

2016 Regular Session

SENATE BILL NO. 425

BY SENATOR ALLAIN

CONSERVATION. Dedicates the annual assessment on an operator who chooses not to plug an inactive well. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 30:21(B)(2)(a) and to enact R.S. 30:86(D)(7), relative to the  
3 commissioner of conservation; to provide for the Oil and Gas Regulatory Fund; to  
4 provide for the Oilfield Site Restoration Fund; to provide for contributions to such  
5 funds from fees collected from an operator who chooses not to plug a well classified  
6 as inactive; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:21(B)(2)(a) is hereby amended and reenacted and R.S.  
9 30:86(D)(7) is hereby enacted 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;  
12 requirements

13 \* \* \*

14 B. \* \* \*

15 (2)(a) There is hereby established a special fund in the state treasury to be  
16 known as the Oil and Gas Regulatory Fund, hereafter referred to as the "fund". After  
17 deposit in the Bond Security and Redemption Fund and after a sufficient amount is

1 allocated from that fund to pay all the obligations secured by the full faith and credit  
 2 of the state that become due and payable within each fiscal year, the treasurer shall  
 3 pay into the fund an amount equal to the monies generated from collection of the  
 4 fees provided for in this Title or Title 47 of the Louisiana Revised Statutes of 1950,  
 5 the rules and regulations promulgated thereunder, any fines and civil penalties or any  
 6 other provision of law relative to fees, fines, or civil penalties attributable to the  
 7 office of conservation, **and fifty percent of any annual assessment paid by an**  
 8 **operator who chooses not to plug a well classified as inactive with the remainder**  
 9 **being deposited into the Oilfield Site Restoration Fund.**

10 \* \* \*

11 §86. Oilfield Site Restoration Fund

12 \* \* \*

13 D. The following monies shall be placed into the Oilfield Site Restoration  
 14 Fund:

15 \* \* \*

16 **(7) Fifty percent of any annual assessment paid by an operator who**  
 17 **chooses not to plug a well classified as inactive with the remainder being**  
 18 **deposited into the Oil and Gas Regulatory Fund.**

19 \* \* \*

20 Section 2. This Act shall become effective upon signature by the governor or, if not  
 21 signed by the governor, upon expiration of the time for bills to become law without signature  
 22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 23 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 24 effective on the day following such approval.

---

The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Alan Miller.

---

SB 425 Engrossed DIGEST 2016 Regular Session Allain

Present law establishes the Oil and Gas Regulatory Fund within the state treasury, with monies credited to the fund to be appropriated by the legislature and dedicated solely to the use of the office of conservation for the regulation of the oil and gas industry and other

industries under its jurisdiction.

Proposed law retains present law and dedicates 50% of any annual assessment paid by an operator who chooses not to plug a well classified as inactive into the Oil and Gas Regulatory Fund with the remainder being deposited into the Oilfield Site Restoration Fund.

Present law establishes the Oilfield Site Restoration Fund within the state treasury and may only be used for special purposes as provided by present law.

Proposed law retains present law and dedicates 50% of any annual assessment paid by an operator who chooses not to plug a well classified as inactive into the Oilfield Site Restoration Fund with the remainder being deposited into the Oil and Gas Regulatory Fund.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:21(B)(2)(a); adds R.S. 30:86(D)(7))