

SENATE BILL NO. 73

BY SENATOR REESE AND REPRESENTATIVES AMEDEE, BUTLER, HORTON,
MCCORMICK, OWEN AND SCHAMERHORN

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

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AN ACT

To amend and reenact R.S. 30:1104.2(B), 1108(C), and 1115, and to enact R.S. 30:1105(D), relative to carbon sequestration; to provide for the jurisdiction, powers, and duties of the commissioner of conservation; to provide for public hearings; to provide for unitization; to provide requirements to exercise eminent domain; to provide for notice; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 30:1104.2(B), 1108(C), and 1115 are hereby amended and reenacted and R.S. 30:1105(D) is hereby enacted to read as follows:

§1104.2. Unitization

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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.

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§1105. Hearings; notice; rules of procedures; emergency; service of process; public records; request for hearings; orders and compliance orders

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D. The commissioner shall give substantial consideration to local government comments, oral or written, when determining the appropriate course of action to take in any matter requiring a public comment period or public hearing pursuant to this Chapter or rules adopted pursuant to this Chapter.

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§1108. Eminent domain; expropriation

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~~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).

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§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

1 **subsurface extent of the area of review delineated in the permit application:**

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

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

9 **All mineral servitude owners, mineral lessees, and operators acting on behalf**
10 **of such mineral interest owners.**

11 **(c) All surface owners.**

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

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

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

26 **(c) All surface owners.**

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

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____