

2015 Regular Session

HOUSE BILL NO. 784

BY REPRESENTATIVE DOVE

CONSERVATION/OFFICE: Provides for certain fees collected by the office of conservation

1 AN ACT

2 To amend and reenact R.S. 30:21(B)(1), 136.1(D), 560(B), and 706, relative to fees
3 collected by the commissioner of conservation; to provide for fees for activities
4 regulated by the office of conservation; to provide for application, compliance, and
5 pipeline fees; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:21(B)(1), 136.1(D), 560(B), and 706 are hereby amended and
8 reenacted to read as follows:

9 §21. Fees and charges of the commissioner of conservation; revisions; exceptions;
10 collections; Oil and Gas Regulatory Fund; creation; amounts; requirements

11 * * *

12 B.(1)(a) There shall be an annual fee payable to the office of conservation,
13 in a form and schedule prescribed by the office of conservation, by oil and gas
14 operators on capable oil wells and capable gas wells based on a tiered system to
15 establish parity on a dollar amount between the wells. The tiered system shall be
16 established annually by rule on capable oil and capable gas production, including
17 nonexempt wells reporting zero production during the annual base period, such that
18 the amount generated does not exceed ~~two~~ six million ~~four~~ one hundred ~~fifty~~ twenty-
19 five thousand dollars for each fiscal year beginning with Fiscal Year ~~2002-2003~~

1 2015-2016. Incapable oil, stripper oil, incapable gas well gas, and incapable oil well
2 gas shall be exempt from the fee. For the purposes of this Subsection, "capable oil"
3 means crude oil and condensate not classified as incapable oil or stripper oil by the
4 Department of Revenue. "Capable gas" means natural and casing head gas not
5 classified as incapable gas well gas or incapable oil well gas by the Department of
6 Revenue.

7 (b) There shall be an annual fee payable to the office of conservation, in a
8 form and schedule prescribed by the office of conservation, on Class I wells in an
9 amount not to exceed ~~four hundred thousand~~ one million dollars for Fiscal Year
10 ~~2000-2001~~ 2015-2016 and thereafter.

11 (c) There shall be an annual regulatory fee payable to the office of
12 conservation, in a form and schedule prescribed by the office of conservation, on
13 Class II wells, Class III wells, storage wells, Type A facilities, and Type B facilities
14 in an amount not to exceed ~~eight two million one hundred seventy-five eighty-seven~~
15 thousand five hundred dollars for Fiscal Year ~~2000-2001~~ 2015-2016 and thereafter.
16 No fee shall be imposed on a Class II well of an operator who is also an operator of
17 a stripper crude oil well or incapable gas well certified pursuant to R.S. 47:633 by
18 the severance tax division of the Department of Revenue and located in the same
19 field as such Class II well.

20 (d) There shall be an application fee payable to the office of conservation,
21 in a form and schedule prescribed by the office of conservation, by industries under
22 the jurisdiction of the office of conservation. ~~The commissioner may, in accordance~~
23 ~~with the Administrative Procedure Act, increase any application~~ In addition to any
24 other fee that is on the schedule on July 1, ~~2002~~ 2015, ~~to an amount not in excess of~~
25 ~~eight and one-half percent above the amount charged for the fee on July 1, 2002.~~ the
26 commissioner may collect the following fees:

- 27 (i) Application for alternate unit well, exception \$ 504
- 28 to 29-E, exception to 29-B, severance tax relief,
- 29 downhole combinations, well product

1	<u>reclassification, selective completion, pilot</u>	
2	<u>projects, waiver of production test, or critical</u>	
3	<u>date order</u>	
4	<u>(ii) Application for work permit - minerals</u>	<u>\$ 75</u>
5	<u>(iii) Application to amend permit to drill - minerals</u>	<u>\$ 50</u>
6	<u>(lease unit well, stripper, incapable, other)</u>	
7	<u>(iv) Operator registration</u>	<u>\$ 105</u>
8	<u>(v) Annual compliance review fee - class III</u>	<u>\$2,000</u>
9	<u>solution mining cavern</u>	
10	<u>(vi) Annual compliance review fee - class II</u>	<u>\$2,000</u>
11	<u>hydrocarbon storage and exploration and</u>	
12	<u>production waste cavern</u>	
13	<u>(vii) Class II carbon dioxide enhanced</u>	<u>\$5,000</u>
14	<u>recovery project</u>	
15	<u>(viii) Community saltwater disposal system initial</u>	<u>\$ 125</u>
16	<u>notification</u>	
17	<u>(ix) Application for work permit - injection or other</u>	<u>\$ 125</u>
18	<u>(x) Work permit to plug and abandon a well utilized</u>	<u>\$ 500</u>
19	<u>for naturally occurring radioactive waste disposal</u>	
20	<u>(xi) Requests to modify well permit</u>	<u>\$ 300</u>
21	<u>(xii) Class V permit waiver or exemption request</u>	<u>\$ 250</u>
22	<u>(xiii) Witnessed verification of mechanical</u>	<u>\$ 250</u>
23	<u>integrity tests</u>	
24	<u>(xiv) Transfer stations regulatory fee for exploration</u>	<u>\$2,500</u>
25	<u>and production waste</u>	
26	<u>(xv) Request to transport exploration and</u>	<u>\$ 150</u>
27	<u>production waste to commercial facilities</u>	
28	<u>or transfer stations</u>	

1	<u>(xvi) Authorization for after-hours disposal</u>	<u>\$ 150</u>
2	<u>of exploration and production waste</u>	
3	<u>(xvii) Exploration and production waste</u>	<u>\$ 300</u>
4	<u>determination</u>	
5	<u>(xviii) Commercial facility transfer station application</u>	<u>\$1,500</u>
6	<u>(xix) Commercial facility application exclusive</u>	<u>\$3,000</u>
7	<u>of an associated well</u>	
8	<u>(xx) Commercial facility annual closure plan and</u>	<u>\$ 300</u>
9	<u>cost estimate review</u>	
10	<u>(xxi) Commercial facility reuse material applications</u>	<u>\$ 300</u>
11	<u>(xxii) Reuse material applications not associated with</u>	<u>\$ 400</u>
12	<u>a commercial facility</u>	

13 * * *

14 §136.1. Proceeds from mineral royalties, leases, and bonuses; payment into the
15 Bond Security and Redemption Fund; payment into the Louisiana Investment
16 Fund for Enhancement (L.I.F.E.)

17 * * *

18 D. After deposit to the Bond Security and Redemption Fund as required
19 under the provisions of Article VII, Section 9(B) of the Constitution of Louisiana,
20 an additional fifteen dollars per acre shall be collected from the mineral lessees and
21 deposited into the Louisiana Wildlife and Fisheries Conservation Fund, and an
22 additional ~~five~~ fifteen dollars per acre shall be collected from the mineral lessees and
23 deposited into the Oil and Gas Regulatory Fund created by R.S. 30:21. The funds
24 deposited under the provisions of this Subsection shall be used to supplement funds
25 available to the recipient agencies and shall not be used to supplant other funds
26 available to those recipient agencies.

27 * * *

28 §560. Pipeline safety inspection fees

29 * * *

1 B. There is hereby imposed upon all distributors of jurisdictional gas which
 2 own and operate any jurisdictional gas distribution system which comes under the
 3 supervision of the assistant secretary pursuant to R.S. 30:551(B) an annual safety and
 4 odorization inspection fee not to exceed ~~twenty-two~~ thirty-nine dollars and ~~forty~~
 5 twenty cents per mile of pipeline used in a jurisdictional gas distribution system, or
 6 ~~four~~ eight hundred dollars per pipeline facility, whichever is greater. The
 7 commissioner shall annually review the fee amount and may revise it in accordance
 8 with the Administrative Procedure Act.

* * *

10 §706. Fees

11 In order to implement this Part, every person engaged in the transportation
 12 of hazardous liquids or who owns or operates intrastate pipeline facilities for the
 13 transportation of hazardous liquids shall be assessed an annual fee which shall not
 14 exceed ~~twenty-two~~ thirty-nine dollars and ~~forty~~ twenty cents for each mile or fraction
 15 thereof of pipeline operated or ~~four~~ eight hundred dollars per pipeline facility,
 16 whichever is greater. The commissioner shall annually review the fee amount and
 17 may revise it not to exceed ~~twenty-two~~ thirty-nine dollars and ~~forty~~ twenty cents per
 18 mile in accordance with the Administrative Procedure Act. All fees collected by the
 19 commissioner shall be reasonably related to the services provided and shall be used
 20 by the office of conservation solely for the purposes of that program.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 784 Original

2015 Regular Session

Dove

Abstract: Increases existing fees and fee caps and creates new fees collected by the office of conservation.

Present law authorizes the office of conservation in the Dept. of Natural Resources to collect annual fees from operators of capable oil and gas wells based on a tiered system and on injection wells and facilities.

Proposed law increases the caps on these annual fees beginning Fiscal Year 2015-2016 as follows:

	<u>Present Fee</u>	<u>Proposed Fee</u>
Capable oil and gas wells	\$2,450,000	\$6,125,000
Class I wells	\$ 400,000	\$1,000,000
Class II, III, and storage wells and type A and B facilities	\$ 875,000	\$2,187,500

Present law requires from the revenue collected from mineral leases on state-owned land, \$15 per acre be deposited into the La. Wildlife Conservation Fund and \$5 into the Oil and Gas Regulatory Fund.

Proposed law changes present law by increasing the amount deposited into the Oil and Gas Regulatory Fund from \$5 to \$15.

Present law levies fees for safety inspections on transporters of gas by pipeline and a fee on transporters of hazardous liquids by pipeline in an amount not to exceed \$22.40 per mile or \$400 per pipeline facility, whichever is greater.

Proposed law increases the fee on both types of pipelines from the greater of \$22.40 per mile or \$400 per pipeline facility to the greater of \$39.20 or \$800 per pipeline facility.

Present law authorizes the office of conservation to collect application fees in a form and schedule prescribed by the office and authorizes the increase of those fees, through the Administrative Procedure Act, not to exceed 8½% of the fees charged on July 1, 2002.

Proposed law changes present law by authorizing, in addition to the fees charges on July 1, 2015, collecting the following fees:

Application for alternate unit well, exception to 29-E, exception to 29-B, severance tax relief, downhole combinations, well product reclassification, selective completion, pilot projects, waiver of production test, or critical date order	\$ 504
Application for work permit - minerals	\$ 75
Application to amend permit to drill - minerals (lease unit well, stripper, incapable, other)	\$ 50
Operator registration	\$ 105
Annual compliance review fee - class III solution mining cavern	\$ 2,000
Annual compliance review fee - class II hydrocarbon storage and exploration and production waste cavern	\$ 2,000
Class III carbon dioxide enhanced recovery project	\$ 5,000
Community saltwater disposal system initial notification	\$ 125
Application for work permit - injection or other	\$ 125
Work permit to plug & abandon a well utilized for naturally occurring radioactive waste disposal	\$ 500
Requests to modify well permit	\$ 300
Class V permit waiver or exemption request	\$ 250
Witnessed verification of mechanical integrity tests	\$ 250

Transfer stations regulatory fee for exploration and production waste	\$ 2,500
Request to transport exploration and production waste to commercial facilities or transfer stations	\$ 150
Authorization for after-hours disposal of exploration and production waste	\$ 150
Exploration and production waste determination	\$ 300
Commercial facility transfer station application	\$ 1,500
Commercial facility application exclusive of an associated well	\$ 3,000
Commercial facility annual closure plan and cost estimate review	\$ 300
Commercial facility reuse material applications	\$ 300
Reuse material applications not associated with a commercial facility	\$ 400

(Amends R.S. 30:21(B)(1), 136.1(D), 560(B), and 706)