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**SENATE COMMITTEE AMENDMENTS**

2015 Regular Session

Amendments proposed by Senate Committee on Natural Resources to Original Senate Bill No. 41 by Senator Allain

AMENDMENT NO. 1

On page 1, delete line 2, and insert "To amend and reenact R.S. 30:88(A), (B), (C), (E), (F), (G), and (H), 91(B)(1), 93(A)(1), and the introductory paragraph of (A)(3), and to enact R.S. 30:91(B)(5), relative"

AMENDMENT NO. 2

On page 1, line 3, after "Law;" insert "to provide relative to oilfield site trust accounts; to require a site-specific trust account for certain oilfield sites; to provide relative to orphaned oilfield sites; to provide for the procedure prior to declaring a site orphaned; to provide certain penalties;"

AMENDMENT NO. 3

On page 1, line 4, after "effects;" insert "to provide certain terms, conditions, requirements, and procedures;"

AMENDMENT NO. 4

On page 1, delete line 7, and insert "Section 1. R.S. 30:88(A), (B), (C), (E), (F), (G), and (H), 91(B)(1), 93(A)(1), and the introductory paragraph of (A)(3) are hereby"

AMENDMENT NO. 5

On page 1, line 8, after "reenacted" insert "and R.S. 30:91(B)(5) is hereby enacted"

AMENDMENT NO. 6

On page 1, between lines 8 and 9, insert:

"§88. Oilfield site trust accounts

A.**(1)** If an oilfield site is transferred from one party to another, a site-specific trust account may be established to separately account for each such site for the purpose of providing a source of funds for site restoration of that oilfield site at such time in the future when restoration of that oilfield site is required.

**(2) If an oilfield site is transferred from the operator of record to another operator, a site-specific trust account shall be established to separately account for each such site for the purpose of providing a source of funds for site restoration of that oilfield site at such time in the future when restoration of that oilfield site is required.**

**(3)** For purposes of this Part, a transfer shall be deemed to have been made once there is a change in ownership of any kind at an oilfield site. Once established, the site-specific trust account shall survive until completion of site restoration of the associated oilfield site.

B. In the event the parties **or operators of record** to a transfer ~~elect to~~ establish a site-specific trust account under this Section, the assistant secretary shall require an oilfield site restoration assessment to be made to determine the site restoration requirements existing at the time of the transfer, or at the time the site-specific trust account is established. The oilfield site restoration assessment shall be conducted by approved site assessment contractors appearing on a list approved by the commission or acceptable to the commission. The oilfield site restoration assessment shall specifically detail site restoration needs and shall provide an estimate of the site restoration costs needed to restore the oilfield site based on the

1 conditions existing at the time of transfer, or at the time the site-specific trust account  
 2 is established.

3 C. The party ~~or parties~~ **or operator of record** to the transfer shall, based  
 4 upon the site restoration assessment, propose a funding schedule which will provide  
 5 for the site-specific trust account. The funding schedule shall consider the uniqueness  
 6 of each transfer, acquiring party **or acquiring operator**, and oilfield site. Funding  
 7 of the site-specific trust account shall include some contribution to the account at the  
 8 time of transfer and at least quarterly payments to the account. Cash or bonds in a  
 9 form and of a type acceptable to the assistant secretary, or any combination thereof,  
 10 may also be considered for funding. The assistant secretary shall monitor each trust  
 11 account to assure that it is being properly funded. The funds in each trust account  
 12 shall remain the property of the commission.

13 \* \* \*

14 E. When transfers of oilfield sites occur subsequent to the formation of site-  
 15 specific trust accounts but prior to the end of their economic life, the assistant  
 16 secretary and the acquiring party **or acquiring operator** shall, in the manner  
 17 provided for in this Section, again redetermine cost and agree upon a funding  
 18 schedule. The balance of any site-specific trust account at the time of subsequent  
 19 transfer shall remain with the oilfield site and shall be a factor in the redetermination.

20 F. Once the assistant secretary has approved the site-specific trust account,  
 21 and the account is fully funded, the party **or operator of record** transferring the  
 22 oilfield site and all prior owners, operators, and working interest owners shall not  
 23 thereafter be held liable by the state for any site restoration costs or actions  
 24 associated with the transferred oilfield site. The party acquiring **or the operator**  
 25 **acquiring** the oilfield site shall thereafter be the responsible party for the purposes  
 26 of this Part.

27 G. The failure of a transferring party **or the transferring operator of record**  
 28 to make a good faith disclosure of all oilfield site conditions existing at the time of  
 29 the transfer may render that party **or operator** liable for the costs of restoration of  
 30 such undisclosed conditions in excess of the balance of the site-specific trust fund.

31 H. Except as provided in Subsection E **and Paragraph (A)(2)**, the parties to  
 32 a transfer may elect not to establish a site-specific trust account; however, in the  
 33 absence of such account, the parties shall not be exempt from liability as set forth in  
 34 Subsection F of this Section.

35 \* \* \*

36 §91. Orphaned oilfield sites

37 \* \* \*

38 B.(1)(a) Prior to declaring a site to be an orphaned oilfield site, the assistant  
 39 secretary shall seek to notify ~~the last operator~~ **all operators** of record, at ~~his~~ **their**  
 40 last known address contained in the department records, of the site that is to be  
 41 declared orphaned and shall publish a notice in the Louisiana Register that the  
 42 oilfield site is to be declared orphaned.

43 **(b) If the current operator of record fails to respond or fails to close and**  
 44 **restore an oilfield site when ordered by the assistant secretary, then the**  
 45 **assistant secretary shall order, in reverse chronological order from the date of**  
 46 **the notice provided in this Subsection, the former operators of record of the**  
 47 **oilfield site to close and restore the oilfield site in accordance with the rules and**  
 48 **regulations adopted by the assistant secretary.**

49 (c) If resolution of a factual dispute is requested by any owner or operator,  
 50 the assistant secretary shall hold a fact-finding hearing prior to declaring the site  
 51 orphaned and the assistant secretary shall make any fact determination necessary to  
 52 resolve the dispute.

53 \* \* \*

54 **(5) Failure by an operator of record of an oilfield site to close and**  
 55 **restore the oilfield site when ordered to do so by the assistant secretary, shall**  
 56 **subject that operator to the provisions of R.S. 30:93 and the penalties in R.S.**  
 57 **30:94.**

58 \* \* \*