



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 205** HLS 25RS 369  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 15, 2025	6:47 PM	<b>Author:</b> MCCORMICK
<b>Dept./Agy.:</b> Energy and Natural Resources		
<b>Subject:</b> Saltwater disposal well injection pressure limits		<b>Analyst:</b> Mimi Blanchard

ENERGY/OIL & GAS

OR +\$111,002 SG EX See Note

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Provides for the operation of saltwater disposal wells in the parishes of Bienville, Bossier, Caddo, DeSoto, Red River, and Webster

Proposed law prohibits limiting the maximum surface injection pressure for saltwater disposal to an amount less than 0.5 lbs per vertical foot between the surface and the injection point in Bienville, Bossier, Caddo, DeSoto, Red River, and Webster Parishes. Proposed law allows operators with existing permits that limit maximum surface injection pressure to an amount less than 0.5 lbs per foot may submit modification requests to the Department of Energy and Natural Resources (DENR) to modify their permitted injection pressure.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$111,002	\$121,232	\$121,232	\$121,232	\$52,150	\$526,848
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$174,075	\$189,900	\$189,900	\$189,900	\$84,400	\$828,175
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$174,075	\$189,900	\$189,900	\$189,900	\$84,400	\$828,175

EXPENDITURE EXPLANATION

Proposed law will likely increase expenditures in the Office of Conservation (OOC) within the Department of Energy and Natural Resources (DENR) to perform permit modifications. Proposed law prohibits OOC/DENR from limiting the maximum surface injection pressure for saltwater disposal to less than 0.5 lbs per vertical ft in Bienville, Caddo, DeSoto, Red River, and Webster parishes. Operators in those six parishes with existing permitted saltwater disposal wells may request permit modifications.

Currently, there are 785 permitted saltwater disposal wells in the 6 affected parishes. If operators of all 785 permitted wells requested permit modifications, the maximum costs to OOC/DENR under this measure are reflected in this fiscal note. The department reports modifications would take 5 years to complete with existing staff as permit reviews require a hearing and are extensive because risks to underground drinking water must be considered. The OOC/DENR estimates it can review 15 permits and conduct 3 hearings per month, with each permit taking existing staff 8 hours to review - a 3-hour evaluation by a Petroleum Scientist, a 3-hour review by a Petroleum Scientist Supervisor, and a 2-hour review by a Petroleum Scientist Manager. Each permit review requires a hearing in the parish where the permit is located. Costs associated with conducting each hearing in northern Louisiana include at least two travel days for two OOC staff members (Attorney Supervisor and Petroleum Scientist Manager) and court reporter costs as well as venue rental at \$1,000 per hearing. The review and hearing process for all permits is anticipated to be completed by December 2029.

The 5-year estimated cost to conduct hearings for permit modification on all 785 existing permitted saltwater disposal wells is \$526,848. In addition, OCC/DENR reports increased workload costs for existing staff to conduct the permit reviews required in the proposed law of approximately \$162,153 annually, a total of \$810,764 over the 5 years. This fiscal note does not reflect the increased workload performed by existing staff as DENR did not request additional positions. DENR believes the agency will require SGF for the difference, but LFO anticipates the difference will be available in the Oil and Gas Regulatory Fund Account balance and not require an SGF appropriation.

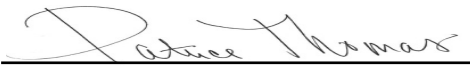
Hearing Costs:	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Staff Travel (Overnight)	\$32,462	\$35,552	\$35,552	\$35,552	\$14,070
Court Reporter	\$45,540	\$49,680	\$49,680	\$49,680	\$22,080
Venue	\$33,000	\$36,000	\$36,000	\$36,000	\$16,000
Total	\$111,002	\$121,232	\$121,232	\$121,232	\$52,150
# of Hearings (5 reviews per hearing)	33	36	36	36	16

**Note: The bill does not appear to require the shut-in of existing wells while undergoing a permit review.**

REVENUE EXPLANATION

Each well requiring a permit review will presumably incur a fee of \$755 fee for administrative costs related to the hearing process, as well as a \$300 fee for the permit review request, as provided by current law. DENR reports an expected revenue increase of \$828,175 for the Oil & Gas Regulatory Fund from FY 26 through FY 30 from fees associated with the 785 existing saltwater disposal well permits. The bill does not appear to require the shut-in of existing wells while undergoing a permit review.

Senate	Dual Referral Rules	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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