

2025 Regular Session

HOUSE BILL NO. 75

BY REPRESENTATIVE MCCORMICK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENERGY/CONSERVATION: Provides relative to compensation for pore space owners

1 AN ACT

2 To amend and reenact R.S. 30:1104.2(C) and (D), relative to compensation of owners in
3 interest in a unitization; to provide compensation to owners in interest in a
4 unitization; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 30:1104.2(C) and (D) are hereby amended and reenacted to read as
7 follows:

8 §1104.2. Unitization

9 * * *

10 C.(1) An order for unit operation shall provide for just and equitable sharing
11 of the benefits generated from use of such tracts for geologic storage and shall
12 provide for just and equitable compensation to all owners in interest, including the
13 storage operator, other owners in interest who consented in writing to geologic
14 storage, and owners in interest who did not consent in writing to geologic storage,
15 except that the order shall not vary, alter, or otherwise apply a standard of benefit
16 sharing or compensation to the terms of any contracts between the storage operator
17 and any owner in interest. The order shall set forth the method, formula, or other
18 basis by which the just and equitable sharing of the benefits shall be determined,
19 including the timing of payments thereof. In determining the method, formula, or
20 other basis, the commissioner may take into consideration such factors that include

1 but are not limited to the computational modeling submitted by an existing or
2 proposed storage operator, whether there is an impact to a tract, the extent of any
3 impact to a tract, each separately owned tract's proportionate share of the total
4 surface acreage contributed to the storage unit, the costs required to perform the unit
5 operation, and the viability of any third-party geologic storage projects within the
6 storage unit and any associated third-party contracts executed by an owner in
7 interest.

8 (2) No owner in interest shall be paid less than the maximum compensation
9 paid per acre to any other owner in interest in the unitization.

10 D. Judicial review of orders, rules, and regulations issued by the
11 commissioner pursuant to this Section shall be conducted pursuant to the provisions
12 and requirements of R.S. 30:12. Additionally, subject to timely filing for court
13 review pursuant to R.S. 30:12, the proposed storage unit operator or any owner in
14 interest who has not entered into an agreement for geologic storage with the
15 proposed storage unit operator shall have the right to have the reviewing court
16 determine whether the purpose for the storage unit is public and necessary, whether
17 the compensation provided for is just, and, if not, the amount of just compensation
18 due. As to any owner in interest having the right to have a reviewing court
19 determine whether the compensation is just under this Subsection, the court's review
20 in those instances shall be limited to the compensation affecting that specific owner
21 in interest. The court may request all information necessary to determine just
22 compensation. The review of whether the compensation is just may be heard
23 through a trial by jury if timely requested by any party. Judicial reviews conducted
24 under this Subsection shall be tried by preference and shall be conducted with the
25 greatest possible dispatch.

26 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 75 Original

2025 Regular Session

McCormick

Abstract: Provides relative to compensation to owners in interest in a unitization.

Present law (R.S. 30:1104.2(C)) requires a unitization order to provide for just and equitable compensation for all owners in interest and the storage operator. Present law also requires the order to provide for the method, formula, or other basis to determine the just and equitable share of the benefits.

Proposed law retains present law and requires that an owner in interest be paid the maximum compensation paid per acre to any other owner in interest in the unitization.

Present law (R.S. 30:1104.2(D)) authorizes the operator of a proposed storage unit or any owner in interest who has not entered into a contract with the proposed storage unit operator to have the court review whether the purpose for the storage unit is public and necessary, whether the compensation is just, and, if not, the amount of just compensation due. The court's review in those instances is limited to the compensation affecting the specific owner in interest seeking review. A jury trial on the matter may be requested, and the proceeding shall be conducted by preference.

Proposed law retains present law and permits the court to request information necessary to determine compensation for an owner in interest.

(Amends R.S. 30:1104.2(C) and (D))