

2025 Regular Session

HOUSE BILL NO. 75

BY REPRESENTATIVE MCCORMICK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENERGY/CONSERVATION: Provides relative to compensation for pore space owners

1 AN ACT

2 To amend and reenact R.S. 30:1104.2(C), (D), and (I), relative to compensation of owners
3 in interest in a unit; to provide compensation to owners in interest in a carbon
4 dioxide storage unit; to provide for reimbursement of additional costs incurred by
5 mineral owners to drill through the plume; to provide for mineral owner
6 compensation; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:1104.2(C), (D), and (I) are hereby amended and reenacted to read
9 as follows:

10 §1104.2. Unitization

11 * * *

12 C.(1) An order for unit operation shall provide for just and equitable sharing
13 of the benefits generated from use of such tracts for geologic storage and shall
14 provide for just and equitable compensation to all owners in interest, including the
15 storage operator, other owners in interest who consented in writing to geologic
16 storage, and owners in interest who did not consent in writing to geologic storage,
17 except that the order shall not vary, alter, or otherwise apply a standard of benefit
18 sharing or compensation to the terms of any contracts between the storage operator
19 and any owner in interest. The order shall set forth the method, formula, or other
20 basis by which the just and equitable sharing of the benefits shall be determined,

1 including the timing of payments thereof. In determining the method, formula, or
2 other basis, the commissioner may take into consideration such factors that include
3 but are not limited to the computational modeling submitted by an existing or
4 proposed storage operator, whether there is an impact to a tract, the extent of any
5 impact to a tract, each separately owned tract's proportionate share of the total
6 surface acreage contributed to the storage unit, the costs required to perform the unit
7 operation, and the viability of any third-party geologic storage projects within the
8 storage unit and any associated third-party contracts executed by an owner in
9 interest.

10 (2) A non-consenting owner in interest shall not be compensated with an
11 amount per acre which is less than the average compensation paid per acre to all
12 other owners in interest in the storage unit.

13 D. Judicial review of orders, rules, and regulations issued by the
14 commissioner pursuant to this Section shall be conducted pursuant to the provisions
15 and requirements of R.S. 30:12. Additionally, subject to timely filing for court
16 review pursuant to R.S. 30:12, the proposed storage unit operator or any owner in
17 interest who has not entered into an agreement for geologic storage with the
18 proposed storage unit operator shall have the right to have the reviewing court
19 determine whether the purpose for the storage unit is public and necessary, whether
20 the compensation provided for is just, and, if not, the amount of just compensation
21 due. As to any owner in interest having the right to have a reviewing court
22 determine whether the compensation is just under this Subsection, the court's review
23 in those instances shall be limited to the compensation affecting that specific owner
24 in interest. The court may request all information necessary to determine just
25 compensation. The review of whether the compensation is just may be heard
26 through a trial by jury if timely requested by any party. Judicial reviews conducted
27 under this Subsection shall be tried by preference and shall be conducted with the
28 greatest possible dispatch.

29 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Proposed law retains present law and further provides that a mineral owner must be reimbursed for additional material costs required by the dept. to drill through the storage unit or compensated for the value of stranded minerals by the storage unit operator.

(Amends R.S. 30:1104.2(C), (D), and (I))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill:

1. Make technical changes.
2. Add a new proposed law provision requiring a unit operator to compensate non-consenting mineral owners within the unit for the value of their stranded minerals or reimburse them for the additional material costs, as required by the department, to drill through the plume.
3. Change the minimum per acre compensation required from the maximum per acre compensation received by any owner in interest in the unit to the average per acre compensation received by all other owners in interest.
4. Make the minimum per acre compensation requirement applicable to non-consenting owners in interest only.