

RÉSUMÉ DIGEST

ACT 362 (HB 784)

2015 Regular Session

Dove

New law increases existing fees and fee caps, creates new fees collected by the office of conservation, and creates an expedited permit process.

Existing law authorizes the office of conservation in the Dept. of Natural Resources to collect annual fees from operators of capable oil and gas wells based on a tiered system and on injection wells and facilities.

New law increases the caps on these annual fees beginning Fiscal Year 2015-2016 as follows:

	<u>Prior Fee</u>	<u>New Fee</u>
Capable oil and gas wells	\$2,450,000	\$3,675,000
Class I wells	\$ 400,000	\$1,000,000
Class II, III, and storage wells and type A and B facilities	\$ 875,000	\$2,187,500

Existing law requires from the revenue collected from mineral leases on state-owned land, \$15 per acre be deposited into the La. Wildlife Conservation Fund. Prior law also required \$5 from additional revenues to be deposited into the Oil and Gas Regulatory Fund.

New law changes prior law by increasing the amount deposited into the Oil and Gas Regulatory Fund from \$5 to \$15.

Prior law authorized the office of conservation to collect application fees in a form and schedule prescribed by the office and authorized the increase of those fees, through the Administrative Procedure Act, not to exceed 8.5% of the fees charged on July 1, 2002.

New law changes prior law by authorizing, in addition to the fees charged on July 1, 2015, collecting the following fees:

Application for alternate unit well, exception to 29-E, exception to 29-B, severance tax relief, downhole combinations, well product reclassification, selective completion, pilot projects, waiver of production test, or critical date order	\$ 504
Application for work permit - minerals	\$ 75
Application to amend permit to drill - minerals (lease unit well, stripper, incapable, other)	\$ 50
Operator registration	\$ 105
Annual compliance review fee - class III solution mining cavern	\$ 2,000
Annual compliance review fee - class II hydrocarbon storage and exploration and production waste cavern	\$ 2,000
Class III carbon dioxide enhanced recovery project	\$ 5,000
Community saltwater disposal system initial notification	\$ 125
Application for work permit - injection or other	\$ 125
Work permit to plug and abandon a well utilized for naturally occurring radioactive waste disposal	\$ 500
Requests to modify well permit	\$ 300
Class V permit waiver or exemption request	\$ 250
Witnessed verification of mechanical integrity tests	\$ 250

Transfer stations regulatory fee for exploration and production waste	\$ 2,500
Request to transport exploration and production waste to commercial facilities or transfer stations	\$ 150
Authorization for after-hours disposal of exploration and production waste	\$ 150
Exploration and production waste determination	\$ 300
Commercial facility transfer station application	\$ 1,500
Commercial facility application exclusive of an associated well	\$ 3,000
Commercial facility annual closure plan and cost estimate review	\$ 300
Commercial facility reuse material applications	\$ 300
Reuse material applications not associated with a commercial facility	\$ 400

New law authorizes the commissioner of conservation to develop and implement a program to expedite the processing of permits, modifications, licenses, registrations, and variances. Requires that the notice for an expedited permit indicate that the permit is being expedited.

New law establishes the fee for expediting the permit as the cost of the overtime hours that employees of the office of conservation or a contractor spends processing the application and an amount not to exceed 20% for administrative costs. The overtime rate shall not exceed the maximum per hour salary, including benefits, of a civil service employee of the office of conservation.

New law requires the commissioner to adopt rules and regulations in accordance with the Administrative Procedure Act to implement new law.

New law provides the rules shall require a public notice be given when an expedited permit is requested.

Effective Aug. 1, 2015.

(Amends R.S. 30:21(B)(1) and 136.1(D); Adds R.S. 30:4(P))