

2026 Regular Session

HOUSE RESOLUTION NO. 310

BY REPRESENTATIVE BRAUD

A RESOLUTION

To urge and request the Department of Conservation and Energy to study the state's liability for the decommissioning of orphan, inactive, and low-production wells; available sources of funding for decommissioning costs; and methods to reduce the risk to taxpayers for these costs.

WHEREAS, the Department of Conservation and Energy regulates operators and wells through its permitting, monitoring, and enforcement processes to ensure compliance with regulations and to identify and address environmental and public safety risks; and

WHEREAS, if an operator abandons a well or does not maintain all of their wells in compliance with regulations, the department will orphan all of the operator's wells; and

WHEREAS, the department has in recent years developed processes to better identify and address inactive wells; and

WHEREAS, the number of oil and gas wells covered by financial security has increased, but financial security amounts are still insufficient to cover the actual costs of decommissioning; and

WHEREAS, funding limitations prevent the department from expanding the Oilfield Site Restoration (OSR) program, as state law limits the department's ability to collect adequate funding to address the orphan well population; and

WHEREAS, the department's ability to seek restoration costs from prior operators is limited to instances where those costs exceed two hundred fifty thousand dollars per site; and

WHEREAS, the OSR program's current orphan site list has hit a record high count of approximately six thousand five hundred orphaned wells, estimated to cost the state of Louisiana more than five hundred million dollars for plugging and abandonment, despite considerable expenditures of public funds to decrease the orphan well population in recent years; and

WHEREAS, due to coastal erosion, many wells originally drilled on land or in wetlands are now located in open water, creating navigational hazards and costing approximately ten times more per well to plug; and

WHEREAS, while efforts have increased in recent years to plug these wells, the number of orphaned wells continues to grow by significant numbers each month and the number of inactive wells which have a higher risk of becoming orphaned has been increasing; and

WHEREAS, the population of wells which are currently shut-in under the premise of future use exceeds twenty thousand, with most unlikely to return to service and many likely to become orphaned; and

WHEREAS, wells with marginal production of less than one barrel of oil equivalent (BOE) per day, numbering around eleven thousand in Louisiana, are largely uneconomic and may be on the path to becoming public burdens; and

WHEREAS, Louisiana's workforce has the skill set required to address the state's aging well population; and

WHEREAS, a study of current and likely wells the state will be responsible for decommissioning, as well as associated costs, sources of funding, and efforts to mitigate this growing public liability is critical and would assist the House of Representatives in working to find legislative solutions.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Department of Conservation and Energy to study issues related to the state's liability for oil and gas well decommissioning across the value chain.

BE IT FURTHER RESOLVED that in conducting its study, the department shall consider all the following items and provide a written report of its findings to the House Committee on Natural Resources and Environment by March 1, 2027:

(1) The total cost to decommission all currently orphaned wells and related facilities, including plugging and abandonment of wells, site remediation and restoration, and platform decommissioning where appropriate.

(2) A breakdown of the total costs found under Paragraph (1) attributable to onshore orphan wells and offshore orphan wells.

(3) A breakdown of the total costs found under Paragraph (1) by enforcement district.

(4) The total cost to decommission all wells with a responsible party that are currently either inactive or producing less than one BOE per day, including plugging and abandonment of wells, site remediation and restoration, and platform decommissioning where appropriate.

(5) A breakdown of the total costs found under Paragraph (4) attributable to onshore orphan wells and offshore orphan wells.

(6) A breakdown of the total costs found under Paragraph (4) by enforcement district.

(7) The total amount of decommissioning costs found under Paragraph (4) that the department can reasonably expect the responsible parties to cover and, out of the remaining costs, the percentage likely to meet the two hundred fifty thousand dollar threshold allowing the department to seek compensation from prior operators.

(8) Available sources of funding to meet the state's expected liability for the decommissioning of orphan wells and those costs not expected to be covered by the responsible parties for inactive wells and wells producing under one BOE per day.

(9) Efforts by the department to mitigate the risk to taxpayers for the decommissioning of wells.

(10) Reasons for the addition of over one thousand additional wells to the orphan well list in 2025, and particularly in the second half of 2025.

(11) Any other information the department deems relevant or helpful regarding the state's liability for orphan wells and wells likely to become orphaned.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Department of Conservation and Energy.