The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Alan Miller.

DIGEST 2016 Regular Session

Cortez

<u>Present law</u> authorizes an owner drilling or intending to drill a unit well, a substitute unit well, an alternate unit well, or a cross-unit well on any drilling unit heretofore or hereafter created by the commissioner, may, by registered mail, return receipt requested, or other form of guaranteed delivery and notification method, not including electronic communication or mail, to notify all other owners in the unit prior to the actual spudding of any such well of the drilling or the intent to drill and give each owner an opportunity to elect to participate in the risk and expense of such well.

<u>Proposed law</u> eliminates the notification provision to all other owners in the unit prior to the actual spudding of the well.

<u>Proposed law</u> requires the payment of estimated drilling costs be deemed timely if received by the drilling owner within 60 days of the spudding of the well or the receipt by the notified owner of the notice provided for in <u>present law</u>, whichever is later.

<u>Present law</u> provides for a drilling unit being created around certain wells and for a drilling unit being revised. The owners will have 60 days from the order creating the new or revised unit to participate in the well.

Proposed law removes the 60-day provision.

SB 388 Engrossed

<u>Proposed law</u> provides that failure of the drilling owner to provide written notice as required by <u>present law</u> to an owner will not affect the validity of the written notice properly provided to any other owner in the unit.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:10(A)(2)(a)(i)(intro para), (b)(i), (c) and (d)(i); adds R.S. 30:10(A)(2)(i))

Summary of Amendments Adopted by Senate

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

- 1. Technical changes.
- 2. Adds provision regarding failure of the drilling owner to provide written notice as required by <u>present law</u> to an owner will not affect the validity of the written notice properly provided to any other owner in the unit.