

**SENATE SUMMARY OF HOUSE AMENDMENTS****SB 447****2020 Regular Session****Allain****KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

CONSERVATION. Provides relative to plugging of orphaned wells and certain agreements by the commissioner of conservation. (8/1/20)

**SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL**

1. Removes provision that in order to alleviate the financial burden on an operator seeking a cooperative endeavor agreement that the entity be a chartered La. trust company.
2. Adds provisions that the cooperative endeavor agreement allow full access to an organization's operations and financial records for the purpose of any audit conducted by the legislative auditor.
3. Remove the requirement for a cash bond, performance bond, or other surety in order to bid on a contract for site assessment or restoration.
4. Exempt from the requirement of licensing by the state licensing board for contractors a person bidding or performing on a project paid for by monies from the Oilfield Site Restoration Fund or the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
5. Make technical changes.

**DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE**

SB 447 Engrossed

2020 Regular Session

Allain

Present law requires the commissioner of conservation to make, after notice and public hearings, any rules, regulations, and orders that are necessary to require reasonable bond with security for the performance of the duty to plug each dry and abandoned well and the closure and to perform the site cleanup. Present law authorizes the rules, regulations, and orders to classify based on location of the well but require the following exceptions from the reasonable bond and security requirement:

- (1) Wells exempt prior to September 1, 2015, that remain with the operator of record as of that date.
- (2) Wells utilizing plugging credits.
- (3) Wells exempt that meet the following criteria:
  - (a) Any well declared to be orphaned by the commissioner and subsequently transferred to another operator.
  - (b) Any well to be drilled by an operator who has an agreement with the office of conservation to plug a well that has been declared to be orphaned by the commissioner and that orphaned well is similar to the proposed well in terms of depth and location.

Proposed law requires that if the commissioner seeks to enter into a cooperative endeavor agreement with an organization to assist with plugging orphaned wells and alleviating the burden on operators in meeting financial security requirements which include in the cooperative endeavor agreement a provision that allows full access to their operations and financial records for the purpose of any audit conducted by the legislative auditor.

Present law provides for the powers and duties of the Oilfield Site Restoration (OSR) Commission.

Proposed law retains present law and adds the requirement that the OSR commission approve any cooperative endeavor agreement between the commissioner and an organization seeking to assist with plugging orphaned wells in order to alleviate the burden on operators in meeting financial security requirements.

Present law requires a cash bond, performance bond, or other surety in order to bid on a contract for site assessment or restoration. Proposed law removes that requirement.

Present law requires contractors wishing to bid or work on oilfield site assessment or restoration be licensed by the state licensing board for contractors . Proposed law exempts from this requirement a person bidding or performing on a project paid for by monies from the Oilfield Site Restoration Fund or the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Effective August 1, 2020.

(Amends R.S. 30:92(C); Adds R.S. 30:4(T) and 83(F)(4) and R.S. 37:2157(A)(10))

---

Thomas L Tyler  
Deputy Chief of Staff