### SLS 15RS-1088

### **ENGROSSED**

2015 Regular Session

SENATE CONCURRENT RESOLUTION NO. 89

BY SENATORS ALLAIN AND WALSWORTH

CONSERVATION. Establishes a task force to study the performance audit on the regulation of oil and gas wells and management of orphaned wells.

1	A CONCURRENT RESOLUTION
2	To establish a task force to study the performance audit on the regulation of oil and gas
3	wells and management of orphaned wells.
4	WHEREAS, the oil and gas industry is a vital part of Louisiana's economy; and
5	WHEREAS, effective regulation is important for efficient operation of the industry,
6	reducing environmental and public safety risks, preventing the contamination of ground and
7	surface water, and preventing operators from abandoning their wells; and
8	WHEREAS, in May 2014, the Louisiana legislative auditor released a performance
9	audit analyzing the oil and gas regulatory program, which is administered by the office of
10	conservation, Department of Natural Resources; and
11	WHEREAS, the purpose of the performance audit was to determine whether the
12	office of conservation regulates oil and gas wells effectively to ensure operators comply with
13	regulations and to evaluate whether the office of conservation has managed the number of
14	orphaned wells effectively in the state; and
15	WHEREAS, establishing a task force of stakeholders and experts is an important first
16	step in analyzing and achieving the goals outlined in the report.
17	THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
18	establish a task force to address the issues outlined in the performance audit and any current

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1	and proposed rules promulgated by the Department of Natural Resources relative to the
2	financial security for the plugging and abandonment of oil and gas wells and determinations
3	of future utility, and to report its findings to the legislature.
4	BE IT FURTHER RESOLVED that the task force shall be composed of the
5	following members:
6	(1) The chairman of the Oilfield Site Restoration Commission or his designee.
7	(2) The commissioner of conservation or his designee.
8	(3) The president of the Louisiana Mid-Continent Oil and Gas Association or his
9	designee.
10	(4) The president of the Louisiana Oil and Gas Association or his designee.
11	(5) The executive director of the Louisiana Landowners Association, Inc. or his
12	designee.
13	(6) The Louisiana legislative auditor or his designee.
14	(7) One member of the Louisiana State Senate, appointed by the president.
15	(8) One member of the Louisiana House of Representatives, appointed by the
16	speaker.
16	speaker.
16	(9) One member, chosen by the chairman of the Oilfield Site Restoration
17	(9) One member, chosen by the chairman of the Oilfield Site Restoration
17 18	(9) One member, chosen by the chairman of the Oilfield Site Restoration Commission, from those companies listed as an operator of record with the office of
17 18 19	(9) One member, chosen by the chairman of the Oilfield Site Restoration Commission, from those companies listed as an operator of record with the office of conservation for the greatest number of inactive wells no longer producing oil and gas.
17 18 19 20	<ul> <li>(9) One member, chosen by the chairman of the Oilfield Site Restoration</li> <li>Commission, from those companies listed as an operator of record with the office of</li> <li>conservation for the greatest number of inactive wells no longer producing oil and gas.</li> <li>(10) One member, selected by the board of directors of the Sierra Club. If the Sierra</li> </ul>
17 18 19 20 21	<ul> <li>(9) One member, chosen by the chairman of the Oilfield Site Restoration</li> <li>Commission, from those companies listed as an operator of record with the office of</li> <li>conservation for the greatest number of inactive wells no longer producing oil and gas.</li> <li>(10) One member, selected by the board of directors of the Sierra Club. If the Sierra</li> <li>Club fails to name a member within thirty days of the filing of this Resolution with the</li> </ul>
17 18 19 20 21 22	<ul> <li>(9) One member, chosen by the chairman of the Oilfield Site Restoration</li> <li>Commission, from those companies listed as an operator of record with the office of</li> <li>conservation for the greatest number of inactive wells no longer producing oil and gas.</li> <li>(10) One member, selected by the board of directors of the Sierra Club. If the Sierra</li> <li>Club fails to name a member within thirty days of the filing of this Resolution with the</li> <li>Secretary of State, the chairman of the Oilfield Site Restoration Commission shall notify The</li> </ul>
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constitute a quorum of the task force and any official action by the task force shall require 1 2 an affirmative vote of a majority of the quorum present when voting. 3 BE IT FURTHER RESOLVED that the task force shall meet as necessary and shall 4 report its findings to the legislature no later than February 1, 2016, and shall terminate upon the date of submission of such report or on February 1, 2016, whichever comes first. 5 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the 6 7 secretary of the Department of Natural Resources, the commissioner of conservation, the 8 director of the Louisiana Mineral Law Institute, the president of the Louisiana 9 Mid-Continent Oil and Gas Association, the president of the Louisiana Oil and Gas 10 Association, the executive director of the Louisiana Landowners Association, the Louisiana 11 legislative auditor, the board of directors of the Sierra Club, and the executive director of the 12 Louisiana Association of Business and Industry.

The original instrument was prepared by McHenry Lee. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas F. Wade.

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#### DIGEST 2015 Regular Session

Allain

Establishes a task force to study the performance audit on regulation of oil and gas wells and management of orphaned wells.

## Summary of Amendments Adopted by Senate

Senate Floor Amendments to original bill

1. Adds two members to the task force, one selected by the board of directors of the Sierra Club, with an alternative from The Nature Conservancy should the Sierra Club not act, and one selected by the Louisiana Association of Business and Industry, with notification to each organization.