
DIGEST

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SB 244 Reengrossed

2025 Regular Session

Hensgens

Present law establishes the office of conservation, lead by the commissioner of conservation to oversee the state's natural resources, subsurface disposal wells, and all surface and storage waste facilities related to oil and gas operations. The commissioner has rulemaking authority and jurisdiction over all persons and property necessary to enforce the state's laws on oil and gas conservation, including land use, establishment of drilling units, collection of fees, and permitting of production and injection well operations and pipelines related to oil and gas production.

Present law authorizes the commissioner to implement an expedited permitting program and provides for notice and reporting. Proposed law maintains present law, and requires the secretary to promulgate rules for expedited processing, including, requests, timelines, notice, record keeping, and appeals.

Proposed law maintains present law and moves the authority and responsibilities of the office of conservation and its commissioner under the department and its secretary.

Proposed law repeals the Cross-Unit Well Study Commission, which sunset on August 1, 2015.

Proposed law organizes the Dept. of Conservation and Energy and provides for the secretary, deputy secretary, undersecretary, and directors. Specifies that the department is organized into the executive office of the secretary that include the office of state resources, the office of legal services, the office of administration, the office of permitting and compliance, the office of mineral resources, the office of enforcement, and the office of energy.

Proposed law requires reporting of oil, gas, and condensate production on an individual well basis.

Proposed law creates the Natural Resources Financial Security Fund to support the department's regulatory programs for which financial security or assurance are required. Provides for collection, custody, expenditure, and use of payments, premiums, and fees collected from operators under programs administered by the Natural Resources Trust Authority.

Proposed law provides that monies in the fund may be used for restoration, reimbursement, and administrative costs. Requires all instruments currently held by the Oilfield Site Restoration Fund are to be transferred to the fund. Further changes the expenditure limit from \$950,000 to the department's federal approved indirect cost rate or if that rate doesn't exist, 15% of direct costs.

Proposed law requires federal orphan oilfield site appropriations and grant monies go to the department's federal funds account to be spent on assessment, restoration, and plugging of orphan wells. Authorizes the secretary to expend such monies through contracts authorized under present law.

Proposed law authorizes the secretary to enter orphaned oilfield site restoration contribution agreements limiting a party's obligations and resolving regulatory compliance responsibilities.

Proposed law removes minimum expenditure requirements for plugging certain wells between 2016 and 2022.

Proposed law provides that entities authorized to issue bonds on behalf of the La. Local Government Environmental Facilities and Community Development Authority may be "issuers" of debt related to Oilfield Site Restoration Law.

Proposed law provides that the department has exclusive authority to regulate water resource dependent activities and promulgate rules for management, use, and protection of water resources and prevention of saltwater intrusion, including water well drilling, use, and abandonment. Proposed law further provides for an agricultural use exemption for regulation of water use and requires the department to prioritize the protection of public water supplies.

Proposed law provides that the department has exclusive authority to create groundwater districts and require permits for drilling or construction of water wells. Requires the department to develop a comprehensive water resource plan.

Present law establishes the State Mineral and Energy Board and provides for its membership and powers. Proposed law authorizes the State Mineral and Energy Board to enter operating agreements for use of state resources under the department's jurisdiction. Changes membership from the secretary to the undersecretary and provides for proxies.

Proposed law requires the secretary and commissioner of administration to enter into an agreement on the management of payments from the Saltwater and Oil Assessment process.

Present law organizes the Dept. of Energy and Natural Resources, its officers, and offices. Provides that the department is directed by a secretary, appointed by the governor with consent of the Senate.

Proposed law creates the Natural Resources Commission within the Dept. of Conservation and Energy. Proposed law provides for the membership of the commission, who may not serve by proxy or designee.

Proposed law requires the department, under the direction of the deputy secretary, to staff the commission and authorizes engagement of the legislative auditor for legislative or commission-requested reports. Proposed law provides for the commission's meeting requirements.

Proposed law requires the commission to serve as the primary coordinating body for water management planning and statewide flood protection and develop a process for centralized, uniform planning; develop processes for interagency and intergovernmental coordination and response; develop a process to respond to and prioritize legislative study requests; engage the legislative auditor for support in executive branch investigations, reports, and reviews; develop a process for identifying, clarifying, and addressing agency overlap, including with independent agencies and political subdivisions.

Proposed law provides for procedures for the secretary to streamline and modernize the organization and operation of the department, including notifying the governor, the House Committee on Natural Resources and Environment and the Senate Committee on Natural Resources.

Present law establishes the Mineral and Energy Operations Fund.

Proposed law maintains present law and provides that monies may be transferred from the Natural Resources Financial Security Fund to the Mineral and Energy Operations Fund.

Present law vests responsibilities, powers, and duties in the commissioner of conservation relative to water and groundwater management, including determining an area of groundwater concern and membership on water related boards and commissions. Proposed law replaces the commissioner with the secretary of the Dept. of Conservation and Energy.

Proposed law provides for the secretary's authority to review determinations of pipe lines as common carrier.

Proposed law provides for the withholding of information submitted to the State Mineral and Energy Board, the office of mineral resources, and the office of state resources during a competitive application or bid process which the board or office deems confidential and provides for disclosure of such information after the completion of the competitive application process.

Present law requires the secretary to adopt rules providing for special areas within the coastal zone that would require special management procedures. Proposed law retains present law and changes the requirement to an authorization to adopt such rules.

Present law provides for authority of the department relative to oysters and oyster leases. Proposed law retains present law with the authority vesting in the Dept. of Conservation and Energy.

Present law provides a process for the remediation of oilfield and exploration and production sites. Proposed law amends present law regarding damages recoverable, burden of proof, time delays for submission of remediation plans and alternate plans, the use of the Risk Evaluation and Correction Action Program (RECAP) and other exceptions in developing the plan, the process for adoption of the most feasible plan and contesting the adoption, appeals, the standard of remediation required, payment of costs of the plan, attorneys fees and litigation costs, and contractual indemnity provisions. Proposed law further provides for the applicability of proposed law changes to certain activities and claims.

Proposed law provides for the use and investment of monies in the La. Asset Management Pool.

Present law establishes oilfield restoration fees. Proposed law restores language under prior law providing for the timing of payments and the prices that oilfield restoration fees are based on.

Present law establishes state policy regarding the public interest and public purpose of carbon dioxide sequestration. Proposed law removes the present law declarations that greenhouse emissions and the withdrawal of carbon dioxide for enhanced oil recovery.

Present law provides for the issuance of certificates of public convenience and necessity for carbon dioxide storage operators and transporters. Proposed law amends the requirements for a carbon dioxide transporter to be issued a certificate by requiring the secretary to find that the pipeline transporting carbon dioxide for storage is either a common carrier or that it requires expropriation for absentee landowners only. Proposed law further adds a definition for "common carrier" within the Louisiana Geologic Sequestration of Carbon Dioxide Act.

Present law provides requires notice to operators of record and persons with a right to drill be provided notice of a Class VI-related permit application after the application is complete. Proposed law requires notice to be made by certified mail, requires that the notice be sent to operators of record, mineral owners, and landowners within a certain proximity to the Class VI-related wells in the permit, and requires that the notice be made before the permit applications can be considered complete.

Proposed law adds a voluntary process for resolution of disputes that fall within the department's jurisdiction. Proposed law provides for requests to use this process, the selection of a hearing master, en banc review, and decisions of the hearing master.

Proposed law repeals the following:

- (1) The La. Environmental Education Act.
- (2) The Interagency Council.
- (3) Requirements and procedures for obtaining a discharge prevention and response certificate by a terminal facility.
- (4) The Water Resources Commission.
- (5) Business record confidentiality applicable to Class VI permitting.

- (6) Requirement for the secretary to provide itemized reporting to the legislature for the use of the Mineral and Energy Operation Fund for legal costs and expenses.
- (7) Requirement that the State Mineral and Energy Board manage distributions from mineral leases owned in indivision by 500 or more persons.
- (8) Duties of the oil spill prevention coordinator relative to derelict vessels and structures.

Effective in part upon signature of the governor and in part on October 1, 2025.

(Amends R.S. 30:1(A)(section heading), (B), and (C), introductory paragraph of 3, 3(3), (6), (7), (9), and (18), 4(A), (B), introductory paragraph of (C), (C)(1)(a)(v) and (b), 14, (16)(b), (17)(b), introductory paragraph of (D), (D)(1), (2), (3)(a) and (b), and (5), (E), (F), (G), (H), introductory paragraph of (I), (I)(1), (3), (4), (5), (9), and (11), (K), introductory paragraph of (L)(1), introductory paragraph of (M), (M)(3), introductory paragraph of (6) and (6)(b), introductory paragraph of (4), (4)(a), and (5), (O)(1) and (2), (P), (Q), introductory paragraph of (R), and (T), introductory paragraph of R.S. 30:4.1(B)(1) and (2), (C), (D), (E), (F)(1), (I), and (K), 4.2, 4.3, 5(A), (B), (C)(1)(a) and (b), introductory paragraph of (2), (2)(d), (4), and (6), and (D)(1) and introductory paragraph of (2), 5.1(A)(1), (2), introductory paragraph of (3), (3)(e), (5), (6), (7), (8), and (9), (B)(1), (2), and introductory paragraph of (3), (5), (7), (9), (10), (12), and (13), 5.2(A), (B), introductory paragraph of (C), (E), (G), and (H), 6, 6.1(A), (B), (C), (D)(1), and (F), 8(A)(1), (2), (3), and (4), and (B), introductory paragraph of 9(A), (B), (C), and (D), 10(A)(1), (2)(a)(i) and (ii), (b)(ii)(ii), introductory paragraph of (vi), (vi)(bb), (c), (d), and (f), and (3), (B), and (C)(7), 10.1(B)(1), (3), (4), and (5), 11.1, 12(A), (B)(1), (2), (3), (4), introductory paragraph of (5), and (5)(f), and (C), 13, 14, 15, 18(A)(1), (2), (3), (4), (5), (6)(a)(i) and (ii), (b), (c)(i)(ff), (ii), (iii), (d), and (e), and (B), 20(A) and (D), 21(A) and (B)(1) (a), (b), (c), introductory paragraph of (d), and (e) and (2)(a) and (b), introductory paragraph of 22(B), (C), (D), and (E), introductory paragraph of 23(B), (C), and (D), 23.1(A), 25(A)(2), (3), (5), (6), and (7), (D), (E), and (F), 26(A), 27(A), (D), and (F), 28(A), (C), introductory paragraph of (D), (D)(2), (3), (5), (6), and (7), (F), (G), (H), introductory paragraph of (I)(1)(a), (d), and (g), and (J), 29(A), (B)(1), (C)(1), (3)(a), (5), and (6)(b) and (c), (D)(1) through (3), (E)(1), (F), (H)(1), (I)(2) and (4), the introductory paragraph of (M)(1), and (M)(1)(c), 41, 42, 44, 45, 48, introductory paragraph of 61, 73(1), 74(A) and (B), 79(A), (B), and (C), 82(1), (6), (7), (11), and (14), 83(A)(5) and (7), 83.1(B)(3), 85(A)(3) and (C), 86(A)(2), (D)(8), (9), and (10), (E)(2), (6) and (7), (F), (G), and (H), 87(A), introductory paragraph of (F)(1)(a), and introductory paragraph of (b), 88(B), (C), (D), (E), (F), (I), and introductory paragraph of (J), 88.1(A)(3) and (4), (C), (D), (E), (G), and (H), 88.2(C), introductory paragraph of (E), (E)(1), and (F), 89(A), (B), introductory paragraph of (C), (C)(2) and (3), and (D), 90(C), introductory paragraph of (D), (D)(1) and (4), and (E)(4), introductory paragraph of R.S. 30:91(A), 91(A)(1), (B)(1), (2)(a) and (c), (3), and (4), and (D), 92(A) and (C), introductory paragraph of R.S. 30:93(A), 94(A), introductory paragraph of (B)(1), (2)(b), and (3), and (C), 95(B), (C), and (D), 101.2(A), 101.3(2), 101.4, 101.5(A)(2), introductory paragraph of 101.6(A) and 101.6(B), 101.7(A), 101.8, introductory paragraph of 101.9(D)(1) and (2), 101.10(A) and introductory paragraph of (B), 101.13(A), (B)(2), and (C)(4), 101.14(A) and (B), introductory paragraph of R.S. 30:103.1(A), 121(A), (C), and (D), 125, 127.1(C)(10) and (11), and (D), 129(B)(1)(a), 135, 136.3(B)(1), (C) and (D), 143(D)(2) and (3), 148.8, 148.9(A)(1) and (2), 153, 172, 209(4)(e), 209.1(A) and (B)(1), 413(A) and (B), 414(A), 502(D), 503(1), (2), (4), (6), and (8), 504, the introductory paragraph of 521(A) and 521(C), 524, 525, introductory paragraph of R.S. 30:541 and 541(2), 544(A) and (B), introductory paragraph of 546(A), (A)(5), (B), and (C), introductory paragraph of R.S. 30:548, 551, 557(A), (B), (C), (D), introductory paragraph of (E) and (E)(1), (F), and (G), 558(A), (B), (D), (F), (G), and (H), 559(A) and (C), 560(B), (C), and (D), 561(A), (B), and (C), 571, introductory paragraph of 572(1), (1)(f), (h), and (i), 603(A), (B), (C), (D), (E), and (G), 604, 681.1(5), (8), and (9), 681.2(2) and (3), 702(1), (2)(b), and (5), 703, 704(B), (C), (D), and (E), 705(A) and (B), 706, 707, 722, 723(A), (F), and (H), 731(1), 732, 802, 904(2), (4), (7), (9), (12), (20), 905(A), introductory paragraph of (B), (B)(2), (8), and (9), and (C), 905.1(A) and (B)(2), introductory paragraph of R.S. 30:905.3(A)(1), (B), (C), (E)(1), and (F), 906.1, 907(A) and introductory paragraph of (B), (B)(9), (11), (12), (13)(b), (15), (17), and (18), (C)(1), (D), (F), and (G), 908(A)(12) and (B), 915(B)(7), (9), (10)(f), (12), introductory paragraph of (15), (15)(e), (20), (22)(e), introductory paragraph of (25)(C)(2), (2)(d), introductory paragraph of (3), and (4), (D)(3) and (4), (E)(1), (4), and (5), 917(A)(1), introductory paragraph of (2), (2)(d), (3), (B), (D), (E), (F), and (G), 921, 1102, 1103(3), (10), (14), and

(15), introductory paragraph of R.S. 30:1104(A), 1104(A)(3), (9), (10), (B), introductory paragraph of (C), (D), (E), and (F), 1107(B), 1108(A)(1), (B), and (D), introductory paragraph of R.S. 30:1109(A)(1), 1109(C), (D), (E), (F), and (G), 1110(A), (B)(1), introductory paragraph of (C), introductory paragraph of (C)(1), (1)(b), (f), (g), and (h), (2), and (3), introductory paragraph of (G), (H), and (I), 1115, 2200, 2455, and the introductory paragraph of 2456(A), R.S. 31:115(C)(1)(b), R.S. 36:351, 352, 353, 354(A)(7), (10), (13), and (15), (B)(1)(b), (2), (4), (6), (8), (10), and (12), 355, 356, 357, 358, the introductory paragraphs of R.S. 36:359(A) and (B), (B)(1) and (2), and (C), the introductory paragraph of R.S. 38:3076(A), 3076(A)(24) and (C), 3087.136(4), 3087.138, 3092(2) and (4), 3093, 3094(A)(1)-(4), the introductory paragraph of R.S. 38:3094(B), 3094(B)(7), the introductory paragraph of R.S. 38:3094(C), and 3094(C)(1), 3097.1(C), 3097.2(1), (4), (7), and (9), 3097.3(A) and (B), the introductory paragraphs of R.S. 38:3097.3(C) and (C)(4)(a), 3097.3(C)(4)(a)(v) and (b), and (8), (D), (E), (F)(1), the introductory paragraphs of R.S. 38:3097.3(F)(2), (d), and (f), and 3097.3(G), 3097.6(A), the introductory paragraphs of R.S. 38:3097.6(B) and (B)(3), 3097.8(A) and (C), the introductory paragraph of R.S. 38:3098(A), 3098(B) and (E), and 3098.1(4), R.S. 44:4.1(B)(19), R.S. 45:252, R.S. 49:214.29(B), R.S. 56:432.1(C)(2), 700.13(B), and 700.14(B); adds R.S. 303(21) and (22), 4(C)(21) and (D)(6), 21.1, 29(N), 86(I) and (J), 93(C), 98.1- 98.13, 124.1, 136.3(B)(6), 209(6), 2454(33), R.S. 36:351.1, 354(B)(13) and (14), 354.1, 356.1(B)(6) and (7) and (D), and 600, R.S. 38:3098(G), R.S. 39:1367(E)(2)(b)(xi), and R.S. 45:251(4); repeals R.S. 17:200 through 220, R.S. 30:4(N), 85(D)(11), 86(F), 136.3(E), 186 - 188, 1104(F), 2458, 2469, and 2470 through 2474, and R.S. 38:3097.4, 3097.7, and 3098.6(A)(1))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes technical amendments.
2. Provides the department exclusive rulemaking and implementation authority for water resource management, conservation, and protection, including permitting, water recharge areas, water quality, resource development, and sustainability.
3. Removes limitations on the department's regulatory and pumping charge assessment authority over any well less than 400 feet depth, in the Mississippi River alluvial aquifer, or for agricultural or domestic use and with no more than 50,000 gallons per day capacity.
4. Provides the department exclusive authority to audit flow measurement devices installed by the user.
5. Provides the department exclusive authority for investigations, compliance, enforcement, issuance of notices, and collaboration with federal, state, and local agencies for coordinated enforcement.
6. Removes transfer of Capital Area and Sparta Groundwater Conservation Districts to the department.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the reengrossed bill:

1. Restore language that was previously removed from the oilfield site restoration fund regarding the timing of payments and the price that oilfield restoration fees are based on.
2. Adds proposed law to the water resource management authority of the department, requiring the department to prioritize public water supplies and providing an exemption for agricultural uses.

3. Provide for the disclosure of information received by the State Mineral and Energy Board, the office of mineral resources, and the office of state resources during a competitive bid or application process that may be deemed confidential, and authorize rulemaking regarding disclosure.
4. Make certain present law definitions applicable to all of Subtitle I of Title 30 of the Revised Statutes of Louisiana.
5. Amend the policy of the state regarding the public purpose of carbon dioxide sequestration by removing declared public purposes in present law of reducing greenhouse emissions and withdrawal of sequestered carbon dioxide for enhanced oil recovery.
6. Add a definition for "common carriers" to the Louisiana Geologic Sequestration of Carbon Dioxide Act.
7. Repeal a confidentiality of business records provision that was enacted in anticipation of the state being granted primacy over Class VI wells.
8. Require the secretary to find that a pipeline transporting carbon dioxide for storage is either a common carrier or that it requires expropriation for absentee landowners before issuing a certification of public convenience and necessity for the pipeline.
9. Require advance notice via certified mail operators of record, mineral owners, and landowners within a certain proximity to Class VI-related well permit applications.
10. Amend the process for remediation of oilfield and exploration and production sites.
11. Provide for the applicability of proposed law changes to the remediation process.
12. Add a voluntary process for resolution of disputes that fall within the department's jurisdiction.
13. Repeal oil spill prevention coordinator duties relative to derelict vessels and structures.
14. Repeal a requirement that the State Mineral and Energy Board manage distributions from mineral leases owned in indivision by five hundred or more persons.
15. Add the executive director of the State Soil and Water Conservation Commission to the Natural Resources Commission.
16. Add a provision to allow the legislature to establish advisory committees by resolution, which provide for membership and for the term of the advisory committee if it is more than the default term of one year, to advise the Natural Resources Commission on matters within its jurisdiction.
17. Remove the requirement for the secretary to approve the removal of field transmission, flow, and gathering lines that it must be after abandonment.
18. Permit the secretary to require each pipeline owner to inspect pipelines and remove the requirement that it be inspected not less than once a year and for the operator to employ a procedure to determine the depth of cover over the line and to report that information to the secretary.
19. Remove the requirement for the secretary to require pipeline owners to notify the dept. of abandonment or nonuse of the pipeline for six months or more.

20. Revise the requirements for the secretary to adopt rules and regulations to specify at minimum the procedures for requesting and approving expedited processing, as well as public notices and document and timeline processes.
21. Provide for a timeline, for reconsideration, and for judicial review of the expedited permitting process.
22. Add use of the La. Asset Management Pool to the Natural Resources Financial Security Fund, the Mineral and Energy Operation Fund, and the La. Natural Resources Trust Authority.
23. Require the state treasurer to transfer to the Natural Resources Financial Security Fund any remaining portion of an appropriation made to the Dept. of Conservation and Energy for a specific purpose in the General Appropriation Act that remains unexpended or unobligated.
24. Remove provision to reimburse other funds, including the Oilfield Site Restoration Fund, for costs of addressing obligations covered by financial security programs.
25. Require the secretary and the commissioner of administration to enter into and maintain a memorandum of understanding regarding payments for mineral leases associated with funding their respective depts.
26. Change the applicability from oyster fisherman to oyster leaseholders for the secretary to establish procedures for damages to oyster beds from oil and gas activities.
27. Add uncodified provision to resolve a conflict between this bill and HB 605 of this session regarding fees for expedited processing by the dept., in the event that both bills pass.
28. Add effective dates.
29. Make technical changes.