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GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

STEPHEN CHUSTZ
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

September 9, 2014

Senator John A. Alario, Jr., President
Senator Gerald Long, Natural Resource Committee Chairman
Representative Chuck Kleckley, Speaker
Representative Gordon E. Dove, Sr., Natural Resources and Environment Committee Chairman

Via Statutorily Prescribed E-mail

Re: Report of Proposed Amendment to
Office of Conservation Rules and Regulations
LAC 43:XIX.121 and 137 (Statewide Order No. 29-B)

Dear Oversight Authorities:

The Commissioner of Conservation proposes to amend LAC 43:XIX.121 and 137 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.

I. Copy of the rule as it is proposed for amendment per La R.S. 49:968.C(1):

See the attached Notice of Intent.

II. Statement of the proposed action per La R.S. 49:968.C(2):

The Louisiana Office of Conservation proposes to amend LAC 43:XIX.121 and 137 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.

III. The specific citation of the enabling legislation purporting to authorize amendment of the rule per La R.S. 49:968.C(3):

La R.S 30:4et seq.

IV. Statement of the circumstances requiring amendment of the rule per La R.S. 49:968.C(4):

The Legislative Auditor recommended this long standing practice be codified through the rule making process in a recent report to the Office of Conservation.

V. Statement of the fiscal and economic impact of the proposed rule amendment per La R.S. 49:968.C(5):

The fiscal and economic impact statement is attached to this report.

A notice of intent to initiate rule-making was published in the Louisiana Register on August 20 2014, with a public hearing on the proposal scheduled for September 29, 2014 at 9 AM.

Please contact me at 225-342-7889 if there are any questions.

Yours very truly,



John W. Adams
Attorney, Office of Conservation

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Attachments