

SENATE BILL NO. 88

BY SENATOR ADLEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To amend and reenact R.S. 30:9(B) and to enact R.S. 30:9.2, relative to the office of
3 conservation; to provide relative to drilling units and pooling; to provide relative to
4 certain wells; to provide relative to cross-unit wells; to provide certain definitions,
5 terms, procedures, requirements, conditions, and effects; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:9(B) is hereby amended and reenacted and R.S. 30:9.2 is hereby
9 enacted to read as follows:

10 §9. Production from pool; drilling units; equitable share; rules and regulations

11 * * *

12 B. For the prevention of waste and to avoid the drilling of unnecessary wells,
13 the commissioner shall establish a drilling unit or units for each pool, except for
14 those pools which, prior to July 31, 1940, had been developed to an extent and where
15 conditions exist making it impracticable or unreasonable to use a drilling unit at the
16 present stage of development. A drilling unit, as contemplated herein, means the
17 maximum area which may be efficiently and economically drained by ~~one~~ the well
18 or wells designated to serve the drilling unit as the unit well, substitute unit well,
19 or alternate unit well. This unit shall constitute a developed area as long as a well
20 is located thereon which is capable of producing oil or gas in paying quantities.

21 * * *

22 §9.2. Cross-unit well

23 A. The following definitions shall apply where used in this Section:

24 (1) "Cross-unit person" means an interested owner, interested party, or
25 represented party as defined in LAC 43:XIX, other than a mineral lessee.

26 (2) "Cross-unit well" means a well drilled horizontally and completed

1 under multiple drilling units that is designated by the commissioner after notice
2 and public hearing to serve as a unit well, substitute unit well, or alternate unit
3 well for said units.

4 (3) "Short unit" means a unit in which the proposed well shall have less
5 than five hundred feet of perforated lateral.

6 (4) "Timely objection" means an objection mailed to the commissioner
7 and the applicant at least fifteen days prior to the application hearing.

8 B. The commissioner is authorized to permit the drilling of cross-unit
9 wells as provided in this Section.

10 C. The commissioner shall not authorize or permit a cross-unit well that
11 is proposed to have less than five hundred feet of perforated lateral in any unit
12 to be served by the cross-unit well if one of the following occurs:

13 (1) The preapplication notice and hearing application do not expressly
14 set forth the cross-unit person's right to object to the application.

15 (2) A timely objection is filed by a cross-unit person who owns an interest
16 in a short unit and, on the date of the application hearing, the short unit either
17 is not producing or is producing only from one or more horizontal laterals with
18 a combined length of perforated lateral less than five hundred feet.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____