

BY REPRESENTATIVES JIM MORRIS, ARMES, BILLIOT, BISHOP, TERRY BROWN,
CHANEY, COUSSAN, DEVILLIER, FOIL, GISCLAIR, GUINN, LYONS,
MIGUEZ, MONTOUCET, WHITE, AND ZERINGUE

To enact R.S. 30:4.3, relative to financial security required by the commissioner of conservation; to provide for financial security required to conduct certain oil and gas activity; to authorize the commissioner of conservation to promulgate rules and regulations; to provide for required amounts; to provide for exemptions; to provide for an effective date; and to provide for related matters.

Section 1. R.S. 30:4.3 is hereby enacted to read as follows:

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. For an application for a permit to drill, the security shall be provided within thirty days of the completion of the permit 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) Except as provided in Paragraph (2) of this Subsection, the amount of the financial security shall be provided for in rules and regulations promulgated by the commissioner in accordance with the Administrative Procedure Act. The amounts may be on an individual-well or multiple-well basis and may be categorized based on the well's location.

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

6 C. Financial security shall not be required for the following wells:

7 (1) Any well declared to be orphaned by the commissioner and subsequently
8 transferred to another operator.

9 (2) Any well to be drilled by an operator who has an agreement with the
10 office of conservation to plug a well that has been declared to be orphaned by the
11 commissioner and that orphaned well is similar to the proposed well in terms of
12 depth and location.

13 Section 2. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____