HLS 14RS-3140 ORIGINAL

Regular Session, 2014

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HOUSE CONCURRENT RESOLUTION NO. 102

BY REPRESENTATIVE JOHNSON

MINERALS: Urges and requests the commissioner of conservation to review the rules and regulations governing plugging and abandonment of wells

A CONCURRENT RESOLUTION

| 2 | To urge and request the office of conservation, Department of Natural Resources, to study |
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| 3 | and review the statutes and the department's rules, regulations, and orders providing |
| 4 | for the plugging and abandonment of wells. |
| 5 | WHEREAS, orphan wells are abandoned oil and gas wells for which no viable |
| 6 | responsible party can be located, or the responsible party has failed to maintain the wellsite |
| 7 | in accordance with rules and regulations and it is for such wells the Department of Natural |
| 8 | Resources created the Louisiana Oilfield Site Restoration Program to address unrestored |
| 9 | orphaned oilfield sites; and |
| 10 | WHEREAS, while the vast majority of the original three thousand wells placed on |
| 11 | the orphan well list have been addressed since 1993, the department currently lists just under |
| 12 | an additional three thousand sites as orphan wells; and |
| 13 | WHEREAS, R.S. 30:4 authorizes the commissioner of conservation to " require |
| 14 | the plugging of each dry and abandoned well and the closure of associated pits, the removal |
| 15 | of equipment, structures, and trash, and to otherwise require a general site cleanup " along |
| 16 | with the authority to require a reasonable bond for the performance of such requirements; |
| 17 | and |
| 18 | WHEREAS, reducing the number of wells placed on the orphan well list is desirable |
| 19 | and a benefit to the department, the regulated community, the citizens, and the environment; |
| 20 | and |

1 WHEREAS, increasing the number of wells properly plugged and abandoned while 2 a responsible party for the site still exists or has the means to maintain the site may be 3 accomplished through changes in the regulatory structure; and 4 WHEREAS, areas of the regulatory structure that are appropriate for review include the circumstances for exemptions from financial security requirements and for allowing 5 6 wells to remain unplugged on the basis of the future utility of the well. 7 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 8 urge and request the office of conservation, Department of Natural Resources, to study and 9 review the statutes and department's rules, regulations, and orders providing for the plugging 10 and abandonment of wells in an effort to identify improvements and efficiencies in the 11 regulatory structure, particularly exemptions from financial security requirements and 12 determining the status of future utility wells, to ensure the proper closure of wellsites and 13 ultimately reduce the number of orphan wellsites. 14 BE IT FURTHER RESOLVED that the commissioner of conservation, on the basis 15 of the study and review, is hereby requested to initiate rule making or issue any orders 16 necessary to implement such improvements or efficiencies pursuant to current statutory 17 authority and to make recommendations for any necessary statutory changes to the House 18 Committee on Natural Resources and Environment and to the Senate Committee on Natural 19 Resource on or before March 1, 2015. 20 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted 21 the commissioner of conservation.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

Johnson HCR No. 102

Urges and requests the office of conservation, Department of Natural Resources, to study and review the statutes and the department's rules, regulations, and orders providing for the plugging and abandonment of wells.