

## RÉSUMÉ DIGEST

**ACT 16 (HB 23)**

**2024 Third Extraordinary Session**

**Geymann**

Prior law authorized the assistant secretary for the office of conservation to administer the Oilfield Site Restoration Fund. (R.S. 30:81(B))

New law removes this authority and provides that the fund will be administered by the Dept. of Energy and Natural Resources instead. (R.S. 30:81(B))

Existing law provides definitions to be used throughout the Oilfield Site Restoration Law, and prior law included a definition for "commission". (R.S. 30:82)

New law removes the definition for "commission" and adds a definition for "trust authority". (R.S. 30:82)

Prior law established the Oilfield Site Restoration Commission and provided for the commission's powers and functions, including management and use of the Oilfield Site Restoration Fund, federal funds for site restoration and orphan wells, and site-specific trust accounts; oversight of restoration priorities, assessments, and approved contractors; pledging monies in the fund, the authorization of bonds, and the execution of security related instruments and agreements; disbursement of money from the fund for specified purposes; and annual reporting to the legislature. (R.S. 30:83, 83.1, 86, 88, 88.1, 88.2, 89, 90, 95)

New law repeals the Oilfield Site Restoration Commission. (R.S. 30:83, 83.1, 86, 88, 88.1, 88.2, 89, 90, 95)

Existing law establishes the Natural Resources Trust Authority within the office of the undersecretary and governed by the State Mineral and Energy Board. (R.S. 36:356.1)

New law transfers the powers and functions of the Oilfield Site Restoration Commission under prior law to the Natural Resources Trust Authority, acting under the direction of the State Mineral and Energy Board and the secretary of the dept., and replaces all instances of "commission" in the Oilfield Site Restoration Law with "trust authority". (R.S. 30:83, 83.1, 86, 88, 88.1, 88.2, 89, 90, 95)

Existing law establishes the powers of the secretary and assistant secretary of conservation regarding oilfield site restoration. (R.S. 30:84, 85)

New law retains existing law and only changes references to the "commission" to the "trust authority". (R.S. 30:84, 85)

Existing law establishes a special custodial trust fund within the Oilfield Site Restoration Fund for the deposit of thirty million dollars in federal funding for oilfield site restoration or plugging of orphan wells and authorizes the secretary to administer this fund. (R.S. 30:86(A)(2))

New law retains the special custodial trust, but gives authority over its administration to the Natural Resources Trust Authority, rather than the secretary. (R.S. 30:86(A)(2))

Prior law placed a cap on the Oilfield Site Restoration Fund at \$14 million. Prior law further provided for certification by the state treasurer when the fund reaches that amount and the suspension of oilfield site restoration fee collection and established which monies in the fund were counted towards this cap. (R.S. 30:86(C))

New law repeals prior law. (R.S. 30:86(C))

Existing law authorizes the secretary to direct that certain federal monies dedicated to oilfield site restoration or the plugging of orphan wells be placed in the dept.'s federal funds account instead of the Oilfield Site Restoration Fund. (R.S. 30:86(H))

New law authorizes the Natural Resources Trust Authority, in addition to the secretary, to direct such placement of federal funds. (R.S. 30:86(H))

Prior law provided that oilfield site restoration fees were to be based on the oil price on July 1st each year for the ensuing 12 months based upon the average New York Mercantile Exchange price per barrel of crude oil per month on the close of business on June thirtieth for the prior 12 months. (R.S. 30:87(F)(1)(a))

New law removes prior law. (R.S. 30:87(F)(1)(intro. para.))

Prior law imposed the following oilfield site restoration fees for full rate production:

- (1) On crude oil and condensate:
  - (a) 1.5 cents per barrel if the price of oil is at or below \$60 per barrel.
  - (b) 3 cents per barrel if the price of oil is over \$60 and at or below \$90 per barrel.
  - (c) 4.5 cents per barrel if the price of oil is above \$90 per barrel.
- (2) On natural gas and casing head gas: 3/10 of 1 cent per thousand cubic feet.  
(R.S. 30:87(B) and (F)(1))

New law increases these fees to the following:

- (1) On crude oil and condensate:
  - (a) 2 cents per barrel if the price of oil is at or below \$60 per barrel.
  - (b) 4 cents per barrel if the price of oil is over \$60 and at or below \$90 per barrel.
  - (c) 6 cents per barrel if the price of oil is above \$90 per barrel.
- (2) On natural gas and casing head gas:
  - (a) 3/10 of 1 cent per thousand cubic feet if the price of gas is at or below \$2.50.
  - (b) 4/10 of 1 cent per thousand cubic feet if the price of gas is \$2.51 to \$4.50.
  - (c) 5/10 of 1 cent per thousand cubic feet if the price of gas is \$4.51 or more.  
(R.S. 30:87(B) and (F)(1))

Existing law provides for orphan well lienholder claims for the value of salvaged equipment and prior law provided for claims against the commission, dept., office of conservation, and contractors for the value of salvaged equipment. (R.S. 30:91)

New law retains existing law, but substitutes the trust authority for the commission as one of the entities within the dept. that a claim can be made against. (R.S. 30:91)

Directs the La. State Law Institute to alphabetize and renumber the definitions contained in R.S. 30:82.

Effective July 1, 2025.

(Amends R.S. 30:81(B), 83(Section heading), (A), and (B), 83.1(A)(1) and (2), (B), and (C), 84(A)(7), 85(A)(4), 86(A)(2), (B), (E)(intro. para.), (1), (2), and (5)-(7), (G), and (H), 87(A), (B), and (F)(1), 88(B) and (C), 88.1(C) and (D), 88.2(C), 89(C)(3), 90(Section heading), (A)-(C), and (E)(intro. para.) and (5), 91(B)(2)(c), and 95; Adds R.S. 30:82(16); Repeals R.S. 30:82(3), 83(C)-(I), and 86(C))