
DIGEST

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HB 966 Reengrossed

2024 Regular Session

Geymann

Abstract: Authorizes the commissioner of conservation to order unitization for carbon dioxide sequestration projects.

Present law authorizes the commissioner of conservation to perform any act necessary to carry out the requirements of the federal Safe Drinking Water Act related to the state's participation in the underground injection control program and the sequestration of carbon dioxide, including the authority to promulgate administrative rules and issue permits and orders.

Proposed law retains this authority and specifies that the commissioner is authorized to order unitization of a reservoir for geologic storage upon the application of a proposed storage facility operator after proper notice, public hearing, and a finding that least three-fourths of the owners in interest within the storage unit have given written consent for geologic storage and further provides a method for calculating three-fourths owners in interest.

Proposed law defines "carbon dioxide storage facility", "area of review", "owner in interest", and "storage unit".

Proposed law provides that executed contracts will not be altered by a unitization order.

Proposed law requires the unitization order to provide for just and equitable compensation for all owners in interest and the storage operator.

Present law prohibits the taking of property by a private entity authorized to expropriate except for a public and necessary purpose and with just compensation to the owner. Present law further provides that whether a purpose is public and necessary is a judicial question and that a person is entitled to a trial by jury to determine whether the compensation is just.

Proposed law retains present law and reinforces that the right to compensation for an owner in interest within a storage unit and challenges to the public purpose of the exercise of eminent domain in relation to the unit are questions reserved the courts.

Present law establishes a process for judicial review of decisions, acts, and adjudications by the commissioner of conservation. Present law requires that suits for judicial review of the commissioner's acts be filed in the district court of the parish where the commissioner of conservation's office is located.

Proposed law authorizes judicial review of unitization orders as provided under present law, but provides that venue is proper in the parish where the storage unit is located for proceedings regarding whether the purpose of an expropriation or taking in the unit is public and necessary and for appeals of a commissioner's orders regarding unitization.

Proposed law authorizes the commissioner to revise the storage unit under certain circumstances and following notice and public hearing. Further requires the commissioner to provide for compensation adjustments.

Proposed law authorizes the commissioner to issue order and promulgate rules and regulations as necessary to implement unitization for carbon dioxide sequestration.

Proposed law prohibits a Class VI injection well within a unit to be drilled within 500 feet of any residential or commercial structure.

Present law requires the commissioner to review the location plat of any drilling permit and determine whether residential or commercial structures are situated within a 500 foot radius.

Proposed law further requires the commissioner to determine whether the area of review for any carbon dioxide storage facility is within a 500 foot radius of the proposed drilling site.

Proposed law requires applicants for Class V and Class VI well permits to provide notice of the submission of the application via U.S. mail to the following parties:

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

(Amends R.S. 30:28(D)(2), (3), (4) and (7) and (E) and 1104(A)(1); Adds R.S. 30:1104.2 and 1113)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Express that the right to compensation for an owner in interest within a storage unit and challenges to the public purpose of the exercise of eminent domain in relation to the unit are questions reserved for the courts.
3. Provide that for judicial review of orders of the commissioner of conservation regarding

unitization, venue is proper in the parish where the storage unit is located.

4. Provide that for legal challenges to whether the purpose of an expropriation or taking in the unit is public and necessary, venue is proper in the parish where the storage unit is located.
5. Prohibit Class VI injection wells within a unit from being located within 500 feet of a residential or commercial structure.