a minor reorganization that does not materially affect the procedural |

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the secretary.

| 2 | processes, the reorganization shall be effective upon a written order by the |
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| 3 | secretary. Such order shall be filed with the secretary of state and shall also be |
| 4 | transmitted to the governor, the House Committee on Natural Resources and |
| 5 | the Senate Natural Resources Committee for informational purposes. |
| 6 | D. No provision of this Section shall be construed to limit or circumvent |
| 7 | any rights of protections afforded to employees of the department under |
| 8 | applicable state civil service rules or any other provisions of law. Any workforce |
| 9 | adjustments made pursuant to any reorganization under this Section shall |
| 10 | comply with the due process requirements set forth in applicable state civil |
| 11 | service rules and law. |
| 12 | E. The secretary shall submit an annual report to the House Committee |
| 13 | on Natural Resources and the Senate Natural Resources Committee detailing |
| 14 | the nature, purpose, and results of any major reorganization undertaken in the |
| 15 | preceding year, including any administrative consolidations, transfers of |
| 16 | authority, or delegation changes that materially affect the public's procedural |
| 17 | rights or the department's administrative processes. |
| 18 | F. If any provision or item of this Section, or the application thereof, is |
| 19 | held invalid, such invalidity shall not affect other provisions, items, or |
| 20 | applications which can be given effect without the invalid provision or item, and |
| 21 | to this end, the provisions of this Section are hereby declared severable. |
| 22 | §355. Deputy secretary |
| 23 | $\underline{\mathbf{A.}}$ There $\underline{\mathbf{may}}$ $\underline{\mathbf{shall}}$ be a deputy secretary of the department, who shall be |
| 24 | appointed by the secretary with consent of the Senate and who shall serve at the |
| 25 | pleasure of the secretary at a salary fixed by the secretary, which salary shall not |
| 26 | exceed the amount approved for such position by the legislature while in session. |
| 27 | The duties and functions of the deputy secretary shall be determined and assigned |
| 28 | by the secretary. If appointed, he He shall serve as acting secretary in the absence of |

rights of the public or substantively change the department's administrative

| 1 | B. The deputy secretary shall, in addition to any authorities established |
|----|---|
| 2 | elsewhere in law: |
| 3 | (1) Oversee the office of natural resources commission, performing all |
| 4 | functions, including the authority to employ, appoint, remove, assign, and |
| 5 | promote such personnel as is necessary for the efficient administration of this |
| 6 | office and its programs and the performance of its powers, duties, functions, |
| 7 | and responsibilities, in accordance with applicable civil service laws, rules, and |
| 8 | regulations, and with policies and rules of the department, all subject to |
| 9 | budgetary control and applicable laws. |
| 10 | (2) Perform other duties as requested or delegated by the secretary. |
| 11 | §356. Undersecretary; functions; office of management and finance administration |
| 12 | A. (1) There shall be an undersecretary of the Department of Conservation |
| 13 | and Energy and Natural Resources, who shall be appointed by the governor with |
| 14 | consent of the Senate and who shall serve at the pleasure of the governor at a salary |
| 15 | fixed by the governor, which salary shall not exceed the amount approved for the |
| 16 | position by the legislature while in session. |
| 17 | (2) The undersecretary shall be directly responsible to and shall perform his |
| 18 | functions under the supervision and control of the secretary but for this Subsection, |
| 19 | and shall otherwise be vested with the authority provided in the Section. |
| 20 | B. The undersecretary shall direct and be responsible for the functions of the |
| 21 | office of management and finance administration and the Louisiana Natural |
| 22 | Resources Trust Authority within the Department of Conservation and Energy and |
| 23 | Natural Resources. In this capacity, the undersecretary shall be responsible for $\underline{\mathbf{the}}$ |
| 24 | following: |
| 25 | (1) All departmental accounting and budget budgetary oversight, |
| 26 | including systems of internal control; and financial compliance. |
| 27 | (2) procurement Procurement and contract management, |
| 28 | (3) Information technology and data processing, management. |
| 29 | (4) Management and program analysis, personnel. |

| (5) Personnel | management, | and | grants. |
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(6) Grants management for the department and all of its offices, including all agencies transferred to the Department of Conservation and Energy and Natural Resources, except as otherwise specifically provided in this Title. The undersecretary shall employ, appoint, remove, assign, and promote personnel as is necessary for the efficient administration of the office of management and finance administration and the Louisiana Natural Resources Trust Authority and the performance of their powers, duties, functions, and responsibilities, in accordance with applicable civil service laws, rules, and regulations, and with policies and rules of the department, all subject to budgetary control and applicable laws. The undersecretary shall exercise all powers and authority granted to him in this Title subject to the overall direction and control of the secretary.

C.(1) The duties and functions of the office of management and finance administration and of the undersecretary shall be as provided in this Section, and these duties and functions shall not be subject to change by the secretary, except that the undersecretary shall perform such additional duties and functions as are assigned by the secretary. The undersecretary shall:

- (a) Ensure robust internal-control mechanisms to safeguard departmental assets and promote compliance with financial, administrative, and regulatory requirements. This responsibility shall include developing and enforcing written policies and procedures for the prevention and detection of fraud, waste, and abuse, as well as for proper budgeting, accounting, and reporting practices.
- (b) Coordinate and oversee auditing, both internal and external, to evaluate the department's fiscal integrity and operational compliance. This shall include the authority to:
- (i) Initiate or recommend financial, performance, and compliance audits of divisions, programs, or processes within the department.
 - (ii) Collaborate with the legislative auditor or any external auditor

| 1 | authorized by law, ensuring prompt access to records and cooperation by |
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| 2 | departmental staff. |
| 3 | (iii) Review and respond to audit findings, develop corrective-action |
| 4 | plans, and monitor their implementation to resolve deficiencies. |
| 5 | (c) Regularly report to the secretary on the department's financial status, |
| 6 | the results of any internal or external audits, and identified risks or potential |
| 7 | areas of concern. In connection therewith, the undersecretary shall recommend |
| 8 | policies, practices, or remedial actions necessary to enhance accountability and |
| 9 | protect the department's resources. |
| 10 | (d) Have the authority to investigate personnel matters within the |
| 11 | department, including allegations of misconduct, inefficiency, or violations of |
| 12 | department policies, and to recommend to the secretary appropriate |
| 13 | disciplinary action, consistent with civil service laws, rules, and regulations. |
| 14 | (e) Have the authority to utilize the services of contracted third-party |
| 15 | firms to assist in the administration and management of this Section. |
| 16 | (2) With express permission from the commissioner of administration, |
| 17 | this Subsection may be exempt from R.S. 39:1551 et seq. |
| 18 | §356.1. Louisiana Natural Resources Trust Authority; establishment; powers |
| 19 | * * * |
| 20 | B. The authority's powers shall also include the following: |
| 21 | * * * |
| 22 | (6) Bonding, financing, or otherwise acting as a State Energy Financing |
| 23 | Institution pursuant to federal law, to fund or assist in funding a plant or |
| 24 | facility demonstrating technological advances of new methods and procedures |
| 25 | and prototype application for the exploration, development, production, |
| 26 | transportation, conversion, and use of energy resources, or other programs |
| 27 | which may become available under the Loan Programs Office of the U.S. |
| 28 | Department of Energy, or any successor office or agency. |
| | |

D. The authority may invest funds under its control in accordance with the provisions of R.S. 33:2955.

§357. Assistant secretaries Leadership

A. Each office within the Department Energy and Natural Resources, except the office of management and finance, shall be under the immediate supervision and direction of an assistant secretary. The assistant secretary of each office shall be appointed by the governor with the consent of the Senate and shall serve at the pleasure of the governor. Each assistant secretary shall be paid a salary which shall be fixed by the governor, which salary shall not exceed the salary approved for the position by the legislature while in session. The commissioner of conservation shall serve as the assistant secretary for the office of conservation and shall be selected in accordance with law.

B. The duties and functions of each office and its assistant secretary shall be determined by the secretary, and all of such duties and functions shall be exercised under the direct supervision and control of the secretary.

C. Each assistant of Conservation and Energy, except the executive office of the secretary and the office of administration, which shall be under the supervision of the undersecretary, shall be under the immediate supervision and direction of a director who shall be appointed by the secretary and shall be an unclassified employee. The secretary may issue a directive clearly identifying each director and specifically delegating the authority of such director.

<u>any funding sources authorizing administrative costs</u> such personnel as is necessary for the efficient administration of his office and its programs and the performance of its powers, duties, functions, and responsibilities, in accordance with applicable civil service laws, rules, and regulations, and with policies and rules of the department, all subject to budgetary control and applicable laws.

D. Each assistant secretary shall exercise all powers and authority granted to him in this Title subject to the overall direction and control of the secretary this

| 1 | Part. In addition to any other powers, duties, functions, and responsibilities |
|----|--|
| 2 | defined by the secretary. |
| 3 | §358. Offices; purposes and functions |
| 4 | A. The purposes for which the offices of the Department of Conservation |
| 5 | <u>and</u> Energy and Natural Resources are created shall be as set forth in this Section. |
| 6 | B. The office of coastal management shall perform the functions of the state |
| 7 | relative to the coastal zone management program secretary shall be responsible for |
| 8 | assisting the secretary in the exercise of the functions and duties established in |
| 9 | law of the secretary. Among the divisions included within the executive office |
| 10 | of the secretary shall be the office of natural resources commission to be headed |
| 11 | by the deputy secretary and the office of legal services to be headed by an |
| 12 | attorney designated by the secretary. |
| 13 | (1) The office of the natural resources commission may provide any |
| 14 | necessary direct support to the natural resources commission. In addition, the |
| 15 | office of the natural resources commission shall provide intergovernmental |
| 16 | affairs and communications support to the commission and the department. |
| 17 | (2) The office of legal services shall provide general legal support for the |
| 18 | department and its offices, including specialized support for state lands, |
| 19 | minerals, and water resources, and shall oversee and administer the Saltwater |
| 20 | and Oil Assessment Process as set forth in law. |
| 21 | C. The office of conservation, in accordance with law, shall exercise the |
| 22 | functions of the state with respect to the regulation, conservation, permitting, |
| 23 | compliance, and use of the natural resources of the state which are not specifically |
| 24 | within the jurisdiction of other state departments or agencies. Its functions shall |
| 25 | include but not be limited to the conservation of the oil and gas resources of the state |
| 26 | and matters pertaining thereto; the promotion and encouragement of exploration, |
| 27 | production, and refining efforts for oil, intrastate gas, and other hydrocarbons; the |
| 28 | control and allocation of energy supplies and distribution; the lease or construction |

and operation of intrastate pipeline systems; the implementation and enforcement of

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any emergency gas shortage allocation plan and the setting of priorities; the regulation of the minimum sale price of intrastate natural gas; and the management of ground water resources, all in accordance with applicable laws. administration shall be responsible for accounting and budget control, procurement and contract management, data processing, management and program analysis, information technology and geographic information systems, strategic planning, and personnel management for the department and all of its offices, including the Natural Resources Trust Authority.

D.(1) The office of permitting and compliance shall perform all permitting and compliance functions within the jurisdiction of the department consistent with law, including Act No. 548 of the 2006 Regular Session of the Legislature.

E. The office of mineral resources shall perform:

- (1) Perform the functions of the state relating to the lease of or other contracts for the use of lands and water bottoms of the state for the development and production of minerals, oil, and gas, storage, and other energy related activities and supervision of such mineral leases and other agreements, in accordance with the law, including but not restricted to the exercise of the option of the state to receive in kind the portion due to the state as royalty of any minerals produced and severed from leased premises, and shall receive, administer, and control royalties and other storage and energy related payments due in kind to the state in accordance with state law.
- (2) Work in cooperation with the Center for Energy Studies to maintain current surface and subsurface geological surveys of the state, or otherwise at the discretion of the assistant secretary of the office of mineral resources or his designee; conduct geological mapping; prepare geological hazards assessments and resource inventories; and conduct process investigations and related studies.
- (3) Provide for the administration of state water bottom management, the issuance of energy-related rights of way on state water bottoms and state

| 1 | lands, and energy-related leasing of state water bottoms and state lands as |
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| 2 | further set forth in law, including agreements related to the subsurface and |
| 3 | above-ground storage of minerals, gasses, and products on state water bottoms |
| 4 | or lands and receipt, administration, and control of payments due to the state |
| 5 | under these agreements in accordance with state law. |
| 6 | (4) Provide for the administration of groundwater, surface water, and |
| 7 | other water resources for quantity purposes, unless otherwise designated by the |
| 8 | secretary following adequate review set forth by rule. |
| 9 | $\underline{E}.\underline{F}.$ The office of enforcement shall be responsible for the inspection of the |
| 10 | regulated community and the enforcement of laws and regulations within the |
| 11 | jurisdiction of the department consistent with Act No. 548 of the 2006 Regular |
| 12 | Session of the Legislature. |
| 13 | F.G. The office of energy shall organize, plan, supervise, direct, administer, |
| 14 | execute, and be responsible for the functions and programs relating to the |
| 15 | deployment and operation of alternative energy infrastructure in this state in a |
| 16 | manner that results in affordable and reliable energy. The office of energy shall also |
| 17 | work in cooperation with the Center for Energy Studies to create and carry out a |
| 18 | central, comprehensive, and unified energy data and information program which will |
| 19 | collect, evaluate, assemble, analyze, and disseminate data and information which is |
| 20 | relevant to energy resource reserves, energy production, demand, and technology, |
| 21 | and related economic and statistical information, or which is relevant to the adequacy |
| 22 | of energy resources to meet demands in the near and longer term future of the state. |
| 23 | G. The office of land and water shall be responsible for the following: |
| 24 | (1) The administration of state water bottom management, the issuance of |
| 25 | energy-related rights of way on state water bottoms and state lands, and energy- |
| 26 | related leasing of state water bottoms and state lands as further set forth in law. |
| 27 | (2) The administration of groundwater, surface water, and other water |
| 28 | resources for quantity purposes, unless otherwise designated by the secretary |
| 29 | following adequate review set forth by rule. |

Section 3. R.S. 38:3098(A), (B), and (E), and 3098.1(4) are hereby amended and reenacted and R.S. 38:3098(G) are enacted to read as follows:

§3098. Licensing of water well and other drillers

A. Every person, firm, or corporation engaged or desiring to engage in the business of drilling water wells for underground water, drilling monitoring wells, geotechnical bore holes, heat pump wells, cathodic protection holes, and/or seismic shot holes, as well as reworking water wells, or plugging and abandoning wells or bore holes, excluding oil and gas wells, in the state of Louisiana shall file an application with the office Louisiana State Licensing Board for Contractors for a drilling license, using forms prepared by the office board, setting out qualifications therefor and such other information including any examination, oral or written, as may be required by the office board. The fees for such license and renewal shall be as follows:

* * *

B. All licenses shall expire on June thirtieth of each year, and shall not be transferable, and shall be renewable annually, upon completion of six hours of continuing education as approved by the <u>office board</u> and upon payment of the required fee.

19 * * *

E. A license may be renewed and shall be renewable without examination for the ensuing year by making an application not later than the expiration date and paying the applicable fee. Such application shall have the effect of extending the validity of the current license until the new license is received or the applicant is notified by the department board that the license has been refused. On application made after June thirtieth of each year, the license will be renewed only upon payment of the applicable fee, plus a penalty of five dollars for each month the application is delinquent. Delinquency in excess of one year may, in the discretion of the advisory committee, be deemed as a waiver of the driller's right for renewal; and if he should apply thereafter, the department board may require that he be

| 1 | considered as a new applicant, including the requirement for examination. |
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| 2 | * * * |
| 3 | G. Except in the case of revocation, any license previously issued by the |
| 4 | Department of Conservation and Energy, or any successor agency, shall remain |
| 5 | valid until expiration. |
| 6 | §3098.1. Qualifications for license |
| 7 | In order to be licensed as a drilling contractor, as provided in R.S. 38:3098, |
| 8 | in the state of Louisiana, the applicant must possess the following qualifications: |
| 9 | * * * |
| 10 | (4) Demonstrate to the satisfaction of the office Louisiana State Licensing |
| 11 | Board for Contractors a reasonable knowledge of this Chapter and the rules and |
| 12 | regulations adopted by the office board and the Department of Conservation and |
| 13 | Energy under the provisions of this Chapter. |
| 14 | Section 4. R.S. 39:1367(E)(2)(b)(xi) is hereby enacted to read as follows: |
| 15 | §1367. State debt; limitations |
| 16 | * * * |
| 17 | E. As used in this Section, the following terms shall have the following |
| 18 | meanings ascribed to them unless the context clearly indicates otherwise: |
| 19 | * * * |
| 20 | (2)(a) |
| 21 | * * * |
| 22 | (b) "Net state tax supported debt" shall not mean: |
| 23 | * * * |
| 24 | (xi) Any bond, note, or other evidence of indebtedness issued pursuant |
| 25 | to R.S. 30:83.1 et seq. or any bonds issued to refund such bonds, notes, or |
| 26 | evidence of indebtedness. |
| 27 | Section 5. R.S. 45:251(3) and 252 are hereby amended and reenacted and R.S. |
| 28 | 45:351(4) is hereby enacted to read as follows: |
| 29 | §251. Common carrier, petroleum, pipe line defined |

| 1 | As used in this Chapter, the following terms have the meaning ascribed to |
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| 2 | them in this Section, unless the context clearly indicates otherwise: |
| 3 | * * * |
| 4 | (3) "Pipe line" includes: |
| 5 | (a) the The real estate, rights of way, pipe in line, telephone and telegraph |
| 6 | lines or other communication systems, and tank facilities as herein designated, and |
| 7 | necessary or integral to the pipe line transportation function and necessary for |
| 8 | the proper conduct of its business as a the subject common carrier's business as a |
| 9 | common carrier. |
| 10 | (b) all All fixtures, equipment and personal property of every kind owned, |
| 11 | controlled, operated, used or managed, in connection with, or to facilitate the |
| 12 | transportation, distribution and delivery of petroleum through lines constructed of |
| 13 | pipe. |
| 14 | (4) "Secretarial review" means a review by the secretary of the |
| 15 | Department of Conservation and Energy pursuant to R.S. 45:252. The secretary |
| 16 | shall simultaneously consider all of the following: |
| 17 | (a) Connectivity. |
| 18 | (b) Necessity. |
| 19 | (c) Physical placement. |
| 20 | (d) Past and present ownership, including changes in corporate |
| 21 | structure. |
| 22 | (e) Regulatory history, including prior determinations or orders by any |
| 23 | relevant agency. |
| 24 | (f) Operational characteristics, including but not limited to product type |
| 25 | or alternative routes. |
| 26 | (g) Whether the property is truly necessary or integral to the pipeline |
| 27 | transportation function and necessary for the proper conduct of the business. |
| 28 | (h) Any indication that the property or its owner does not meet the |
| 29 | statutory definition of a common carrier. |

§252. Pipe lines declared common carriers; control by public service commission

All pipe lines through which petroleum is conveyed from one point in this state to another point in the state are declared to be common carriers as defined in R.S. 45:251 and are placed under the control of and subject to regulation by the Louisiana Public Service Commission.

(1) A pipe line whose classification as a common carrier is in dispute, including but not limited to tank facilities with smaller pipes, metering equipment, storage tanks, and truck unloading facilities, shall be excluded, unless the Department of Conservation and Energy, following party demand for secretarial review, provides written consent to include the pipe line. No facility shall be deemed part of the "pipe line" absent such written consent when there is a bona fide dispute concerning its status under this Subchapter.

(2) The classification of a facility does not need to be in dispute for the commission to request a secretarial review.

Section 6. R.S. 56:432.1(C)(2), 700.13(B), and 700.14(B) are hereby amended and reenacted to read as follows:

§432.1. Oyster Lease Acquisition and Compensation Program

19 * * *

C. A leaseholder whose lease is acquired in whole or in part may seek an administrative hearing through the Coastal Protection and Restoration Authority as to whether the acquisition due to the impact of dredging, direct placement of dredged or other materials, or other work or activities necessary for the construction or maintenance of a project for integrated coastal protection is proper or whether the compensation issued by the Coastal Protection and Restoration Authority satisfies the rules or regulations of that department. A leaseholder whose lease is not acquired but which was impacted by dredging, direct placement of dredged or other materials, or other work or activities necessary for the construction or maintenance of a project for integrated coastal protection has occurred, may also seek an administrative

| 1 | hearing through the Coastal Protection and Restoration Authority to determine if |
|----|--|
| 2 | acquisition of the acreage would be proper. Adjudication under this Section shall be |
| 3 | conducted in accordance with the following: |
| 4 | * * * |
| 5 | (2) Adjudication under this Section shall be conducted in accordance with |
| 6 | Chapter 13-B of Title 49 of the Louisiana Revised Statutes of 1950 and pursuant to |
| 7 | the rules and regulations promulgated by the Department of Conservation and |
| 8 | Energy and Natural Resources after consideration of recommendations by the |
| 9 | Louisiana Oyster Task Force. The administrative law judge shall consider any |
| 10 | reasonably confirmable data or information provided to that department by the |
| 11 | leaseholder or any other person on or before the date of the administrative review. |
| 12 | * * * |
| 13 | §700.13. Establishment of the board |
| 14 | * * * |
| 15 | B. The board shall include five members consisting of one member |
| 16 | nominated by the Louisiana Oyster Dealers and Growers Association, one member |
| 17 | nominated by the Louisiana Oyster Task Force, two members nominated jointly by |
| 18 | the Louisiana Independent Oil and Gas Association, Louisiana Mid-Continent Oil |
| 19 | and Gas Association and the Louisiana Landowners Association, and one member, |
| 20 | selected by the other four members of the board, who is a practicing administrative |
| 21 | law judge. A quorum of the board shall consist of at least three members. To |
| 22 | maintain concordance with the purposes of this Part as articulated in R.S. |
| 23 | 56:700.10, at least one member nominated by each of the two industries |
| 24 | referenced therein shall be necessary for a quorum. |
| 25 | * * * |
| 26 | §700.14. Rules and regulations |
| 27 | * * * |
| 28 | B. In the formulation of regulations pursuant to this Part, the secretary, in |
| 29 | conjunction with the board, shall establish a procedure whereby an oyster fisherman |

1 **leaseholder** may recover for actual damages to his oyster beds or grounds caused by 2 oil and gas activities. 3 Section 7. R.S. 17:200 through 220, R.S. 30:2458 and 2470 through 2474, and R.S. 4 38:3071 through 3084, 3087.131 through 3087.138, and 3097.4 are hereby repealed. 5 Section 8. The Louisiana Law Institute is hereby directed to replace all references to 6 "Department of Energy and Natural Resources" in state law with "Department of 7 8 Conservation and Energy". 9 Section 9. The Louisiana Law Institute is hereby directed to renumber the paragraphs 10 in R.S. 30:503.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST 2025 Regular Session

SB 193 Original

Hensgens

<u>Present law</u> establishes the Department of Conservation and Energy, managed by a commissioner, with jurisdiction over state natural resources.

<u>Proposed law</u> renames the department to the Department of Conservation and Energy and replaces the position of commissioner with a secretary, appointed by the governor, and establishes new offices within the department, including the offices of permitting and compliance, enforcement, and state resources.

<u>Proposed law</u> revises terminology, providing updates to definitions for terms, and it further clarifies regulatory oversight responsibilities, requiring detailed individual well production reporting.

<u>Proposed law</u> significantly enhances permitting requirements for commercial waste disposal wells, including mandatory public hearings and substantial public notices in official journals.

<u>Proposed law</u> outlines comprehensive guidelines regarding construction, maintenance, and abandonment of pipelines and associated structures on state water bottoms, with specific provisions to mitigate environmental hazards and obstructions to navigation.

<u>Proposed law</u> introduces detailed remediation procedures for environmental damage associated with oilfield operations, establishing a review panel for evaluating contamination disputes and remediation obligations. The process includes suspending prescription on claims and providing immunity for panel members from civil liability.

<u>Proposed law</u> expands financial security requirements for well permits, mandating operators to provide adequate bonding to ensure site restoration and plugging of abandoned wells.

<u>Proposed law</u> authorizes comprehensive water resource management, granting the department broad regulatory powers over the use, conservation, and protection of state water

resources.

<u>Proposed law</u> provides mechanisms for appeals related to remediation decisions, detailing processes involving the division of administrative law and specifying admissibility standards for review panel findings in court proceedings.

Effective August 1, 2025.

(Amends R.S. 30:1(A), (B), and (C), 3(3), (6), (7), (9), and (18), 4(C)(16)(b) and R.S. 30:4(D)(intro para) and (D)(1)(a), (b), (d), (e), (f), and (g), (2), (3)(a) and (b) and (5), and (T); adds R.S. 30:4(c)(21), 29(N), 30-30.4, 98.1-98.11, 124.1, 136.3 (B)(6), 209 (6), and 2454 (33); repeals R.S. 17:200-220, R.S. 30:2458 and 2470-2474, and R.S. 38:3071-3084, 3087.131-138, and 3097.4)