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AUG 10 2016

OFFICE OF THE STATE REGISTER

(SUBMIT A SEPARATE INSERTION ORDER PER DOCUMENT)

EMERGENCY RULE

NOTICE OF INTENT

RULE

POTPOURRI

REFER TO INSTRUCTIONS ON REVERSE SIDE

This is your authority to publish in the (month) August 20, 2016. *Louisiana Register* the document indicated above.

Office of Conservation \_\_\_\_\_  
Office/Board/Commission promulgating this document

Department of Natural Resources  
Department under which office/board/commission is classified


Richard P. Ieyoub, Commissioner of Conservation  
(name) \_\_\_\_\_  
Name and title of person whose signature will appear in the  
publication (at the end of the document)

Gary Ross 342-5560 342-3705  
(name) \_\_\_\_\_ (phone) \_\_\_\_\_ (fax) \_\_\_\_\_  
Name, phone number, and FAX number of person to contact  
regarding this document

Provide a short descriptive listing for this document to be used in  
the *Louisiana Register*'s TABLE OF CONTENTS/INDEX (note: this  
description should match the fiscal statement title, if sending a  
Notice of Intent: Fees - Short Version

\*If sending a diskette, indicate the name of the file on diskette:

Fees (LAC 43: XIX. 701. 703. and 707)

  
Signature of Agency Head or Designee

Important: If submitting both an Emergency Rule (ER) and a Notice  
of Intent (NOI) to be published this month, AND if the rule text in the  
ER is identical to the rule text in the NOI, check here:

Gary P. Ross, Assistant Commissioner of Conservation  
Print Name and Title of Agency Head or Designee


CERTIFICATION OF AVAILABLE FUNDS

DOCUMENT # \_\_\_\_\_

ISIS AGENCY/LAGOV: I certify the availability of fiscal year 2014/15 appropriated funds for the payment of the above referenced  
publication  
and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental  
sheet for additional lines of coding.

432 \_\_\_\_\_ 4321/4321010101 4950/5950006 43200N0900 STRG/DNRMS1000009  
AGENCY ORGANIZATION # OBJECT FUND REPORTING CATEGORY/INTERNAL  
ORDER

NON-ISIS AGENCY: I certify the availability of fiscal year FY14/15 appropriated funds for the payment of the above referenced  
publication and agree to place corresponding invoice in line for payment upon receipt.

  
Signature of Agency Head or Designee

Billing Address for Agencies: \_\_\_\_\_ 342-5560  
Signature of Agency Head or Designee - Phone #

Dept. of Natural Resources/Office of Conservation  
Agency Name

P. O. Box 94275, Capitol Station  
street Address or Post Office Box

Baton Rouge, LA 70804-9275  
City ST Zip code

Lines/Other Charges _____	Typesetting \$ _____	TOTAL \$ _____
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## NOTICE OF INTENT

Department of Natural Resources  
Office of Conservation

Fees (LAC 43:XIX:Chapter 7)

Pursuant to power delegated under the laws of the state of Louisiana, and particularly title 30 of the *Louisiana Revised Statutes* of 1950, as amended, the Office of Conservation proposes to amend LAC 43:XIX.701, 703, and 707 (Statewide Order No. 29-R) in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq. The proposed action will adopt Statewide Order No. 29-R- 16/17 (LAC 43:XIX, Subpart 2, Chapter 7), which establishes the annual Office of Conservation fee schedule for the collection of application, production, and regulatory fees, and will replace the existing Statewide Order No. 29-R-15/16.

### Title 43

## NATURAL RESOURCES

### Part XIX. Office of Conservation—General

#### Operations

#### Subpart 2. Statewide Order No. 29-R

#### Chapter 7. Fees

#### §701. Definitions

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#### *Application/Request for Commercial Facility*

*Reuse*—Repealed.

\*\*\*

#### *Authorization for After Hours Disposal of E and P*

*Waste*—Repealed.

\*\*\*

*BOE*—annual barrels oil equivalent. Gas production is converted to BOE by dividing annual mcf by a factor of 24.0.

*Capable Gas*—natural and casing head gas not classified as incapable gas well gas or incapable oil well gas by the Department of Revenue, as of December 31<sup>st</sup> in the year prior to the year in which the Invoices are issued.

*Capable Oil*—crude oil and condensate not classified as incapable oil or stripper oil by the Department of Revenue, as of December 31<sup>st</sup> in the year prior to the year in which the Invoices are issued.

\*\*\*

*Class I Well Fee*—an annual fee payable to the Office of Conservation, in a form and schedule prescribed by the Office of Conservation, not to exceed \$1,000,000 for fiscal year 2015-2016 and thereafter on all Class I wells permitted December 31<sup>st</sup> of the year prior to the year in which the Invoices are issued.

*Class II CO2 EOR Project (AOR Review and Updates) Fee*—an annual fee for an enhanced recovery project permitted by the Office of Conservation injecting carbon dioxide (CO2) down the wellbore of permitted class II injection wells under the authority of the Office of Conservation/Injection and Mining Division in conformance with Statewide Order 29-B (LAC 43:XIX.411.C et seq.) or successor regulations.

\*\*\*

#### *Commercial Facility Annual Closure Plan and Cost Estimate Review*—Repealed

\*\*\*

*Production Well*—any well which has been permitted by and is subject to the jurisdiction of the Office of Conservation, excluding wells in the permitted and drilling in progress status, class II injection wells, liquid storage cavity wells, commercial salt water disposal wells, class V injection wells, wells which have been plugged and abandoned, wells which have reverted to landowner for use as a fresh water well (Statewide Order No. 29-B, LAC 43:XIX.137.G, or successor regulations), multiply completed wells reverted to a single completion, and stripper oil wells or incapable oil wells or incapable gas wells certified by the Severance Tax Section of the Department of Revenue, as of December 31<sup>st</sup> in the year prior to the year in which the Invoices are issued.

*Regulatory Fee*—an amount payable annually to the Office of Conservation, in a form and schedule prescribed by the Office of Conservation, on class II wells, class III wells, storage wells, type A facilities, and type B facilities in an amount not to exceed \$2,187,500 for fiscal year 2015-2016 and thereafter. No fee shall be imposed on a class II well of an operator who is also an operator of a stripper crude oil well or incapable gas well certified pursuant to R.S. 47.633 by the Severance Tax Section of the Department of Revenue as of December 31<sup>st</sup> in the year prior to the year in which the Invoices are issued, and located in the same field as such class II well. operators of record, excluding operators of wells and including, but not limited to, operators of gasoline/cycling plants, refineries, oil/gas transporters, and/or certain other activities subject to the jurisdiction of the Office of Conservation are required to pay an annual registration fee of \$105. Such payment is due within the time frame prescribed by the Office of Conservation.

*Request to Transport E and P Waste to Commercial Facilities or Transfer Stations*—other oil and gas industry companies (i.e. companies that do not possess a current Office of Conservation producer/operator code or a current offshore/out-of-state waste generator code) must obtain authorization

by submitting a completed (acceptable) Form UIC-23 to transport E and P waste to commercial facilities or transfer stations as required by LAC XIX.545.B.

*Transfer Stations Regulatory Fee*—Repealed.

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**AUTHORITY NOTE:** Promulgated in accordance with R.S. 30:21 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Natural Resources, Office of Conservation, LR 14:542 (August 1988), amended LR 15:551 (July 1989), LR 21:1249 (November 1995), LR 24:458 (March 1998), LR 24:2127 (November 1998), LR 25:1873 (October 1999), LR 26:2302 (October 2000), LR 27:1919 (November 2001), LR 28:2366 (November 2002), LR 29:2499 (November 2003), LR 31:2950 (November 2005), LR 32:2087 (November 2006), LR 33:2461 (November 2007), LR 34:2404 (November 2008), LR 35:2463 (November 2009), LR 36:2567 (November 2010), LR 37:3271 (November 2011), LR 38:2930 (November 2012), LR 39:3099 (November 2013), 40:2266 (November 2014), LR 41:2376 (November 2015), LR 42:

**§703. Fee Schedule for Fiscal Year 2016-2017 and thereafter**

**A. Application Fees**

Application Fees	Amount
Application for Commercial Facility Reuse Material	Repealed.
Application for Commercial Facility Transfer Station	Repealed.
Authorization for After Hours Disposal of E and P Waste	Repealed.
Commercial Facility Annual Closure Plan and Cost Estimate Review	Repealed.
Transfer Stations Regulatory Fee (E and P Waste) - Annual	Repealed.

B. Regulatory Fees. \$2,187,500 CAP divided by a number equal to (number of non-exempt class II wells + number of Class III wells + number of storage wells) + (number of Type A facilities X 10 plus number of Permits to Construct Type A facilities X 5) + (number of Type B facilities X 5 plus number of Permits to Construct Type B facilities X 2.5)

1. The resulting value will equal the annual regulatory fee for non-exempt Class II wells, Class III wells, and storage wells.

2. The annual regulatory fee for Type A facilities will be the non-exempt Class II well, Class III well, and storage well regulatory fee times a factor of 10.

3. The annual regulatory fee for Type A facility permits to construct will be the non-exempt Class II well, Class III well, and storage well regulatory fee times a factor of 5.

4. The annual regulatory fee for Type B facilities will be the non-exempt Class II well, Class

III well, and storage well regulatory fee times a factor of 5.

5. The annual regulatory fee for Type B facility permits to construct will be the non-exempt Class II well, Class III well, and storage well regulatory fee times a factor of 2.5.

6. Conservation will perform this calculation annually and will post the individual regulatory fee amount on the DNR website no later than July 20<sup>th</sup> of each year

C. Class I Well Fees. \$1,000,000 CAP divided by a number equal to the number of active Class I wells plus the number of permits to construct Class I wells X 0.5.

1. Conservation will perform this calculation annually and will post the individual regulatory fee amount on the DNR website no later than July 20<sup>th</sup> of each year

**D. Exceptions**

1. Operators of record of each class I injection/disposal well and each type A and B commercial facility and transfer station that is permitted, but has not yet been constructed, are required to pay an annual fee of 50 percent of the applicable fee for each well or facility.

2. Operators of record of each inactive Type A and B facility which have voluntarily ceased the receipt and disposal of E and P waste and are actively implementing an Office of Conservation approved closure plan are required to pay an annual regulatory fee of 50 percent of the annual fee for each applicable Type A or B facility.

3. Operators of record of each inactive Type A or B facility which have voluntarily ceased the receipt and disposal of E and P waste, have completed Office of Conservation approved closure activities and are conducting a post-closure maintenance and monitoring program, are required to pay an annual regulatory fee of 25 percent of the annual fee for each applicable Type A or B facility.

4. Operators of record of each inactive transfer station which have voluntarily ceased the receipt and transfer of E and P waste and are actively implementing an Office of Conservation approved closure plan are required to pay an annual Regulatory Fee of 50 percent of the annual fee for each applicable facility.

5. Operators of record of each inactive transfer station which have voluntarily ceased the receipt and transfer of E and P waste and are actively implementing an Office of Conservation approved closure plan are required to pay an annual Regulatory Fee of 50 percent of the annual fee for each applicable facility.

E. Production Fees. Operators of record of capable oil wells and capable gas wells are required

to pay according to the following annual production fee tiers.

Tier	Annual Production (Barrel Oil Equivalent)	Fee (\$ per Well)
Tier 1	0	27
Tier 2	1 - 5,000	155
Tier 3	5,001 - 15,000	445
Tier 4	15,001 - 30,000	739
Tier 5	30,001 - 60,000	1,165
Tier 6	60,001 - 110,000	1,622
Tier 7	110,001 - 9,999,999	2,025

#### F. Pipeline Safety Inspection Fees

1. Owners/operators of jurisdictional gas pipeline facilities are required to pay an annual gas pipeline safety inspection fee of \$1.00 per service line, or a minimum of \$400, whichever is greater.
2. Owners/operators of jurisdictional hazardous liquids pipeline facilities are required to pay an annual hazardous liquids pipeline safety inspection fee of \$44.80 per mile, or a minimum of \$800, whichever is greater.
3. Owners/operators of jurisdictional gas transmission/gathering pipeline facilities are required to pay an annual transmission/gathering pipeline safety inspection fee of \$44.80 per mile, or a minimum of \$ 800, whichever is greater.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:21 et seq., R.S. 30:560 and 706.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, LR 14:543 (August 1988), amended LR 15:552 (July 1989), LR 21:1250 (November 1995), LR 24:458 (March 1998), LR 24:2128 (November 1998), LR 25:1874 (October 1999), LR 26:2304 (October 2000), LR 27:1920 (November 2001), LR 28:2368 (November 2002), LR 29:350 (March 2003), LR 29:2501 (November 2003), LR 30:2494 (November 2004), LR 31:2950 (November 2005), LR 32:2088 (November 2006), LR 33:2461 (November 2007), LR 34:2405 (November 2008), LR 35:2463 (November 2009), LR 36:2569 (November 2010), LR 37:3273 (November 2011), LR 38:2931 (November 2012), LR 39:3099 (November 2013), LR 40:2267 (November 2014), LR 41:2378 (November 2015), LR 42:

#### §707. Severability and Effective Date

A. The fees set forth in §703 are hereby adopted as individual and independent rules comprising this body of rules designated as Statewide Order No. 29-R-16/17 and if any such individual fee is held to be unacceptable, pursuant to R.S. 49:968(H)(2), or held to be invalid by a court of law, then such unacceptability or invalidity shall not affect the other provisions of this order which can be given effect without the unacceptable or invalid provisions, and to that end the provisions of this order are severable.

B. This order (Statewide Order No. 29-R- 16/17) supersedes Statewide Order No. 29-R-15/16 and any amendments thereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:21 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, LR 14:544 (August 1988), amended LR 15:552 (July 1989), LR 21:1251 (November 1995), LR 24:459 (March 1998), LR 24:2128 (November 1998), LR 25:1874 (October 1999), LR 26:2305 (October 2000), LR 27:1921 (November 2001), LR 28:2368 (November 2002), LR 29:2502 (November 2003), LR 30:2494 (November 2004), LR 31:2950 (November 2005), LR 32:2088 (November 2006), LR 33:2462 (November 2007), LR 34:2406 (November 2008), LR 35:2464 (November 2009), LR 36:2570 (November 2010), LR 37:3274 (November 2011), LR 38:2931 (November 2012), LR 39:3100 (November 2013), LR 40:2267 (November 2014), LR 41:2379 (November 2015), LR 42:

#### 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.

#### Small Business Statement

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

#### Provider Impact Statement

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

#### Public Comments

All interest parties will be afforded the opportunity to submit data, views, or arguments, in writing. Written comments will be accepted by hand delivery or USPS only, until 4:30p.m., September 12, 2016, at the Office of Conservation, Executive Division, P.O. Box 94275, Baton Rouge, LA 70804+9275; or Office of Conservation, Executive Division, 617 North Third Street, Room 931, Baton Rouge, LA 70802.

Reference Docket No. 16-219. All inquiries should be directed to Todd Keating at the above addresses or by phone to (225)342-5507. No preamble was prepared

Richard P. Ieyoub  
Commissioner

INSERT APPROVED LANGUAGE FROM  
FISCAL AND ECONOMIC IMPACT SUMMARY

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person Preparing  
Statement: Gary P. Ross

Phone: (225) 342-5560

Return  
Address: Post Office Box 94275  
Baton Rouge, LA 70804-9275

Dept: NATURAL RESOURCES

Office: CONSERVATION

AUG 10 2016

RECEIVED

OFFICE OF THE  
STATE REGISTER

Rule Title: Fees (LAC 43:XIX. 701, 703,  
and 707)

Date Rules Take Effect: November 20, 2016

SUMMARY  
(Use Complete Sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

There are no estimated implementation costs or savings to the state or local governmental units as a result of the proposed rule changes. The proposal provides for additions and changes in the definitions, the fee schedule and the severability and effective date of the Office of Conservation General Operations Statewide Order No. 29-R. The severability and effective date of the proposed rule is November 20, 2016. Consistent with Act 435 of 2016 and Act 277 of 2016, the proposed rule will change or increase certain annual Pipeline fees and add a two cents per barrel fee (Commercial Waste Fee) on exploration and production waste delivered from the original generator of waste.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule changes will likely result in an increase of approximately \$520,000 of anticipated Statutory Dedication – Oil and Gas Regulatory Fund revenue collections. Consistent with Act 435 of 2016, the proposed rule will change or increase the Pipeline fee caps on the annual pipeline facility safety and odorization inspections, the annual fee on gas gathering or transmission system, and the annual transportation of hazardous liquids fee by 69.4% over FY16 Pipeline fees collections (as of June 30, 2016). Consistent with Act 435 of 2016 and Act 277 of 2016, the proposed rule will change or increase certain annual Pipeline fees and the per barrel fee on exploration and production waste: annual pipeline facility safety and odorization inspection fee from \$22.40 per mile to one dollar per service line (R.S. 30:560) or four hundred dollars per pipeline facility, whichever is greater, annual fee on gas gathering or transmission system from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:560), and annual transportation of hazardous liquids fee from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:706).

Additionally, the proposed rule will add a two cents per barrel fee (Commercial Waste Fee) on exploration and production waste delivered from the original generator of waste to Office of Conservation permitted off-site commercial facilities, and Transfer Stations permitted by the Office of Conservation for waste transfer to out-of-state treatment or disposal facilities. The Commercial Waste fee will replace projected revenue (\$119,150) that was to be generated by the following rescinded fees: Application for Commercial Facility Reuse Material, the Application for Commercial Facility Transfer Station, Authorization for After-Hours disposal of E&P Waste, Commercial Facility Annual Closure Plan and Cost Estimate Review, and Annual Transfer Station Regulatory Fee. The increased revenue will be deposited into the Oil and Gas Regulatory Fund.

No effect on revenue collections of local governmental units is anticipated.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON GOVERNMENTAL GROUPS (Summary)

The primary groups affected by these rules are pipeline operators, and facilities. Changes or increases to certain annual Pipeline fees: annual pipeline facility safety and odorization inspection fee from \$22.40 per

mile, to one dollar per service line or four hundred dollars per pipeline facility, whichever is greater, annual fee on gas gathering or transmission system from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility, and annual transportation of hazardous liquids fee from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility could potentially increase industry expenses by approximately \$520,000 annually. (EB)

#### IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Implementation of the proposed rule changes are not expected to impact competition and employment in the public and private sector.



Signature of Agency Head or Designee



Legislative Fiscal Officer or Designee

Gary P. Ross, Assistant Commissioner of Conservation  
Typed Name and Title of Agency Head or Designee

August 8, 2016

Date of Signature

8/10/16

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

Proposed Statewide Order No. 29-R-16/17 establishes the Louisiana Office of Conservation Fee Schedule for the collection of application, production, and regulatory fees by the Office of Conservation and will replace the existing Statewide Order No. 29-R-15/16. R.S. 30:21 et seq., R.S. 30:560, and R.S. 30:706 provide that the Commissioner of Conservation shall periodically and/or annually review the fees collected, and the Office of Conservation has established a practice of annually evaluating all applicable fees. This revision will authorize the collection of this application fee consistent with the Agency's other fee collections.

Additionally, the passage of Act 435 of 2016, Regular Legislative Session, authorizes the Office of Conservation to determine by rule annually, in accordance with the Administrative Procedure Act, the pipeline fees. The annual pipeline facility safety and odorization inspection fee will change from \$22.40 per mile to one dollar per service line (R.S. 30:560) or four hundred dollars per pipeline facility, whichever is greater, annual fee on gas gathering or transmission system will increase from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:560), and annual transportation of hazardous liquids fee will increase from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:706). The proposed FY16/17 fee will remain at the maximum fee authorized by statute

The above referenced fees are deposited into the Oil and Gas Regulatory Fund, a statutorily dedicated fund, and comprise a significant percentage of the Office of Conservation's annual budget, and used to fund necessary annual operating expenses for the Office of Conservation for FY16/17.

B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

R.S. 30:21 et seq., R.S. 30:560, and R.S. 30:706 provide that the Commissioner of Conservation shall periodically and/or annually review the fees collected, and the Office of Conservation has established a practice of annually evaluating all applicable fees.

C. Compliance with Act 11 of the 1986 First Extraordinary Session

(1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No.

(2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase? This is not an expenditure increase; therefore, this is not applicable.

(a)  Yes. If yes, attach documentation

(b)  No. If no, provide justification as to why this rule change should be published at this time.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

Not Applicable

<u>COSTS</u>	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>
Personal Services	-----	-----	-----
Operating Expenses	-----	-----	-----
Professional Services	-----	-----	-----
Other Charges	-----	-----	-----
Equipment	-----	-----	-----
Major Repair & Constr.	-----	-----	-----
<b>TOTAL</b>	-----	-----	-----

**POSITIONS**

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

3. Sources of funding for implementing the proposed rule or rule change.

<u>SOURCE</u>	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>
State General Fund	-----	-----	-----
Agency Self-Generated	-----	-----	-----
Dedicated	-----	-----	-----
Federal Funds	-----	-----	-----
Other: <b>Oil &amp; Gas Regulatory Fund</b>	-----	-----	-----
<b>TOTAL</b>	-----	-----	-----

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes. The adoption of Statewide Order No. 29-R-16/17 will generate sufficient funds to allow the Office of Conservation to perform mandated responsibilities.

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There will be no anticipated impact on local governmental units resulting from this action.

2. Indicate the sources of funding of the local governmental unit which will be affected by these costs or savings.

Not Applicable.



**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENT UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

There is a potential increase of \$520,000 anticipated Statutory Dedication – Oil and Gas Regulatory Fund revenue collections of state governmental units as a result of the proposed rule changes. Consistent with Act 435 of the 2016 Regular Session, the Proposed Rule will change or increase the following annual Pipeline fees: annual pipeline facility safety and odorization inspections from \$22.40 per mile to one dollar per service line (R.S. 30:560) or four hundred dollars per pipeline facility, whichever is greater, annual fee on gas gathering or transmission system from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:560), and annual transportation of hazardous liquids fee from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:706). The caps on Pipeline fee will increase 43.9% over FY16 Pipeline fees collections (as of June 30, 2016). No effect on revenue collections of local governmental units is anticipated.

<u>REVENUE INCREASE/DECREASE</u>	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>
State General Fund	-----	-----	-----
Agency Self-Generated	-----	-----	-----
Dedicated Funds*	\$520,000	\$520,000	\$520,000
Federal Funds	-----	-----	-----
Local Funds	-----	-----	-----
<b>TOTAL</b>	<hr/>		

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

There is a potential increase of \$520,000 anticipated Statutory Dedication – Oil and Gas Regulatory Fund revenue collections of state governmental units as a result of the proposed rule changes. Consistent with Act 435 of the 2016 Regular Session, the Proposed Rule will change or increase the following annual Pipeline fees: annual pipeline facility safety and odorization inspection fee from \$22.40 per mile to one dollar per service line (R.S. 30:560) or four hundred dollars per pipeline facility, whichever is greater, annual fee on gas gathering or transmission system from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:560), and annual transportation of hazardous liquids fee from \$22.40 per mile or minimum of \$400 per facility to \$44.80 per mile or minimum of \$800 per facility (R.S. 30:706).

Annual regulatory fees increases are as follows: (1) Operators of Type A facility from \$15,742 to \$16,780; (2) Operators of Type B facility from \$7,873 to \$8,390; (3) Operators of record of permitted non-commercial Class II injection/disposal wells from \$1,571 to \$1,678; (4) Operators of record of permitted Class III storage wells from \$1,571 to \$1,678; and (5) Operators of permitted Class I well from \$29,850 to \$29,411. The per well annual production fees for operators of capable oil wells and capable gas wells are increased as follows: Tier 1 from \$26 to \$27; Tier 2 from \$151 to \$155; Tier 3 from \$432 to \$445; Tier 4 from \$718 to \$739; Tier 5 from \$1,131 to \$1,165; Tier 6 from \$1,575 to \$1,622; and Tier 7 from \$1,965 to \$2,025. Regulatory and Production individual fee increases are the result of a reduction in well inventory to be accessed.

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON GOVERNMENTAL GROUPS**

A. What persons or non governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The primary groups affected by these rules are pipeline operators, and pipeline facilities operators.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

N/A

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public sectors. Include a summary of any data, assumptions and methods used in making these estimates.

Implementation of the proposed rule changes are not expected to impact competition and employment in the public and private sector.