

RÉSUMÉ DIGEST

ACT 242 (SB 447)

2020 Regular Session

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Prior law required 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. Prior law authorized the rules, regulations, and orders to classify based on location of the well but required 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 new well in terms of depth and location.

New 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.

Prior law provided for the powers and duties of the Oilfield Site Restoration (OSR) Commission.

New law retains prior 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.

Prior law required a cash bond, performance bond, or other surety in order to bid on a contract for site assessment or restoration. New law removes that requirement.

Prior law required contractors wishing to bid or work on oilfield site assessment or restoration be licensed by the state licensing board for contractors. New 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))