
SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Natural Resources to Original Senate Bill No. 462 by Senator Adley

1 AMENDMENT NO. 1

2 On page 1, line 3, delete "issuance" and insert "study"

3 AMENDMENT NO. 2

4 On page 1, line 4, delete "prohibit" and insert "study the issue of"

5 AMENDMENT NO. 3

6 On page 1, line 5, after "lease;" delete the remainder of the line and delete line 6 and insert
7 "to establish the Cross-Unit Well Study Commission; to provide for its membership, powers
8 and duties; and to provide for related matters."

9 AMENDMENT NO. 4

10 On page 1, line 11, after "N." delete the remainder of the line and insert "**(1) The Cross-**
11 **Unit Well Study Commission is hereby created within the Department of Natural**
12 **Resources, office of conservation. The commission shall study the legal implications**
13 **of the prescription of nonuse in relation to**"

14 AMENDMENT NO. 5

15 On page 1, after line 13, insert:

16 **"(2) According to Statewide Order No. 29-E, wells drilled in search of**
17 **oil to depths below three thousand feet subsea shall not be located closer than**
18 **three hundred thirty feet from any property line nor closer than nine hundred**
19 **feet from any other well completed in, drilling to, or for which a permit shall**
20 **have been granted to drill to, the same pool. In addition, Statewide Order No.**
21 **29-E provides wells drilled in search of gas shall not be located closer than three**
22 **hundred thirty feet to the property line nor closer than two thousand feet to any**
23 **other well completed in, drilling to, or for which a permit shall have been**
24 **granted to drill to, the same pool.**

25 **(3) The Legislature of Louisiana has become aware of the practice of**
26 **granting exceptions to the above rules and allowing oil and gas operators to drill**
27 **within the three hundred thirty feet property line and into the adjacent**
28 **property. R.S. 31:16 provides that mineral rights are real rights and subject to**
29 **either a prescription of nonuse for ten years or to special rules of law governing**
30 **the term of their existence. One practical implication of allowing an exception**
31 **to the three hundred thirty foot boundary rule is that the drilling of cross-unit**
32 **wells could prevent the prescription of nonuse from running on the adjacent**
33 **property. Officials at the Louisiana Oil and Gas Association and the Louisiana**
34 **Mid-Continent Oil and Gas Association recognize that this practice impacts the**
35 **rights of adjoining landowners in regards to the prescription of nonuse.**

36 **(4) The Cross-Unit Well Study Commission shall consist of members**
37 **comprised as follows:**

38 **(a) The commissioner of conservation, who shall serve as the chairman.**

39 **(b) The director of the Louisiana Mineral Law Institute.**

40 **(c) Three people appointed by the Louisiana Oil and Gas Association.**

41 **Two of the three people shall be attorneys who are licensed to practice law in**
42 **Louisiana.**

1 **(d) Three people appointed by the Louisiana Mid-Continent Oil and Gas**
2 **Association. Two of the three people shall be attorneys who are licensed to**
3 **practice law in Louisiana.**

4 **(e) Two people appointed by the director of the Louisiana Mineral Law**
5 **Institute. Each person shall be an attorney who is licensed to practice law in**
6 **Louisiana and have at least fifteen years of legal experience in the oil and gas**
7 **industry.**

8 **(f) One person appointed by the Louisiana Chapter of the National**
9 **Association of Royalty Owners.**

10 **(5) The chairman shall hold the first public meeting of the commission**
11 **on or before September 1, 2014, at the headquarters of the Department of**
12 **Natural Resources, office of conservation. After the first meeting, the**
13 **commission shall hold monthly public meetings at the headquarters of the**
14 **Department of Natural Resources, office of conservation.**

15 **(6) The chairman shall report the commission's findings and**
16 **recommendations to the Senate Committee on Natural Resources and the House**
17 **Committee on Natural Resources and Environment not later than March 16,**
18 **2015.**

19 **(7) The members shall serve without compensation except per diem or**
20 **expense reimbursement to which they may be individually entitled as members**
21 **of the organizations.**

22 **(8) The commission shall be subject to the open meetings and public**
23 **records laws.**

24 **(9) The provisions of this Section shall be void on August 1, 2015."**