
DIGEST

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HB 837 Original

2016 Regular Session

Gisclair

Abstract: Provides relative to the establishment, operation, procedures, and penalties associated with site-specific trust accounts for certain oil field sites.

Present law authorizes the establishment of a site-specific trust account for an oilfield site that is transferred from one party to another party.

Proposed law requires the establishment of a site-specific trust account for an oilfield site that is transferred from the operator of record to another operator.

Present law provides for the procedure of declaring an oilfield site as orphaned. Requires that prior to declaring a site orphaned, the assistant secretary of Dept. of Natural Resources (DNR) must notify the last operator of record.

Proposed law requires the asst. secretary of DNR to notify all operators.

Proposed law provides that if the current operator of record fails to respond or fails to close and restore an oilfield site when ordered by the asst. secretary, then the asst. secretary must order, in reverse chronological order from the date of the notice provided in present law, the former operators of record to close and restore the oilfield site.

Proposed law provides for penalties and the recovery of site restoration costs to be assessed against the operator who fails to close and restore the oilfield site.

Present law provides recovery of site restoration costs. Further provides that the secretary of DNR is not authorized to recover restoration costs from parties that formerly operated or held a working interest in an orphaned oilfield site unless restoration costs for a particular orphaned oilfield site including support facilities exceed \$250,000.

Proposed law changes the restoration costs limitation from \$250,000 to \$50,000.

Present law provides that if the oilfield site does not meet the provisions of R.S. 30:88(F) and restoration costs exceed \$250,000, recovery of costs will be from the parties in inverse chronological order from the date on which the oilfield site has been declared orphaned, except that a party will be exempt from liability for restoration of an orphaned oilfield site if the party meets certain requirements.

Proposed law changes the restoration costs limitation from \$250,000 to \$50,000.

(Amends R.S. 30:88(A), (B), (C), (E), (F), (G), and (H), 91(B)(1), 93(A)(1) and (3)(intro. para.);
Adds R.S. 30:91(B)(5))