

Regular Session, 2013

SENATE BILL NO. 214

BY SENATOR BROWN

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

ENVIRONMENTAL QUALITY. Provides for a moratorium on permits allowing underground storage of hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide, Class III brine extraction from or near a salt dome drilling through or into such underground storage reservoirs near salt domes or adjacent caverns, and to expand the requirements for such operations near moderate and catastrophic disasters such as sinkholes and collapses in salt dome caverns. (8/1/13)

1 AN ACT

2 To enact R.S. 30:23.1, relative to minerals, oil, gas and environmental quality; to provide

3 for a moratorium on new permits allowing certain types of activities near salt domes;

4 to expand the requirements for new or existing permits to conduct such operations

5 in or near salt domes; to provide for authority to promulgate such requirements; to

6 require a performance bond to conduct such activities; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 30:23.1 is hereby enacted to read as follows:

10 §23.1. Permits for underground storage of hazardous wastes, natural gas,

11 liquid hydrocarbons, carbon dioxide and Class III brine

12 extraction from or near salt domes, drilling, moratorium of

13 permits, regulations

14 A. A moratorium on new permits allowing underground storage of

15 hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide, Class III

16 brine extraction and drilling through or into such underground storage

17 reservoirs near salt domes or adjacent caverns shall take effect August 1, 2013,

1 and remain in effect until the commissioner shall promulgate, subject to
2 legislative oversight, new guidelines and requirements for the issuance of such
3 permits. The moratorium shall allow the commissioner and the industry
4 sufficient time to review the current rules and regulations, examine the issues
5 and promulgate new rules and regulations in accordance with the
6 Administrative Procedure Act. These guidelines and requirements shall
7 provide for a more stringent and upgraded permitting process and shall be
8 presented in a report to the House Committee on Natural Resources and
9 Environment and the Senate Committee on Natural Resources and the Senate
10 Committee on Environmental Quality for legislative oversight pursuant to R.S.
11 49:968.

12 B. No new permits shall be issued without a permittee providing a
13 performance bond, the amount of which shall be determined by the
14 commissioner.

15 C. No new permits for underground storage of hazardous wastes,
16 natural gas, liquid hydrocarbons, Class III brine extraction in or near moderate
17 or catastrophic disasters such as sinkholes and collapses in salt dome caverns
18 or the drilling into or through such underground storage reservoirs shall be
19 granted until the provisions of this Section have been complied with. The
20 moratorium provided for by this Section shall remain in effect until the
21 amended and upgraded permitting process is promulgated by the commissioner
22 and that process has been subjected to the oversight of the legislative
23 committees as provided for by this Section and pursuant to R.S. 49:968.

24 D. In the event of moderate or catastrophic disaster circumstances,
25 including but not limited to sinkholes, erosion of cavern walls or geological
26 unrest, the moratorium provided for in this Section shall continue in effect until
27 the commissioner can determine whether such operations can be safely
28 conducted.

29 E. Underground storage permits for hazardous wastes, natural gas,

1 **liquid hydrocarbons, carbon dioxide, Class III brine extraction, and the drilling**
 2 **into or through such underground caverns near salt domes and surrounding**
 3 **areas issued prior to the effective date of this Section shall require the approval**
 4 **of the commissioner before such operations may continue.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Heyward Jeffers.

DIGEST

Present law provides for the office of conversation permitting requirements for the underground storage of hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide, and Class III brine extractions.

Present law provides that underground storage of hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide and Class III brine extractions shall be in the public interest and for a public purpose, and that such storage shall be determined by the commissioner to be suitable and feasible, not contaminate other formations containing fresh water, oil, gas, or other commercial mineral deposits.

Present law requires public hearings on the issuance of permits for the underground storage of hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide, and Class III brine extraction.

Present law provides that the commissioner shall issue such orders, rules, and regulations as may be necessary for the purpose of protecting any such underground storage reservoir, strata, or formations against pollution or against the escape of hazardous wastes, natural gas, liquid hydrocarbons, carbon dioxide, or Class III brine extractions therefrom, including such necessary rules and regulations as may pertain to the drilling into or through such underground storage reservoir.

Proposed law retains present law and provides for a moratorium on all underground storage of hazardous wastes, liquid hydrocarbons, natural gas, carbon dioxide, Class III brine extractions and drilling into or through such underground storage reservoirs, caverns and salt domes near moderate and catastrophic disasters such as sinkholes and collapses in salt dome caverns.

Proposed law provides that such moratoriums on permits for underground activities near salt domes, underground caverns or sinkholes where moderate or catastrophic disasters have occurred shall continue until the commissioner and industry have sufficient time to review the current rules and regulations, examine the issues and promulgate new and more stringent rules and regulations in accordance with the Administrative Procedure Act in order to determine if such operations may be safely resumed.

Proposed law provides that permits for underground storage of hazardous wastes, liquid hydrocarbons, natural gas, carbon dioxide, Class III brine extractions and drilling into or through such underground storage reservoirs and caverns issued prior to the effective date of proposed law shall require the approval of the commissioner before such operations may continue.

Proposed law provides that moratoriums on issuance of such permits shall further continue until the amended and upgraded permitting process is promulgated by the commissioner and that process has been subjected to the oversight of the House Committee on Natural Resources and Environment and the Senate Committee on Natural Resources and the Senate

Committee on Environmental Quality as provided for pursuant to R.S. 49:968.

Proposed law provides that no new permits shall be issued without a permittee providing a performance bond, the amount of which shall be determined by the commissioner.

Effective August 1, 2013.

(Adds R.S. 30:23.1)