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**HOUSE COMMITTEE AMENDMENTS**

2020 Second Extraordinary Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 29 by Representative DeVillier

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1 AMENDMENT NO. 1

2 On page 1, line 3, after "from" and before "wells" delete "newly drilled" and insert "certain"

3 AMENDMENT NO. 2

4 On page 1, delete lines 16 through 20 in their entirety and on page 2 delete lines 1 through  
5 5 in their entirety and insert the following:

6 "B.(1) There shall be an exemption from the severance tax levied in this  
7 Section at the rates provided for in R.S. 47:633 on oil production from any newly  
8 drilled well or completed well that is or has undergone well enhancements that  
9 required a Department of Natural Resources permit, including but not limited to re-  
10 entries, workovers, or plugbacks, from which production commences on or after  
11 October 1, 2020, and on or before December 31, 2025. The exemption shall last for  
12 a period of twenty-four months or until payout of the well cost is achieved,  
13 whichever occurs first.

14 (2)(a) Payout of well cost occurs when gross revenue from the well, less  
15 royalties and operating costs directly attributable to the well, equals the well cost.

16 (b) For the purposes of this Section, well costs shall equal the cost of  
17 completing the well to the commencement of production or the cost of well  
18 enhancements, as determined by the Department of Natural Resources.

19 (c) For the purposes of this Section, operating costs shall be limited to those  
20 costs directly attributable to the operation of the exempt well, including but not  
21 limited to direct materials, supplies, fuel, direct labor, contract labor or services,  
22 repairs, maintenance, property taxes, insurance, depreciation, and any other costs that  
23 can be directly attributed to the operation of the well. Where applicable, the  
24 calculation of such costs shall begin from the date that the Department of Natural  
25 Resources permitted operation or enhancement is complete and production is  
26 established. Operating costs shall not include any costs that were included in the well  
27 cost approved by the Office of Conservation.

28 (3) Interest on a refund of severance tax to an operator whose well qualifies  
29 for the exemption provided in this Subsection shall be paid in accordance with R.S.  
30 47:1624(A)(2)."