

2024 Regular Session

HOUSE BILL NO. 516

BY REPRESENTATIVE MACK

ENERGY/CONSERVATION: Provides relative to carbon dioxide sequestration

1 AN ACT

2 To amend and reenact R.S. 30:1112 and to enact R.S. 30:1103(14) and (15), 1107.2, 1113,
3 and 1114, relative to geologic sequestration of carbon dioxide; to require emergency
4 response plans; to provide definitions; to require recordation of maps; to require
5 notice of recordation; to establish certain siting prohibitions for Class VI wells; to
6 provide for groundwater testing and monitoring; to provide for reporting; to provide
7 for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 30:1112 is hereby amended and reenacted and R.S. 30:1103(14) and
10 (15), 1107.2, 1113, and 1114 are hereby enacted to read as follows:

11 §1103. Definitions

12 Unless the context otherwise requires, the words defined in this Section have
13 the following meaning when found in this Chapter:

14 * * *

15 (14) "Area of review" means the region surrounding a geologic sequestration
16 project where underground sources of drinking water may be endangered by the
17 injection activity and is delineated using computational modeling that accounts for
18 the physical and chemical properties of all phases of the injected carbon dioxide
19 stream and displaced fluids and is based on available site characterization,
20 monitoring, and operational data.

1 §1112. Notice of geologic storage agreements; notice of Class VI injection well
2 permits; maps; recordation

3 A. Notice of geologic storage agreement.

4 (1) In lieu of recording an agreement for the geologic storage of carbon
5 dioxide or any amendment or modification thereof, as provided by Civil Code
6 Article 3338, a party may record a notice of geologic storage agreement signed by
7 the grantor who executed the agreement.

8 (2) Recordation of a notice shall make the geologic storage agreement and
9 any subsequent amendment or modification effective as to third persons to the same
10 extent as recordation of the instrument.

11 (3) The notice of geologic storage agreement shall contain the following:

12 (a) A declaration that the property is subject to the geologic storage
13 agreement and the names and addresses of the parties who executed the agreement.

14 (b) A description of the surface and depths covered by the geologic storage
15 agreement.

16 (c) The effective date of the geologic storage agreement, its term, and the
17 provisions of any other extensions and renewals of the term provided for in the
18 agreement.

19 (d) A description of any restrictions on drilling through or otherwise
20 penetrating the carbon dioxide storage reservoir for purposes of exploring,
21 developing, or producing minerals from or below the reservoir.

22 ~~B.(1)~~ (4)(a) A change in a geologic storage agreement with respect to any
23 matter that is required to be included in a notice of geologic storage agreement
24 pursuant to ~~Subsection A of this Section~~ Paragraph (3) of this Subsection is not
25 effective as to third persons unless the parties record a signed amendment to the
26 notice that describes the change.

27 ~~(2)~~ (b) Notwithstanding ~~Paragraph (1) of this Subsection~~ Subparagraph (a)
28 of this Paragraph, if the change is a transfer of a party's rights, the parties may do
29 either of the following:

1 ~~(a)~~ (i) Record an amendment to the notice signed by the transferor and
2 transferee evidencing the transfer.

3 ~~(b)~~ (ii) Record the instrument transferring the party's rights.

4 ~~C.~~ (5) The effect of recordation of a notice of geologic storage agreement
5 ceases on occurrence of either of the following:

6 ~~(+)~~ (a) Upon recordation of an instrument signed by the parties to the
7 agreement or their successors declaring that the geologic storage agreement has
8 terminated.

9 ~~(2)~~ (b) On the date that the geologic storage agreement may finally terminate
10 as set forth in the notice of geologic storage agreement.

11 ~~D.~~ (6) The provisions of this ~~Section~~ Subsection authorizing the filing of a
12 notice of geologic storage agreement are remedial and shall be applied retroactively
13 to any notice of geologic storage agreement ~~theretofore~~ filed for record prior to June
14 16, 2023, which is in substantial compliance with the provisions of this Subsection
15 ~~A of this Section~~, and such a notice shall affect third persons as of the date of
16 recordation.

17 ~~E.~~ (7) The grantee of any recorded notice of geologic storage agreement shall
18 notify the governing authority of the parish in which the instrument is recorded
19 within thirty days after recordation. Notice may be made by electronic mail to the
20 parish president, police jury president, or mayor-president, depending on the form
21 of parish government.

22 B. Notice of Class VI injection well permit.

23 After the issuance of a Class VI injection well permit, the owner or operator
24 of the storage facility shall record a notice of the permit with the clerk of court for
25 any parish included in the area of review for the permit application. The notice shall
26 include the office of conservation permit number and the serial number of the Class
27 VI injection well associated with the permit.

28 C. Maps.

1 After the issuance of a Class VI injection well permit, the owner or operator
2 of the storage facility shall record with the clerk of court for each parish within the
3 area of review a map or maps bearing the office of conservation permit number
4 containing the location or proposed location for the following items, but only to the
5 extent this information is also required under Statewide Order 29-N-6:

6 (a) Injection wells.

7 (b) Monitoring wells.

8 (c) Producing wells.

9 (d) Abandoned and orphan wells.

10 (e) Plugged wells and dry holes.

11 (f) Known and suspected faults.

12 (g) Water wells.

13 (h) Surface bodies of water.

14 (i) Natural springs.

15 (j) Aquifers.

16 (k) Structures intended for human occupancy.

17 (l) Roads.

18 (m) State and parish boundaries.

19 (2) The owner or operator shall notify the governing authority of each parish
20 in which the maps are recorded within thirty days after recordation. Notice may be
21 made by electronic mail to the parish president, police jury president, or
22 mayor-president, depending on the form of parish government.

23 §1113. Siting requirements

24 No Class VI injection wellhead shall be located within five hundred feet of
25 the following:

26 (1) Residential property.

27 (2) Inhabited dwellings.

28 (3) Health care facilities.

1 §1114. Groundwater quality monitoring

2 The owner or operator of a storage facility shall conduct periodic testing and
 3 monitoring of ground water quality above the confining zone and shall report the
 4 testing and monitoring conducted to the commissioner semi-annually.

5 Section 2. This Act shall become effective upon signature by the governor or, if not
 6 signed by the governor, upon expiration of the time for bills to become law without signature
 7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 9 effective on the day following such approval.

10 Section 3. The Louisiana State Law Institute is hereby authorized and directed to
 11 alphabetize and renumber the definitions contained in R.S. 30:1103 and to correct any
 12 cross-references to the renumbered paragraphs if necessary, consistent with the provisions
 13 of this Act.

 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 516 Reengrossed

2024 Regular Session

Mack

Abstract: Establishes requirements for carbon dioxide sequestration regarding emergency preparedness, recordation of notice and maps, siting restrictions, ground water monitoring, and reporting.

Proposed law provides definitions for "area of review" and "geologic sequestration project".

Present law provides for the recordation of a notice of geologic storage agreement and includes specific requirements for recording such notices.

Proposed law retains present law.

Proposed law requires owners and operators of permitted storage facilities to record with the clerk of court for any parish included in the area of review for the facility:

- (1) Notice of Class VI permit.
- (2) Maps of the area of review identifying certain features, but only to the extent such information is already required by administrative rules.

Proposed law requires this information for injection, monitoring, producing, orphan, plugged, and water wells. Specifies it is also required for faults, certain bodies of water, aquifers, structures for human occupancy, roads, and state boundaries.

Proposed law further provides that the party recording the maps must notify appropriate local governing authorities within 30 days of recordation.

Proposed law prohibits the commissioner of conservation from permitting a Class VI injection wellhead within 500 feet of any inhabited dwelling, school, or health care facility.

Proposed law requires storage facilities to have emergency and remedial response plans in place prior to injection as required by administrative rule and requires storage facility owners and operators to provide parish governing authorities with a copy of the plan.

Proposed law further requires that emergency and remedial response plans include continuing training programs for operating and maintenance personnel regarding potential hazards, risk scenarios, and response actions.

Proposed law requires that storage facility owners and operators conduct periodic testing and monitoring of ground water quality above the confining zone and report semi-annually to the office of conservation regarding such testing and monitoring.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 30:1112; Adds R.S. 30:1103(14) and (15), 1107.2, 1113, and 1114)

Summary of Amendments Adopted by House

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

1. Change the setback of storage facilities from municipalities, residences, schools, and health care facilities from two miles to 500 feet.

The House Floor Amendments to the engrossed bill:

1. Add definitions for "area of review" and "geologic sequestration project"
2. Remove the requirement that storage facility owners and operators provide a community notification system for emergencies.
3. Remove the requirement that local office of homeland security and emergency preparedness directors approve storage operators' emergency response plans.
4. Remove minimum requirements of emergency response plans, except for continuing training on hazards, risk scenarios, and response actions for facility personnel and maintenance.
5. Require storage facility owners and operators to provide copies of a facility emergency response plan to parish governing authorities within the area of review for the facility.
6. Require one tabletop exercise with local emergency response agencies for each storage facility to simulate emergency situations and responses.
7. Require storage facility operators to record a notice that a Class VI permit has been issued with the clerk of court of any parish within the area of review for the facility.
8. Remove the requirement that Class VI permit applicants record maps of the area of review with the parish clerk of court in any parish included in the area of review.

9. Limit the requirement that storage owners and operators record maps of the area of review with the parish clerk of court by only requiring the recordation of information also already required by administrative rule.
10. Remove a provision that only public information had to be included in the maps required to be recorded with the clerk of court.
11. Remove requirement that recorded maps be updated at least every five years and for changes in circumstances.
12. Remove the prohibition against storage facilities being located within 500 feet of municipalities.
13. Change the 500 foot setback for residential structures, schools, and health care facilities from prohibiting a storage facility within 500 feet of these structures to prohibiting a Class VI injection wellhead within 500 feet of these structures of residential property, inhabited dwellings, and healthcare facilities.
14. Remove requirement that Class VI wells and storage facilities comply with local land use planning and zoning ordinances.
15. Remove the classification of Class VI wells and storage facilities as industrial uses unless provided otherwise by local zoning ordinances.
16. Remove requirements that storage facility testing and monitoring plans include annual testing of samples from the same wells used for baseline sampling during the Class VI permitting process and comparison of the results to the baseline data for changes that may indicate an underground carbon dioxide leak.
17. Require that storage facility owners and operators conduct periodic testing and monitoring of ground water quality above the confining zone and report semi-annually to the office of conservation regarding such testing and monitoring.
18. Authorize the La. State Law Institute to alphabetize and renumber the definitions contained in R.S. 30:1103 and to correct any cross-references to the renumbered paragraphs if necessary.
19. Make technical changes.