

CONFERENCE COMMITTEE REPORT

SB 73

2025 Regular Session

Reese

June 6, 2025

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 73 by Senator Reese, recommend the following concerning the Engrossed bill:

- 1. That the House Floor Amendment proposed by Representative Jacob Landry and adopted by the House of Representatives on May 22, 2025, be accepted.
- 2. That the following amendments to the engrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "To" and before "enact" insert:

"amend and reenact R.S. 30:1104.2(B), 1108(C), and 1115, and to"

AMENDMENT NO. 2

On page 1, line 4, after "hearings" change "," to ";" and insert "to provide for unitization; to provide requirements to exercise eminent domain; to provide for notice;"

AMENDMENT NO. 3

On page 1, line 6, after "Section 1." insert "R.S. 30:1104.2(B), 1108(C), and 1115 are hereby amended and reenacted and"

AMENDMENT NO. 4

On page 1, between lines 6 and 7, insert:

"§1104.2. Unitization

* * *

B. An order for unit operation shall be issued only after notice, public hearing, and a finding by the commissioner that it is for a public and necessary purpose. In order to consider a unit application, the commissioner shall find that at least ~~three-fourths~~ **eighty-five percent** of the owners in interest within the proposed storage unit have consented in writing to geologic storage. The required ~~three-fourths~~ **eighty-five percent** of the owners in interest shall be on the basis of, and in proportion to, the surface acreage content of the entire storage unit and, if a tract within the storage unit is subject to ownership in indivision, credited by multiplying the acreage of the tract by the undivided ownership interest of the parties who have consented in writing to geologic storage.

* * *"

AMENDMENT NO. 5

On page 1, after line 13, insert:

" §1108. Eminent domain; expropriation * * *

C. The (1) In addition to the requirements of Paragraph 2 of this Subsection and any other power of eminent domain authorized by law, eminent domain authority authorized under this Chapter shall be exercised pursuant to the procedures found in R.S. 19:2, and shall be in addition to any other power of eminent domain authorized by law.

(2) Prior to initiating any eminent domain proceedings, the owner or operator of a carbon sequestration storage facility or pipeline shall comply with the following requirements:

(a) Provide written notice to the landowner of the intent to acquire property or property rights. The notice shall be sent to all property owners whose addresses are known, unless those owners have jointly designated a representative to receive such communications. The notice shall include:

(i) A clear statement of the owner or operator's interest in the property.

(ii) An explanation of the owner's or operator's obligation to obtain one or more appraisals of the property.

(iii) Any additional information reasonably necessary to inform the landowner of the process and their rights.

(b) Provide the landowner or designated representative a reasonable opportunity to be present during any inspection of the property conducted for appraisal purposes. The landowner or representative shall be allowed to provide input regarding the condition and features of the property to the appraiser.

(c) Engage in good faith negotiations with the landowner or their representative. Such negotiations shall include no fewer than five in-person meetings or documented attempts to meet in person.

(d) Submit a written offer to the landowner or their representative that includes:

(i) The amount offered as just compensation.

(ii) A legal description of the property and the specific interest to be acquired.

(iii) A list and description of any buildings or improvements located on the property to be affected by the acquisition.

(e) Allow the landowner or their representative at least ten calendar days from receipt of the written offer to respond with additional information or a counteroffer.

(f) The act of the landowner or his designated representative providing additional information or a counteroffer, or the act of the owner or operator of a storage facility or pipeline responding in writing to the additional information or counteroffer shall not extend or affect the thirty-day time period for filing a petition for expropriation as provided in R.S. 19:2.2(C).

* * *

§1115. Notifications regarding applications

A. Every applicant for a Class VI permit or Class V permit related to a geologic sequestration project shall comply with the following:

A.(1) Within thirty days of receiving notice of an application for a Class VI injection well being In order for an application for a Class VI permit to be deemed administratively complete, the owner or operator shall make a reasonable search and a good faith effort to provide notice of the submission of the application via United States mail to all of the following located within the surface or subsurface extent of the area of review delineated in the permit application:

(1)(a) The last operator of record for any oil or gas well located within the area of review delineated in the application.

(2)(b) Any person known to the applicant after reasonable search, including owners and operators, acting on behalf of the person, that presently has the right to drill into and produce from a pool and to appropriate production either for himself or others within the predicted or modeled carbon dioxide plume, as that term is defined in administrative rules and regulations providing for Class VI injection wells All mineral servitude owners, mineral lessees, and operators acting on behalf of such mineral interest owners.

(c) All surface owners.

~~B.(2) Within ten days of filing an application with the commissioner for a Class V stratigraphic test well~~ **In order for an application for a Class V stratigraphic test well permit to be considered complete**, the owner or operator shall make a **reasonable search and a** good faith effort to provide notice of the submission of the application via United States **certified** mail to all of the following **located within five hundred feet of the proposed well**:

~~(1)(a) The last operator of record for any oil or gas well located within five hundred feet of the proposed Class V stratigraphic test well location.~~

~~(2)(b) Any person known to the applicant after reasonable search, including owners and operators, acting on behalf of the person, that presently has the right to drill into and produce from a pool and to appropriate production either for himself or others within five hundred feet of the proposed Class V stratigraphic test well location~~ **All mineral servitude owners, mineral lessees, and operators acting on behalf of such mineral interest owners.**

(c) All surface owners.

(3) Notice to all surface owners as required by this Section may be satisfied by notifying all persons shown on the parish assessor's rolls as the current owner of the surface rights for the land included within the applicable area of required notice.

B. The department shall also publish on its website a notice of each application for a Class VI permit or Class V permit related to a geologic sequestration project."

Respectfully submitted,

Senators:

Representatives:

Senator Mike Reese

Representative Jacob Landry

Senator Bob Hensgens

Representative Brett F. Geymann

Senator William "Bill" Wheat Jr.

Representative Josh Carlson

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

CONFERENCE COMMITTEE REPORT DIGEST

SB 73

2025 Regular Session

Reese

Keyword and summary of the bill as proposed by the Conference Committee

ENVIRONMENTAL CONTROL. Provides for sequestration of carbon dioxide. (8/1/25)

Report adopts House amendments to:

1. Allow local government comments to be submitted orally or in writing.

Report amends the bill to:

1. Increase the percentage of owners in interest within a proposed storage unit that are required for consideration of a unit application, from 75% to 85%.
2. Increase requirements to initiate eminent domain proceedings for geologic storage facilities and infrastructure.
3. Increase notice requirements for applicants for Class VI and Class V well permits.

Digest of the bill as proposed by the Conference Committee

Present law provides for jurisdiction of the commissioner of conservation over the geologic sequestration of carbon dioxide.

Proposed law maintains present law and requires the commissioner to give substantial consideration to oral or written local government comments when determining the appropriate course of action in any matter that requires a public comment period.

Present law authorizes the commissioner to issue unit operations orders for geologic storage units and requires that 75% of owners in interest within the proposed unit consent in writing to geologic storage.

Proposed law maintains present law and increases the required percentage of consenting owners in interest to 85%.

Present law authorizes storage operators, after obtaining a permit, to exercise the power of eminent domain and expropriate property for construction, operation, or modification of a storage facility and necessary infrastructure.

Proposed law maintains present law and requires the operator to provide written notice to the landowner, allow the landowner to be present during inspection, negotiate in good faith, provide a written offer, and allow ten days for an offer response. Further provides that the landowner providing additional information or a counteroffer, or the facility owner or operator responding to the landowner, has no effect on the time period for filing a petition of expropriation.

Present law requires an applicant for a Class VI well permit to make a good faith effort to provide notice of application by U.S. mail to the last operator of record for any oil or gas well in the area of review and any person with a right to drill and produce from a pool and appropriate production within the predicted carbon dioxide plume.

Proposed law maintains present law and requires that in order for the application to be deemed complete, the applicant shall make a reasonable search and good faith effort to

provide notice of the application by U.S. certified mail to the last operator of any oil or gas well, all mineral interest owners and lessees and operators acting on their behalf, and all surface owners, located within the extent of the area of review.

Present law requires an applicant for a Class V test well permit to make a good faith effort to provide notice of application by U.S. mail to the last operator of record for any oil or gas well within 500 feet of the proposed well and any person with a right to drill and produce from a pool and appropriate production within 500 feet of the proposed well.

Proposed law maintains present law and requires that in order for the application to be deemed complete, the applicant shall make a reasonable search and good faith effort to provide notice of the application by U.S. certified mail to the last operator of any oil or gas well, all mineral interest owners and lessees and operators acting on their behalf, and all surface owners, located within 500 feet of the proposed well.

Proposed law provides that notice is satisfied by notifying all persons shown by the assessor to be the current owner of surface rights within the area of required notice.

Proposed law requires the department to publish on its website notice of any Class VI or Class V permit application related to a geologic sequestration project.