

1 WHEREAS, the Louisiana Legislature recognizes the need of reducing and
2 eventually eliminating the existence of orphaned wells; and

3 WHEREAS, the House Committee on Natural Resources and Environment heard
4 public testimony on March 1, 2016, from many operators on the negative effects from the
5 combination of the increase in the financial security requirements provided in LAC
6 43:XIX.104, the fees increased by enactment of Act No. 362 of the 2015 Regular Session,
7 and the disastrous drop in oil prices; and

8 WHEREAS, it is clear from that testimony that the insolvency of a large number of
9 small operators is imminent; they simply cannot sustain their production efforts; and

10 WHEREAS, their insolvency will no doubt lead to an increase in the number of
11 orphaned wells further endangering public health and safety causing the exact opposite result
12 from that sought when the financial security requirements were increased.

13 THEREFORE, BE IT RESOLVED by the Legislature of Louisiana hereby suspends
14 the provisions of LAC 43:XIX.104 requiring oil and gas operators to provide financial
15 security.

16 BE IT FURTHER RESOLVED that this suspension shall become effective upon
17 adoption of this Resolution and shall extend through the sixtieth day after final adjournment
18 of the 2017 Regular Session of the Legislature of Louisiana.

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)]

HCR 53 Original

2016 Regular Session

Bishop

Suspends administrative rules requiring oil and gas operators to provide financial security.

(Suspends LAC 43:XIX.104)