

2018 Regular Session

SENATE BILL NO. 377

BY SENATOR ALLAIN

MINERALS. Establishes procedures for review of future utility of well sites that have been inactive for more than ten years. (8/1/18)

1 AN ACT

2 To enact R.S. 30:9.3, relative to the office of conservation; to establish procedures for
3 review of future utility of well sites that have been inactive for more than ten years;
4 to provide for procedures, terms, conditions, and requirements; to provide an
5 exception to time requirements; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:9.3 is hereby enacted to read as follows:

8 **§9.3. Plugging of inactive wells**

9 **A. For the purposes of this Section, the following terms shall have the**
10 **following meanings:**

11 **(1) "Office" means the office of conservation.**

12 **(2) "Operator" means the current operator of record for the inactive**
13 **well according to the office records.**

14 **(3) "Owner" means the owner, as listed on the parish tax roll, of the land**
15 **encompassing the surface location of the inactive well, or the owner's lessee.**

16 **B.(1) If an inactive well has been designated as being inactive with future**
17 **utility by the operator for a period of ten years or more and that well is neither**

1 scheduled to be plugged and abandoned on a plan approved by the
2 commissioner nor covered under a site specific trust account in accordance with
3 R.S. 30:88 or 88.1, then the owner may request in writing that the office
4 determine whether the inactive well has future utility.

5 (2) Within thirty days of receipt of such a request, the commissioner
6 shall notify the operator of the request.

7 (3) The operator shall submit to the office a written justification
8 including any evidence he deems necessary to prove that the well has future
9 utility within ninety days of receipt of the notice from the office.

10 (4) The office shall review the operator's written justification and
11 determine whether the inactive well has future utility.

12 (5) The operator shall submit a plan to the office to plug the well within
13 ninety days after a final determination by the office that the well has no future
14 utility.

15 (6) The commissioner may approve the plan of plugging and
16 abandonment submitted by the operator that shall include any revisions the
17 commissioner deems necessary.

18 (7) The operator shall plug the well in accordance with and within the
19 time frame set forth in the plan of plugging and abandonment approved by the
20 commissioner.

21 (8) The operator or the owner may appeal the office's determination in
22 accordance with R.S. 30:12.

23 C. If, in the determination of the commissioner, the office is unable to
24 carry out any of the responsibilities set forth in this Section within ninety days
25 of a request or submission due to lack of sufficient personnel or funding, then
26 the commissioner may delay such responsibilities. In such event the
27 commissioner shall notify the operator and owner of such a determination and
28 provide an estimate of when the office plans to carry out such responsibility.

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

DIGEST

SB 377 Original 2018 Regular Session Allain

Proposed law provides definitions.

Proposed law provides that if an inactive well has been designated as being inactive with future utility by the operator for a period of 10 years or more and that well is neither scheduled to be plugged and abandoned on a plan approved by the commissioner nor covered under a site specific trust account in accordance with present law, then the owner may request in writing that the office of conservation determine whether the inactive well has future utility.

Proposed law provides the following procedure to determine whether the inactive well should be plugged:

- (1) Within 30 days of receipt of such a request, the commissioner notifies the operator of the request.
- (2) The operator submits to the office a written justification including any evidence he deems necessary to prove that the well has future utility within 90 days of receipt of the notice from the office.
- (3) The office reviews the operator's written justification and determines whether the inactive well in question has future utility.
- (4) The operator submits a plan to the office to plug the well within 90 days after a final determination by the office that the well has no future utility has been made.
- (5) The commissioner may approve the plan of plugging and abandonment submitted by the operator that shall include any revisions the commissioner deems necessary.
- (6) The operator plugs the well in accordance with and within the time frame set forth in the plan of plugging and abandonment approved by the commissioner.
- (7) The operator or the owner may appeal the office's determination in accordance with present law.

Proposed law provides that if the office is unable to carry out any of the responsibilities set proposed law within 90 days of a request or submission due to lack of sufficient personnel or funding, then the commissioner may delay such responsibilities and notify the operator and owner of such a delay and provide an estimate of when the office plans to carry out its responsibility.

Effective August 1, 2018.

(Adds R.S. 30:9.3)