
 DIGEST

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SB 388 Engrossed

2016 Regular Session

Cortez

Present law authorizes an owner drilling, intending to drill, or who has drilled a unit well, a substitute unit well, an alternate unit well, or a cross-unit well on any drilling unit heretofore or hereafter created by the commissioner, may, by registered mail, return receipt requested, or other form of guaranteed delivery and notification method, not including electronic communication or mail, to notify all other owners in the unit prior to the actual spudding of any such well of the drilling or the intent to drill and give each owner an opportunity to elect to participate in the risk and expense of such well.

Proposed law eliminates the notification provision to all other owners in the unit prior to the actual spudding of the well.

Present law requires the notice contain the authorization of expenditure form, as of 120 days of the notice, the proposed location and depth, estimated ownership or percentage of well participation, and data of the proposed well.

Proposed law provides for the notice for wells drilled prior to the notice include the actual cost, location, depth, and various data of the well.

Proposed law requires the payment of estimated drilling costs be deemed timely if received by the drilling owner within 60 days of the spudding of the well or the receipt by the notified owner of the notice provided for in present law, whichever is later.

Present law provides for a drilling unit being created around certain wells and for a drilling unit being revised. Specifies that the owners will have 60 days from the order creating the new or revised unit to participate in the well.

Proposed law removes the 60-day provision.

Proposed law provides that failure of the drilling owner to provide written notice as required by present law to an owner will not affect the validity of the written notice properly provided to any other owner in the unit.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:10(A)(2)(a)(i), (b)(i), (c), and (d)(i); Adds R.S. 30:10(A)(2)(i))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill

1. Technical changes.
2. Adds provision regarding failure of the drilling owner to provide written notice as required by present law to an owner will not affect the validity of the written notice properly provided to any other owner in the unit.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the engrossed bill:

1. Add authority to an owner who has drilled a well to notify all owners of the drilling and give the opportunity to those owners to elect to participate.
2. Add such notice include for wells drilled prior to the notice the actual cost, location, depth, and various data of the well.