
HOUSE COMMITTEE AMENDMENTS

2025 Regular Session

Amendments proposed by House Committee on Natural Resources and Environment to
Original House Bill No. 75 by Representative McCormick

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" and before "relative" change "R.S. 30:1104.2(C) and (D),"
3 to "R.S. 30:1104.2(C), (D), and (I),"

4 AMENDMENT NO. 2

5 On page 1, line 3, after "interest in a" and before "to provide" change "unitization;" to "unit;"

6 AMENDMENT NO. 3

7 On page 1, at the beginning of line 4, delete "unitization;" and insert "carbon dioxide storage
8 unit; to provide for reimbursement of additional costs incurred by mineral owners to drill
9 through the plume;"

10 AMENDMENT NO. 4

11 On page 1, line 6, after "Section 1." change "R.S. 30:1104.2(C) and (D)" to "R.S.
12 30:1104.2(C), (D), and (I)"

13 AMENDMENT NO. 5

14 On page 2, delete lines 8 and 9 in their entirety and insert the following in lieu thereof:

15 "(2) A non-consenting owner in interest shall not be compensated with an
16 amount per acre which is less than the maximum compensation paid per acre to any
17 other owner in interest in the storage unit."

18 AMENDMENT NO. 6

19 On page 2, after line 26, insert the following:

20 "I.(1) Except as provided in R.S. 30:1108(B)(2), nothing in this Section shall
21 prevent persons having the right to do so from drilling through the storage unit in
22 such manner as shall comply with the rules of the commissioner issued for the
23 purpose of protecting the storage unit or an associated storage facility against
24 pollution or invasion and against the escape or migration of carbon dioxide.

25 (2) Any non-consenting owner in interest that also owns the mineral rights
26 for their property and any non-consenting mineral servitude owner or mineral lessee
27 whose mineral interest is located within the unit, hereafter "mineral owner", who has
28 obtained a permit to drill through the unit may seek reimbursement from the storage
29 operator for any additional material costs the mineral owner is required to incur to
30 drill, complete, operate, and plug and abandon the well due to the presence of the
31 unit as provided pursuant to this Paragraph.

32 (a) In any drilling permit issued by the department for a mineral owner to
33 drill through a unit, the department shall identify those requirements, items, or
34 materials included as part of the permit which would not have been required in the
35 absence of the unit. A mineral owner shall only be entitled to reimbursement for the
36 cost differential associated with those requirements, items, and materials identified
37 by the department in the permit.

38 (b) In order to seek reimbursement, within thirty days of the date the drilling
39 permit is issued, the mineral owner shall notify the department in writing of its intent

1 to seek reimbursement and provide an estimated total cost differential. Upon receipt
 2 of the estimate, the department shall verify that the amounts included in the estimate
 3 qualify for reimbursement pursuant to Subparagraph (a) of this Paragraph. If the
 4 department determines that the cost differential does qualify for reimbursement, the
 5 department shall notify both the mineral owner and the storage operator that a
 6 verified claim for reimbursement has been made. The storage operator shall have
 7 thirty days from such notice to contest the estimated cost differential. Prior to
 8 issuing a final estimated cost differential, but no earlier than the expiration of the
 9 delay for the storage operator to contest the estimate, a public hearing shall be held
 10 pursuant to the provisions of R.S. 30:6 at which testimony and evidence regarding
 11 any relevant matter may be presented to assist with finalizing the estimated cost
 12 differential.

13 (c) Upon finalization of the estimated cost differential, the department, the
 14 mineral owner, and the storage operator shall execute an escrow agreement
 15 memorializing the terms required by this Paragraph or the department and any
 16 additional terms agreed to by the parties. The storage operator shall then deposit the
 17 amount of the final estimated cost differential into an escrow account established for
 18 that purpose by the storage operator, unless required by the escrow agreement, at the
 19 option of the department, to remit the amount due to the department for deposit in
 20 an agency escrow account in the state treasury, but in no event shall the amount
 21 deposited in escrow pursuant to this Paragraph be considered state funds.

22 (d) Upon deposit of the amount specified in the final estimated cost
 23 differential in escrow, the storage operator shall be relieved of any liability for
 24 damages caused by the drilling operations of the mineral owner.

25 (e) In order to be reimbursed from the escrow account, the mineral owner
 26 shall submit proof of payment to the department. Upon verification that the proof
 27 submitted sufficiently evidences the mineral owner's payment of qualifying costs, the
 28 amount so verified shall be released from escrow to the mineral owner. Any
 29 additional money remaining in the escrow account after the mineral owner has been
 30 reimbursed shall be returned to the storage operator.

31 (3) The reimbursement authorized by this Paragraph is not intended to, and
 32 does not, preclude the parties from availing themselves of any other remedy provided
 33 by law or from otherwise exercising their rights to contract for any lawful purpose,
 34 including but not limited to contracting with regard to compensation for the value of
 35 the minerals located below the unit or the value of the mineral interest.

36 (4) Any party aggrieved by an action of the department pursuant to this
 37 Paragraph may seek judicial review pursuant to the provisions of R.S. 30:12."

38 * * *