

RÉSUMÉ DIGEST

SB 244

2025 Regular Session

Hensgens

Prior law established 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 had 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.

New law moves the authority and responsibilities of the office of conservation and its commissioner under the Dept. of Conservation and Energy and its secretary.

New 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.

Prior law authorized the commissioner of conservation to implement an expedited permitting program and provides for notice and reporting.

New law moves the commissioner's authority to the secretary and requires him to promulgate rules for expedited processing, including, requests, timelines, notice, record keeping, and appeals.

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

New law requires a three-day notice to an expedited processing applicant prior to the release of any records claimed by the applicant to be exempt from public disclosure.

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

New law creates the Natural Resources Financial Security Fund and provides for collection, custody, expenditure, and use of payments, premiums, and fees collected from operators under programs administered by the Natural Resources Trust Authority.

New 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, excluding oilfield site restoration fee proceeds.

Prior law set an expenditure limit for administrative costs in the Oilfield Site Restoration Fund at \$950,000.

New law changes the expenditure limit for administrative costs to the department's federal approved indirect cost rate or if that rate doesn't exist, 15% of direct costs.

New 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 existing law.

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

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

Prior law required pipeline owners to notify the office of conservation of the abandonment of pipelines or non-use of six months or more.

New law repeals prior law.

New 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.

New 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. Further provides for an agricultural use exemption for regulation of water use and requires the department to prioritize the protection of public water supplies.

New law provides that the department has exclusive authority to promulgate rules and regulations for groundwater districts and delegation of powers. Requires the department to develop a comprehensive water resource plan to promote sustainability and economic welfare and provide for protection and conservation of water resources.

New law authorizes the state to utilize tax incentives to encourage conservation through use of alternate water resources.

New law authorizes the department to inspect surface water withdrawals under its jurisdiction. Further authorizes the department to collect water use resource and use data, to conduct studies, protect water recharge areas, monitor, evaluate, and inventory water resources, identify technical research, study alternative sources, investigate conservation and use incentives, and promote water sustainability.

Prior law established the Capital Area Conservation Groundwater Conservation District as a body politic and corporate and political subdivision of the state, and provided for its board of commissioners and authority.

New law changes the district to a geographic area and removes the membership requirements of its board.

Existing law establishes the State Mineral and Energy Board and provides for its membership and powers.

New 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.

Prior law authorized the board to enter in revenue-sharing operating agreements for oil, gas, other minerals, and wind energy, where the state assumed risk for development costs or production.

New law repeals prior law.

New 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.

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

New 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. Further provides for the commission's meeting requirements.

New 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.

New 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.

Existing law establishes the Mineral and Energy Operations Fund.

New law provides that monies may be transferred from the Natural Resources Financial Security Fund to the Mineral and Energy Operations Fund. Further provides for payment into the fund of all collections by or for the Capital Area Groundwater Conservation District, require separate accounting of such monies, and restrict use of the monies to groundwater resources within the boundaries of the district.

Prior law vested 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.

New law replaces the commissioner with the secretary.

Existing law defines a "pipe line" to include all facilities necessary for the proper conduct of its business as a common carrier.

New law adds facilities necessary or integral to the transportation function. Further provides that "pipe line" does not include pipes used solely within a terminal facility for terminating services or any property of an entity that is not a common carrier.

New law provides for the secretary's authority to review determinations of pipe lines as common carrier and excludes pipes used within a terminal facility for terminaling services from Louisiana Public Service Commission rates and regulations for transporting petroleum by common carriers.

New 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.

New law authorizes the office of mineral resources and office of state resources to promulgate rules and regulations for confidential bid or proposal information and provide for adoption of regulations exempting certain bid information from Public Records Law.

Prior law required the secretary to adopt rules providing for special areas within the coastal zone that would require special management procedures.

New law retains prior law except changes the requirement to an authorization to adopt such rules.

Existing law provides a process for the remediation of oilfield and exploration and production sites.

New law creates new parameters 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. New law further provides for the applicability to certain activities and claims.

New law provides that economic loss damages be proven by preponderance of the evidence, and other nonremediation damages be limited to 300% of the fair market value of the property, as if the property had no environmental damage.

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

Existing law establishes oilfield restoration fees.

New law provides for the timing of payments and the prices on which the oilfield restoration fees are based.

Existing law establishes state policy regarding the public interest and public purpose of carbon dioxide sequestration. New law removes declarations that carbon sequestration will reduce greenhouse gas emissions and will allow for future withdrawal and use of carbon dioxide.

Existing law provides for the issuance of certificates of public convenience and necessity for carbon dioxide storage operators and transporters.

New law requires the secretary to find that the pipeline transporting carbon dioxide for storage is either a common carrier or that it requires expropriation for solely for absentee landowners, prior to issuing a certificate. Further defines "common carrier" within the Louisiana Geologic Sequestration of Carbon Dioxide Act as a transporter of carbon dioxide by pipeline for storage with the intent to serve one or more third parties.

Existing law requires an applicant for a Class VI well permit to make a good faith effort to provide notice of application by U.S. mail to the last operator of record for any oil or gas well in the area of review and any person with a right to drill and produce from a pool and appropriate production within the predicted carbon dioxide plume.

New law requires that in order for the application to be deemed complete, the applicant shall make a reasonable search and good faith effort to provide notice of the application by U.S. certified mail to the last operator of any oil or gas well, all mineral interest owners and lessees and operators acting on their behalf, and all surface owners, located within the extent of the area of review.

Existing law requires an applicant for a Class V test well permit to make a good faith effort to provide notice of application by U.S. mail to the last operator of record for any oil or gas well within 500 feet of the proposed well and any person with a right to drill and produce from a pool and appropriate production within 500 feet of the proposed well.

New law requires that in order for the application to be deemed complete, the applicant shall make a reasonable search and good faith effort to provide notice of the application by U.S. certified mail to the last operator of any oil or gas well, all mineral interest owners and lessees and operators acting on their behalf, and all surface owners, located within 500 feet of the proposed well.

New law provides that notice is satisfied by notifying all persons shown by the assessor to be the current owner of surface rights within the area of required notice.

New law requires the department to publish notice for each Class VI or Class V application related to geologic sequestration on its website.

Existing law provides for legislative oversight of the department.

New law authorizes the legislature to establish advisory committees for matters within the jurisdiction of the Natural Resources Commission. Further requires that such committees be made by resolution providing the purpose and membership, and provides that committees terminate one year from effective date unless extended by the legislature.

New law authorizes the secretary to establish a certification process for academic and research institutions specializing in fields significant to the mission of the department and to enter into intellectual property agreements with such institutions. Further requires the secretary to coordinate with the Natural Resources Commission and promulgate rules and regulations necessary for the program.

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

New 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.

New law provides that R.S. 30:29, as amended in new law, shall not apply to lawsuits arising out of activity prior to the effective date and filed prior to September 1, 2027, but shall apply to those arising out of activity prior to the effective date and filed on or after September 1, 2027, and to those arising out of activity after the effective date.

Effective August 1, 2025.

(Amends R.S. 30:1(A)(section heading), (B), and (C), 3(intro para), 3(3), (6), (7), (9), and (18), 4(A), (B), (C)(intro para), (C)(1)(a)(v) and (b), 14, (16)(b), (17)(b), (D)(intro para), (D)(1), (2), (3), and (5), (E), (F), (G), (H), (I)(intro para), (I)(1), (3), (4), (5), (9), and (11), (K), (L)(1)(intro para), (M)(intro para), (M)(3), (6)(b), (O)(1) and (2), (P), (Q), (R)(intro para), and (T), 4.1(B)(intro para), (C), (D), (E), (F)(1), (I), and (K), 4.2, 4.3, 5(A), (B), (C)(1), (2)(intro para), (2)(d), (4), and (6), and (D)(1) and (2)(intro para), 5.1(A)(1), (2), (3)(intro para), (3)(e), (5), (6), (7), (8), and (9), (B)(1), (2), and (3)(intro para), (5), (7), (9), (10), (12), and (13), 5.2(A), (B), (C)(intro para), (E), (F), (G), and (H), 6, 6.1(A), (B), (C), (D)(1), and (F), 8(A)(1), (2), (3), and (4), and (B), 9(A)(intro para), (B), (C), and (D), 10(A)(intro para), (A)(1)(intro para), (A)(2)(intro para), (A)(2)(a)(i)(intro para), (b)(ii)(ii), (vi)(intro para), (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), (5)(intro para), 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), (d)(intro para), and (e) and (2)(a) and (b), 22(B)(intro para), (C), (D), and (E), 23(B)(intro para), (C), and (D), 23.1(A), 25(A)(2), (3), (5), (6), and (7), (D), (E), and (F), 26(A), 27(A)(intro para), (D), and (F), 28(A), (C), (D)(intro para), (D)(2), (3), (5), (6), and (7), (F), (G), (H), (I)(1)(intro para), (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), (M)(1)(intro para), and (M)(1)(c), 41, 42, 44, 45, 48, 61 (intro para), 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), (F)(1)(a)(intro para), and (b)(intro para) as enacted by Section 1 of Act 16 of the 2024 Third Extraordinary Session of the Legislature of Louisiana, 88(B), (C), (D), (E), (F), (I), and (J)(intro para), 88.1(A)(3) and (4), (C), (D), (E), (G), and (H), 88.2(C), (E)(intro para), (E)(1), and (F), 89(A), (B), (C)(intro para), (C)(2) and (3), and (D), 90(C), (D)(intro para), (D)(1) and (4), and (E)(4), R.S. 30:91(A)(intro para), 91(A)(1), (B)(1), (2)(a) and (c), (3), and (4), and (D), 92(A) and (C), R.S. 30:93(A)(intro para), 94(A), (B)(1)(intro para), (2)(b), and (3), and (C), 95(B), (C), and (D), 101.2(A), 101.3(2), 101.4, 101.5(A)(2), 101.6(A)(intro para) and 101.6(B), 101.7(A), 101.8, 101.9(D)(intro para), (D)(1) and (4), 101.10(A) and (B)(intro para), 101.13(A), (B)(2), and (C)(4), 101.14(A) and (B), R.S. 30:103.1(A)(intro para), 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)(intro para), 209.1(A) and (B)(1), 413(A) and (B), 414(A), 502(D), 503(1), (2), (4), (6), and (8), 504, 521(A)(intro para) and 521(C), 524, 525, R.S. 30:541 (intro para) and 541(2), 544(A) and (B), 546(A)(intro para), (A)(5), (B), and (C), R.S. 30:548 (intro para), 551, 557(A), (B), (C), (D), (E)(intro para) 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, 572(1)(intro para), (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), (B)(intro para), (B)(2), (8), and (9), and (C), 905.1(A) and (B)(2), R.S. 30:905.3(A)(1)(intro para), (B), (C), (E)(1), and (F), 906.1, 907(A) and (B)(intro para), (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), (15)(intro para), (15)(e), (20), (22)(e), (25)(C)(2)(intro para), (2)(d), (3)(intro para), and (4), (D)(3) and (4), (E)(1), (4), and (5), 917(A)(1), (2)(intro para), (2)(d), (3), (B), (D), (E), (F), and (G), 921, 1102, 1103(3), (10), (14), and (15), R.S. 30:1104(A)(intro para), 1104(A)(3), (9), (10), (B), (C)(intro para), (D), (E), and (F), 1107(B), 1108(A)(1), (B), and (D), R.S. 30:1109(A)(1)(intro para), 1109(C), (D), (E), (F), and (G), 1110(A), (B)(1), (C)(intro para), (C)(1)(intro para), (1)(b), (f), (g), and (h), (2), and (3), (G)(intro para), (H), and (I), 1115, 2200, 2455, and 2456(A)(intro para), 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, R.S. 36:359(A)(intro para) and (B), (B)(1) and (2), and (C), R.S. 38:3072, 3073(8), 3076(A)(intro para), (A)(3), (4), (7), (8), (9), (14)(b), and (24), (C), (D), (E), (F)(1)(intro para), (F)(1)(b), and (2), 3077, 3078, 3079, 3081, 3083, 3087.136(4), 3087.138, 3092(2) and (4), 3093, 3094(A)(intro para), (A)(1)-(4), 3094(B)(intro para), 3094(B)(7), 3094(C)(intro para), and 3094(C)(1), 3097.1(C), 3097.2(1), (4), (7), and (9), 3097.3(A) and (B), 3097.3(C)(intro para) and (C)(4)(a), 3097.3(C)(4)(a)(v) and (b), and (8), (D), (E), (F)(1), 3097.3(F)(2)(intro para), (d)(intro para), and (f)(intro para), and 3097.3(G), 3097.6(A), 3097.6(B)(intro para) and (B)(3), 3097.8(A) and (C), 3098(A)(intro para), 3098(B) and (E), and 3098.1(4), R.S. 44:4.1(B)(19), R.S. 45:251(3), 252, and 255, R.S. 49:214.29(B) and 992(D)(7), 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(C)(6)(d), 29(N), 86(I) and (J), 93(C), 98.1 - 98.13, 124.1, 136.3(B)(6) and (7), 209(6), 2454(33), R.S. 36:351.1, 354(B)(13) and (14), 354.1, 356.1(B)(6) and (7) and (D), 359, 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 - 220, R.S. 30:4(N), 85(D)(11), 86(F), 136.3(E), 186 - 188, 1104(F), 2458, 2469, and 2470 - 2474, and R.S. 38:3073(2), 3074, 3075, 3080, 3097.4, 3097.7, and 3098.6(A)(1))