

RÉSUMÉ DIGEST

ACT 645 (HB 966)

2024 Regular Session

Geymann

Existing law authorizes the commissioner of conservation to perform any act necessary to carry out the requirements of the federal Safe Drinking Water Act related to the state's participation in the underground injection control program and the sequestration of carbon dioxide, including the authority to promulgate administrative rules and issue permits and orders.

New law retains this authority and specifies that the commissioner is authorized to order unitization of a reservoir for geologic storage upon the application of a proposed storage facility operator after proper notice, public hearing, and a finding that the unit is for a public and necessary purpose. At least three-fourths of the owners in interest within the storage unit must have given written consent for geologic storage in order for an application to be considered. Further provides a method for calculating three-fourths owners in interest.

New law defines "carbon dioxide storage facility", "area of review", "owner in interest", and "storage unit".

New law requires the unitization order to provide for just and equitable compensation for all owners in interest and the storage operator. Further requires the order to provide for the method, formula, or other basis to determine the just and equitable share of the benefits.

New law provides factors the commissioner may consider in determining the method, formula, or other basis to be used to determine the just and equitable share.

New law prohibits a unitization order from varying, altering, or otherwise applying a standard of benefit to a contract between an interest owner and a storage operator.

New law requires judicial review of orders, rules, and regulations issued by the commissioner regarding unitization for carbon dioxide storage be conducted pursuant to the provisions and requirements of existing law governing review of the commissioner's decisions.

New law authorizes the operator of a proposed storage unit or any owner in interest who has not entered into a contract with the proposed storage unit operator to have the court review whether the purpose for the storage unit is public and necessary, whether the compensation is just, and, if not, the amount of just compensation due. The court's review in those instances is limited to the compensation affecting the specific owner in interest seeking review, a jury trial on the matter may be requested, and the proceeding must be conducted by preference and with the greatest possible dispatch.

New law authorizes the commissioner to revise a storage unit under certain circumstances, following notice and a public hearing.

New law requires that any order modifying a unit which provides for compensation must use the same method, formula, or other basis to determine the just and equitable share as was used in the rest of the unit.

New law authorizes the commissioner to issue orders and promulgate rules and regulations as necessary to implement unitization for carbon dioxide sequestration.

New law prohibits a Class VI injection wellhead within a unit to be located within 500 feet of any inhabited dwelling not owned by the operator or an owner in interest.

New law authorizes the use of eminent domain in the event that new law providing for unitization is found to be unconstitutional or otherwise invalid by a court of law.

Existing law requires the commissioner to review the location plat of any drilling permit and determine whether residential or commercial structures are situated within a 500 foot radius.

New law further requires the commissioner to determine whether the area of review for any carbon dioxide storage facility is within a 500 foot radius of the proposed drilling site.

New law requires applicants for Class V and Class VI well permits to provide notice of the application via U.S. mail to the following parties:

- (1) The last operator of record for any oil or gas well located within the area of review delineated in the application.
- (2) Any person known to the applicant after reasonable search, including owners and operators, acting on behalf of the person, that presently has the right to drill into and produce from a pool and to appropriate production either for himself or others within the area of review delineated in the application for a Class V well or within the predicted or modeled carbon dioxide plume for a Class VI well.

New law requires the notification of a Class V well permit application within 10 days of filing the application and requires the notification of a Class VI well permit application within 30 days of the application being deemed administratively complete.

Effective August 1, 2024.

(Amends R.S. 30:28(D)(2), (3), (4) and (7) and (E) and 1104(A)(1); Adds R.S. 30:1104.2 and 1113)