

2016 Regular Session

HOUSE BILL NO. 451

BY REPRESENTATIVE JIM MORRIS

CONSERVATION/OFFICE: Decreases and repeals certain fees collected by the office of conservation

1 AN ACT

2 To amend and reenact R.S. 30:21(B)(1)(a), (b), (c), and (d)(introductory paragraph) and to  
3 repeal R.S. 30:21(B)(1)(d)(i) through (xxii), relative to fees collected by the  
4 commissioner of conservation; to provide for fees for activities regulated by the  
5 office of conservation; to provide for application, compliance, and fees; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:21(B)(1)(a), (b), (c), and (d)(introductory paragraph) are hereby  
9 amended and reenacted to read as follows:

10 §21. Fees and charges of the commissioner of conservation; revisions; exceptions;  
11 collections; Oil and Gas Regulatory Fund; creation; amounts; requirements

12 \* \* \*

13 B.(1)(a) There shall be an annual fee payable to the office of conservation,  
14 in a form and schedule prescribed by the office of conservation, by oil and gas  
15 operators on capable oil wells and capable gas wells based on a tiered system to  
16 establish parity on a dollar amount between the wells. The tiered system shall be  
17 established annually by rule on capable oil and capable gas production, including  
18 nonexempt wells reporting zero production during the annual base period, such that  
19 the amount generated does not exceed ~~three~~ two million ~~six~~ four hundred ~~seventy-~~  
20 ~~five~~ fifty thousand dollars for each fiscal year beginning with Fiscal Year ~~2015-2016~~

1        2016-2017. Incapable oil, stripper oil, incapable gas well gas, and incapable oil well  
 2        gas shall be exempt from the fee. For the purposes of this Subsection, "capable oil"  
 3        means crude oil and condensate not classified as incapable oil or stripper oil by the  
 4        Department of Revenue. "Capable gas" means natural and casing head gas not  
 5        classified as incapable gas well gas or incapable oil well gas by the Department of  
 6        Revenue.

7                (b) There shall be an annual fee payable to the office of conservation, in a  
 8        form and schedule prescribed by the office of conservation, on Class I wells in an  
 9        amount not to exceed ~~one million~~ four hundred thousand dollars for Fiscal Year  
 10        ~~2015-2016~~ 2016-2017 and thereafter.

11                (c) There shall be an annual regulatory fee payable to the office of  
 12        conservation, in a form and schedule prescribed by the office of conservation, on  
 13        Class II wells, Class III wells, storage wells, Type A facilities, and Type B facilities  
 14        in an amount not to exceed ~~two million one~~ eight hundred eighty-seven  
 15        ~~thousand five hundred~~ seventy-five dollars for Fiscal Year ~~2015-2016~~ 2016-2017 and thereafter.  
 16        No fee shall be imposed on a Class II well of an operator who is also an operator of  
 17        a stripper crude oil well or incapable gas well certified pursuant to R.S. 47:633 by  
 18        the severance tax division of the Department of Revenue and located in the same  
 19        field as such Class II well.

20                (d) There shall be an application fee payable to the office of conservation,  
 21        in a form and schedule prescribed by the office of conservation, by industries under  
 22        the jurisdiction of the office of conservation. ~~In addition to any other~~ The  
 23        commissioner may, in accordance with the Administrative Procedure Act, increase  
 24        any application fee that is on the schedule on July 1, 2015, ~~the commissioner may~~  
 25        ~~collect the following fees:~~ 2002, to an amount not in excess of eight and one-half  
 26        percent above the amount charged for the fee on July 1, 2002.

\* \* \*

28        Section 2. R.S. 30:21(B)(1)(d)(i) through (xxii) are hereby repealed in their entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 451 Original

2016 Regular Session

Jim Morris

**Abstract:** Decreases fees and fee caps and repeals fees collected by the office of conservation, and creates an expedited permit process.

Present 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.

Proposed law decreases the caps on these annual fees beginning Fiscal Year 2016-2017 as follows:

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

Present law authorizes the office of conservation to collect application fees in a form and schedule prescribed by the office and, in addition to the fees charged on July 1, 2015, authorizes the collection of 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

Proposed law repeals the authorization to charge the fees in present law that are in addition to the fees charged on July 1, 2015.

Proposed law authorizes the increase of fees charged before July 1, 2015, through the Administrative Procedure Act, not to exceed 8.5% of the fees charged on July 1, 2002.

(Amends R.S. 30:21(B)(1)(a), (b), (c), and (d)(intro. para.); Repeals R.S. 30:21(B)(1)(d)(i)-(xxii))