
DIGEST

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HB 696 Original

2024 Regular Session

Geymann

Abstract: Authorizes the commissioner of conservation to order unitization for carbon dioxide sequestration projects

Present law authorizes the commissioner of conservation to perform any act necessary to carry out the requirements of the federal Safe Drinking Water Act related to the state's participation in the underground injection control program and the sequestration of carbon dioxide, including the authority to promulgate administrative rules and issue permits and orders.

Proposed law retains this authority and specifies that the commissioner is authorized to order unitization, pooling, and consolidation of a reservoir for geologic storage, upon the application of a proposed storage facility operator, after public hearing, and if the commissioner finds all of the following:

- (1) The proposed storage reservoir meets the requirements of present law (R.S. 30:1104(C)).
- (2) The full areal extent of the Storage Unit has been reasonably defined.
- (3) At the time of the hearing, at least three-fourths of the owners in interest within the Storage Unit have executed contracts with the proposed storage operator covering their interests in the Storage Unit.

Proposed law provides that executed contracts will not be altered by a unitization order and requires the unitization order to provide fair and equitable compensation to owners in interest who have not executed contracts with the storage operator.

Proposed law defines "owner in interest" and "storage unit".

Proposed law requires the commissioner to make determinations regarding commercially recoverable natural gas, condensate, or minerals remaining in the reservoir proposed for geologic storage in any order for unitization.

Proposed law provides that an operator who receives a unitization order is relieved of any requirement to obtain additional approval prior to the use of the reservoir for the storage of carbon dioxide or the exercise of eminent domain.

Proposed law further provides for an appeals process and authorizes the commissioner to establish a methodology for determining fair and equitable compensation for owners in interest that don't have contracts with the operator.

(Adds R.S. 30:1104.1)