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The original instrument was prepared by Jacob K. Wilson. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

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SB 285 Reengrossed

DIGEST  
2024 Regular Session

Cathey

Present law provides for jurisdiction over the natural resources of the state and provides for definitions.

Proposed law retains present law and provides that ownership of brine produced during oil and gas operations lies with the person who has the right to drill and produce from a pool.

Proposed law provides that a field or pool may contain brine. Provides that a producer may be the owner of a brine well. Provides that a product may be any commodity made from brine and may include lithium carbonate and lithium hydroxide and any commodity or product made from brine or its component parts. Provides that waste is an action that may result in reducing the quantity of brine recoverable from a pool.

Proposed law provides that brine is subterranean salt water and its constituent parts, minerals, elements, compounds, or substances. Provides that brine does not include salt water produced in oil or gas production and not saved or sold for extraction of minerals. Further provides that drinking water and solution mining sources are excluded.

Proposed law provides that brine production operations include exploration, extraction, and reinjection through wells.

Proposed law provides that a multiple mineral development area is designated for efficient development of various concurrent mineral operations. Provides that the commissioner has authority to designate such an area and to adjudicate conflicts where there is potential injury to deposits or development, or there are concurrent operations by multiple owners affecting the same property.

Present law provides that the office of conservation has authority to regulate brine production operations and may establish drilling or pooling units upon certain findings, including that the order will increase or insure recovery of oil or gas. Provides that no order can enlarge or change existing contracts for production of oil or gas. Provides for owner approval of unit operation orders.

Proposed law retains present law and adds brine to pooling and unitization orders. Further provides that three quarters of ownership as to a particular interest is required for approval of a unit operation order, and approval is evidenced by written contract filed with the office of conservation on or before the hearing date.

Present law excludes certain existing oil and gas wells from unitization for waste reduction.

Proposed law retains present law and adds brine wells to potential exclusions.

Present law defines just and equitable share of recoverable oil or gas and provides that each producer gets an opportunity to use that share of production.

Proposed law retains present law and adds production of brine to the just and equitable share.

Present law provides that pooling orders account for the just and equitable share of oil or gas production for each owner and that the commissioner may limit production of oil and gas among fields or pools.

Proposed law retains present law and production of brine.

Present law provides that where a unit includes lands to which an operator or producer has no mineral interest, the operator or producer must provide production reports for oil and gas. Provides for penalties for failure to report.

Proposed law retains present law and adds production of brine to reporting requirements.

Present law provides substances to which the Mineral Code applies.

Proposed law retains present law and adds brine to applicability.  
Effective August 1, 2024.

(Amends R.S. 30:3(2), (10), (11), (12), (16)(a), 5(C)(2) and (6), 9(B) and (D), 10(A)(1)(a), 11, 103.1(A)(intro para), 103.1(A)(2)(a), and (C), and 103.2 and R.S. 31:4; adds R.S. 30:2.1, 3(18), (19), and (20) and 4(C)(18), (19), and (20))

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill

1. Makes technical changes.
2. Provides for ownership of brine produced in oil and gas operations.
3. Provides that "product" includes any commodity or product made from brine or any of its component parts.
4. Provides that "brine" includes all its constituent parts, minerals, elements, compounds, or substances produced with the brine.
5. Provides that drinking water and solution mining sources are not "brine".

6. Changes the term "extraction" to "production".
7. Provides that "brine production operations" includes reinjection of brine.
8. Provides that the commissioner of conservation has authority to regulate brine production operations.
9. Provides that approval of unit operations orders for brine production only requires three quarters of the owners of a particular interest and that such approval is evidenced by written contract, filed with the office of conservation on or before the hearing date.

Senate Floor Amendments to engrossed bill

1. Technical amendments.