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DIGEST

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HB 784 Engrossed

2015 Regular Session

Dove

**Abstract:** Increases existing fees and fee caps and creates new fees collected by the office of conservation and creates an expedited permit process.

Present law authorizes the office of conservation in the Dept. of Natural Resources to collect annual fees from operators of capable oil and gas wells based on a tiered system and on injection wells and facilities.

Proposed law increases the caps on these annual fees beginning Fiscal Year 2015-2016 as follows:

	<u>Present Fee</u>	<u>Proposed Fee</u>
Capable oil and gas wells	\$2,450,000	\$3,675,000
Class I wells	\$ 400,000	\$1,000,000
Class II, III, and storage wells and type A and B facilities	\$ 875,000	\$2,187,500

Present law requires from the revenue collected from mineral leases on state-owned land, \$15 per acre be deposited into the La. Wildlife Conservation Fund and \$5 into the Oil and Gas Regulatory Fund.

Proposed law changes present law by increasing the amount deposited into the Oil and Gas Regulatory Fund from \$5 to \$15.

Present law authorizes the office of conservation to collect application fees in a form and schedule prescribed by the office and authorizes the increase of those fees, through the Administrative Procedure Act, not to exceed 8½% of the fees charged on July 1, 2002.

Proposed law changes present law by authorizing, in addition to the fees charged on July 1, 2015, collecting the following fees:

Application for alternate unit well, exception to 29-E, exception to 29-B, severance tax relief, downhole combinations, well product	\$ 504
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reclassification, selective completion, pilot projects, waiver of production test, or critical date order	
Application for work permit - minerals	\$ 75
Application to amend permit to drill - minerals (lease unit well, stripper, incapable, other)	\$ 50
Operator registration	\$ 105
Annual compliance review fee - class III solution mining cavern	\$ 2,000
Annual compliance review fee - class II hydrocarbon storage and exploration and production waste cavern	\$ 2,000
Class III carbon dioxide enhanced recovery project	\$ 5,000
Community saltwater disposal system initial notification	\$ 125
Application for work permit - injection or other	\$ 125
Work permit to plug & abandon a well utilized for naturally occurring radioactive waste disposal	\$ 500
Requests to modify well permit	\$ 300
Class V permit waiver or exemption request	\$ 250
Witnessed verification of mechanical integrity tests	\$ 250
Transfer stations regulatory fee for exploration and production waste	\$ 2,500
Request to transport exploration and production waste to commercial facilities or transfer stations	\$ 150
Authorization for after-hours disposal of exploration and production waste	\$ 150
Exploration and production waste determination	\$ 300
Commercial facility transfer station application	\$ 1,500
Commercial facility application exclusive of an associated well	\$ 3,000
Commercial facility annual closure plan and cost estimate review	\$ 300
Commercial facility reuse material applications	\$ 300
Reuse material applications not associated with a commercial facility	\$ 400

Proposed law authorizes the commissioner of conservation to develop and implement a program to expedite the processing of permits, modifications, licenses, registrations, and variances. Requires that the notice for an expedited permit indicate that the permit is being expedited.

Proposed law establishes the fee for expediting the permit as the cost of the overtime hours that

employees of the office of conservation or a contractor spends processing the application and an amount not to exceed 20% for administrative costs. Caps the fee at a 120% per hour cost at the maximum per hour salary, including benefits, of a civil service employee of the office.

Proposed law requires the commissioner to adopt rules and regulations in accordance with the APA to implement proposed law.

Proposed law provides the rules shall require a public notice be given when an expedited permit is requested.

(Amends R.S. 30:21(B)(1) and 136.1(D); Adds R.S. 30:4(P))

### 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 caps for capable oil and gas wells from \$6,125,000 to \$3,675,000.
2. Remove fee increases for pipeline safety inspections and for pipelines facilities transporting hazardous liquids.
3. Add authority to the commissioner to develop and implement an expedited permit program.
4. Add a fee for expedited permits based on the cost of the overtime hours of an employee or a contractor spends processing the permit along with an administration fee of up to 20%.
5. Require a public notice be given when an expedited permit is requested.