
DIGEST

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HB 632 Original

2025 Regular Session

Riser

Abstract: Prioritizes mineral exploration, mineral interests, and mineral servitudes over carbon dioxide sequestration and adds protections for mineral servitude owners throughout the La. Geologic Sequestration of Carbon Dioxide Act.

Present law establishes the following policies of the state regarding carbon dioxide (CO₂) and declares these things to be in the public interest for a public purpose:

- (1) CO₂ is a valuable commodity.
- (2) Geologic storage will allow for later withdrawal of the CO₂ for commercial or industrial or enhanced oil recovery purposes.

Proposed law repeals present law.

Proposed law adds a policy statement that the development of mineral and other natural resources of the state is of greater public interest than geologic storage of CO₂.

Present law defines "geologic storage" to include short-term and long-term underground storage of CO₂.

Proposed law removes short-term storage from this definition and adds long-term underground containment.

Present law provides that the commissioner of conservation has jurisdiction over all persons and property necessary to enforce the laws on geologic storage and withdrawal of CO₂, and requires that the commissioner prevent injection wells from being drilled and operated in a way that injures neighboring leases and property.

Proposed law removes the commissioner's jurisdiction over withdrawal of CO₂ from geologic storage, and adds that his duties also include preventing damages to co-existing leases and mineral rights from the drilling and operation of an injection well.

Present law requires the commissioner to make certain findings regarding an underground reservoir before it can be approved for geologic storage of CO₂, including:

- (1) A reservoir capable of producing commercial minerals in paying quantities cannot be used

for storage unless all of the owners agree, all commercial minerals in the reservoir have been produced, or the reservoir has more value as a storage facility than it would in production.

- (2) Use of the reservoir for storage of CO₂ will not contaminate fresh water, oil, gas, or other commercial minerals.
- (3) If the commercially recoverable minerals in a reservoir have been fully depleted or the amount still remaining.

Proposed law retains the required finds, but removes the requirement that the minerals at issue be "commercial" and only requires that they are capable of production, rather than capable of production in paying quantities.

Present law authorizes the commissioner to issue order and rules as necessary to protect storage reservoirs against pollution or escape of CO₂, including order and rules regulating drilling into or through the storage reservoir.

Proposed law provides that the commissioner issue any orders and rules necessary to ensure unencumbered and unburdened drilling into or through the storage reservoir.

Present law provides for the unitization of storage rights for the geologic storage of CO₂ and requires the storage operator to obtain consent from 3/4 of the owners within the unit prior to applying for a unitization order.

Proposed law requires the consent of both the surface owner and the mineral servitude owner in cases where the mineral rights are severed from the surface in order for that tract's acreage to count towards the 3/4 consent requirement.

Present law provides that storage unit operations and injection on one tract within a storage unit are considered operations for all tracts.

Proposed law further provides that operations on one tract in the unit will suspend the prescription of nonuse for mineral servitudes within the unit and that geologic storage of CO₂, even after operations have ceased, will be considered an obstacle that suspends prescription for the servitude.

Present law provides definitions, including for an "owner in interest", which includes persons with the right to use the subsurface of a tract for geologic storage.

Proposed law expands this definition to include persons with the right to use the subsurface for mineral exploration. Further defines "mineral servitude owner" as that term is defined in the Mineral Code.

Proposed law provides that if expropriation or unitization is used to acquire the right to use property for geologic storage of CO₂, then the courts must make determinations on whether compensation is just and whether the use is for a public purpose. Further requires that mineral servitude owners must be compensated separately for the value of mineral rights taken or damaged as a result of this

expropriation or unitization.

Present law requires that notice of administratively complete Class VI permit applications and Class V permit applications related to carbon dioxide sequestration projects be provided to owners and operators acting on behalf of owners of mineral rights within the projected plume.

Present law requires notice of a Class V or Class VI permit application to operators and mineral rights owners within the Class VI area of review or within 500 feet of the Class V well.

Proposed law clarifies that the owners entitled to notice are owners in interest.

Present law adopts a federal regulation providing a confidential business records exception to public records law for information contained in Class VI permit applications.

Proposed law repeals present law.

Amends R.S. 30:1102(A)(2) through (4) and (B), 1103(7), (13), and (14), 1104(A)(3), (5) through (7), and (11), and (C) through (E), 1104.2(B), (D), and (F), 1106(A), 1107(D), 1108(A)(3) and (B)(3), 1109(Section heading) and (G), 1109.1, 1110(C)(1), and 1115(A)(intro. para.) and (2) and (B)(2); Adds R.S. 30:1102(C), 1103(17) through (19), and 1108(E); Repeals R.S. 30:1103(4), 1104(F), and 1104.2(H))