

2026 Regular Session

HOUSE BILL NO. 596

BY REPRESENTATIVE MCCORMICK

ENERGY/OIL & GAS WELLS: Establishes an inactive well fee assessment credit

1 AN ACT

2 To enact R.S. 30:4(C)(1)(a)(vi) and 21(D), relative to well plugging credits; to create a well
3 plugging credit to reduce an operator's inactive well assessment obligation; to
4 provide for wells eligible for the plugging credit; to provide for calculation of the
5 credit; to provide for department rulemaking; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:4(C)(1)(a)(vi) and 21(D) are hereby enacted to read as follows:

8 §4. Jurisdiction, duties, and powers of the secretary; rules and regulations

9 * * *

10 C. The secretary has authority to make, after notice and hearings as provided
11 in this Chapter, any reasonable rules, regulations, and orders that are necessary from
12 time to time in the proper administration and enforcement of this Chapter, including
13 rules, regulations, or orders for the following purposes:

14 (1)

15 * * *

16 (a)

17 * * *

18 (vi) To allow for a reduction of inactive well fee assessments for an operator
19 that plugs wells ten years old or older, consistent with this Item and R.S. 30:21.

20 * * *

1 §21. Fees and charges of the secretary; revisions; exceptions; collections; Oil and
2 Gas Regulatory Dedicated Fund Account; creation; amounts; requirements

3 * * *

4 D. A plugging credit shall be issued by the department pursuant to the
5 provisions of this Subsection to reduce an operator's inactive well assessment
6 obligations.

7 (1) Any well plugged by the operator which is ten years old or older is
8 eligible for the credit. Wells shall be plugged and abandoned and sites restored in
9 compliance with department rules and shall pass final inspection by the department
10 before a plugging credit may be issued.

11 (2) An operator who has plugged an eligible well shall apply to the
12 department, in a form prescribed by the department, for a reduction of the inactive
13 well assessment owed by the operator.

14 (3) Plugging credits shall be calculated at four dollars and fifty cents per foot
15 of each eligible well plugged and such credits shall be applied on a dollar-for-dollar
16 basis to reduce an operator's inactive well assessment.

17 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 596 Engrossed 2026 Regular Session McCormick

Abstract: Creates a plugging credit that operators may earn by plugging wells that are at least 10 years old, which can be applied to reduce the operator's inactive well assessment obligations.

Present law authorizes the department to charge operators an inactive well assessment for wells that have been inactive for a certain period of time.

Proposed law retains present law.

Proposed law establishes a plugging credit that operators can apply against the amount of inactive well assessments owed.

Proposed law provides that an operator can obtain a credit for plugging any well that is at least 10 years old, calculated at \$4.50 per foot of well plugged, which will be applied against the inactive well assessment the operator owes on a dollar-for-dollar basis.

Proposed law authorizes the secretary to promulgate rules to implement the provisions of proposed law.

(Adds R.S. 30:4(C)(1)(a)(vi) and 21(D))

Summary of Amendments Adopted by House

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

1. Make a technical change.