

RÉSUMÉ DIGEST

ACT 524 (SB 388)

2016 Regular Session

Cortez

Prior law authorized 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.

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

Prior law required 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.

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

New 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 prior law, whichever is later.

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

New law removes the 60-day provision.

New law provides that failure of the drilling owner to provide written notice as required by prior 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 (June 13, 2016).

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