

SENATE CONCURRENT RESOLUTION NO. 89

BY SENATORS ALLAIN AND WALSWORTH

A CONCURRENT RESOLUTION

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

WHEREAS, the oil and gas industry is a vital part of Louisiana's economy; and

WHEREAS, effective regulation is important for efficient operation of the industry, reducing environmental and public safety risks, preventing the contamination of ground and surface water, and preventing operators from abandoning their wells; and

WHEREAS, in May 2014, the Louisiana legislative auditor released a performance audit analyzing the oil and gas regulatory program, which is administered by the office of conservation, Department of Natural Resources; and

WHEREAS, the purpose of the performance audit was to determine whether the office of conservation regulates oil and gas wells effectively to ensure operators comply with regulations and to evaluate whether the office of conservation has managed the number of orphaned wells effectively in the state; and

WHEREAS, establishing a task force of stakeholders and experts is an important first step in analyzing and achieving the goals outlined in the report.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby establish a task force to address the issues outlined in the performance audit and any current and proposed rules promulgated by the Department of Natural Resources relative to the financial security for the plugging and abandonment of oil and gas wells and determinations of future utility, and to report its findings to the legislature.

BE IT FURTHER RESOLVED that the task force shall be composed of the following members:

- (1) The chairman of the Oilfield Site Restoration Commission or his designee.
- (2) The commissioner of conservation or his designee.
- (3) The president of the Louisiana Mid-Continent Oil and Gas Association or his designee.
- (4) The president of the Louisiana Oil and Gas Association or his designee.
- (5) The executive director of the Louisiana Landowners Association, Inc. or his designee.
- (6) The Louisiana legislative auditor or his designee.
- (7) One member of the Louisiana State Senate, appointed by the president.
- (8) One member of the Louisiana House of Representatives, appointed by the speaker.
- (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.
- (10) One member, selected by the board of directors of the Sierra Club. If the Sierra Club fails to name a member within thirty days of the filing of this Resolution with the Secretary of State, the chairman of the Oilfield Site Restoration Commission shall notify The Nature Conservancy and request that the conservancy shall name a member to be named within thirty days of such notification.
- (11) One member to be named by the Louisiana Association of Business and Industry.

BE IT FURTHER RESOLVED that the members of the task force shall serve without compensation, except per diem or expense reimbursement to which they may be individually entitled as members of the constituent organization.

BE IT FURTHER RESOLVED that a majority of the total membership shall constitute a quorum of the task force and any official action by the task force shall require an affirmative vote of a majority of the quorum present when voting.

BE IT FURTHER RESOLVED that the task force shall meet as necessary and shall 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.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Department of Natural Resources, the commissioner of conservation, the director of the Louisiana Mineral Law Institute, the president of the Louisiana Mid-Continent Oil and Gas Association, the president of the Louisiana Oil and Gas Association, the executive director of the Louisiana Landowners Association, the Louisiana legislative auditor, the board of directors of the Sierra Club, and the executive director of the Louisiana Association of Business and Industry.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES