

NOTICE OF INTENT

Department of Natural Resources Office of Conservation

Requiring two well Tests per Year under Statewide Order
No. 29-B (LAC 43:XIX.121 and 137)

The Department of Natural Resources, Office of Conservation proposes to amend LAC 43: XIX.507 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed rule change in Section 121 codifies the long standing practice of requiring oil and gas operators to conduct two well tests per year. Additionally, as a result of low or no production, wells drilled to or completed in the Monroe Gas Rock or stripper oil lease wells shall not be required to conduct well tests. The proposed rule change in Section 137 updates language to reflect the proposed rule change being made in Section 121.

Title 43

NATURAL RESOURCES

Part XIX. Office of Conservation – General Operations

Subpart 1. Statewide Order No. 29-B

Chapter 1. General Provisions

§121. Production , Production Records, Production Tests

A. – D. ...

D.1. Each operator shall conduct semi-annual tests on all producing/service wells and shall report the results on the approved forms DM-1-R - Oil Well Deliverability Test or DT-1 – Gas Well Deliverability Test or other method prescribed by the Office of Conservation no later than the first day of May and November of each year. Well tests shall be conducted a minimum of 60 days prior to the required filing date. All wells which are shut in shall also be shown on this form and the date of last production or date the service well ceased to be used shall be indicated.

2. The requirements of LAC 43:XIX.121.D.I shall not be applicable for wells drilled to or completed in the Monroe Gas Rock or stripper oil lease wells.

§137. Plugging and Abandonment

A. All wells wherein production operations or use as a service well have ceased on or after the effective date of this order shall continue to be reported on the Forms DM-1-R – Oil Well Deliverability Test or DT – 1 Gas Well Deliverability Test or other method prescribed by the Office of Conservation no later than the first day of May and November of each year with the appropriate notation that the well is off production or no longer in use as a service well along with the date of last production or date the service well ceased to be used; and, after six months, if such a well has not been restored to production or use as a service well, it shall thereafter be reported by the operator on the semiannual Inactive Well Report, Form INACT WR-1 which report shall be filed with the Office of Conservation showing the status of such well as of May 1 and November 1 of each year. Such wells shall continue to be reported on the Form DM1-R or Form DT-1 showing the date of last production or the date the well ceased to be used as a service well, together with a notation showing the well is carried on the Form INACT WR-1, Inactive Well Report, until the well is plugged and abandoned.

Family Impact Statement

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

This Rule has no known impact on poverty as described in R.S. 49:973.

Provider Impact Statement

This Rule has no known impact on providers as described in HCR 170 of 2014.

Small Business Statement

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

Fiscal and Economic Impact Statement for Administrative Rules

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS)
TO STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

IV. ESTIMATED EFFECT ON COMPETITION AND
EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment.

Public Comments

All interested parties will be afforded the opportunity to submit data, views, or arguments, orally or in writing at the public hearing in accordance with R.S. 49:953. Written comments will be accepted until 4:30 p.m., October 6, 2014, at Office of Conservation, Environmental Division, P.O. Box 94275, Baton Rouge, LA, 70804-9275; or Office of Conservation, Environmental Division, 617 North Third St., Room 817, Baton Rouge, LA 70802. Reference Docket No. ENG RULE 2014-09 on all correspondence. All inquiries should be directed to Daniel Henry at the above addresses or by phone to (225) 342-5570. No preamble was prepared.

Public Hearing

The commissioner of conservation will conduct a public hearing at 9 a.m., September 29, 2014, in the LaBelle Room located on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA.