

DEPARTMENT OF NATURAL RESOURCES
STRATEGIC PLAN



FISCAL YEAR 2017-18

to

FISCAL YEAR 2021-22

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

DEPARTMENT OF NATURAL RESOURCES STRATEGIC PLAN

VISION:

Louisiana's rich natural resources will be protected and managed prudently for the benefit of the people of the state of Louisiana. The Department of Natural Resources (DNR) will provide for coastal ecosystem sustainability and be recognized nationally and internationally for environmentally sensitive and progressive natural resource management. Louisiana will continue to become a more beautiful state and a safer place to live, work and play, and DNR will be known as "the agency that gets it done."

MISSION:

The mission of the Department of Natural Resources is to ensure and promote the sustainable, productive, and responsible use of the State's natural resources so that they are available for the enjoyment and benefit of our citizens now and in the future.

PHILOSOPHY:

- ❖ To attain the mission of the Department of Natural Resources by providing superior customer service, sound resource stewardship, efficiency and fairness in regulation.
- ❖ To strive for objectivity, consistency and balance in interactions with our stakeholders.
- ❖ To choose an adaptive management strategy to ensure that projects have the best chance for success.
- ❖ To optimize the value of the State's non-recurring natural resources and our level of expertise and knowledge.
- ❖ To adopt an efficient and adaptable proactive approach to protect our natural environment.

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DEPARTMENT OF NATURAL RESOURCES OVERALL GOAL

Our goal is to provide a fair, predictable and effective regulatory system that allows opportunities for development and economic growth through the use of our natural resources while at the same time ensuring protection of public safety and the environment. That balance is the focus of our role as stewards of Louisiana's bountiful natural resources that are so critical to our economy and our culture.

The Department of Natural Resources is comprised of four offices, each of which operates separate programs.

- ❖ The Office of the Secretary is comprised of the Executive, Management and Finance, Atchafalaya Basin Program and Technology Assessment Divisions. The Technology Assessment Division includes Energy Conservation.

- ❖ The Office of Conservation is comprised of Oil and Gas Regulatory and related functions, and associated Public Safety.

- ❖ The Office of Mineral Resources manages the State's royalty leasing functions inclusive of Mineral Income, Geological Review and Lease Management.

- ❖ The Office of Coastal Management is comprised of two divisions; 1) Interagency Affairs and Field Services and 2) Permits & Mitigation.

Each of these four offices has prepared its own plan based upon the mission, vision, philosophy and goals of DNR.

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OFFICE OF THE SECRETARY

The following staff members of the Office of the Secretary participated in the development of this plan:

Thomas Harris	Secretary
Beverly Hodges	Undersecretary
Ashlee McNeely	Confidential Assistant to the Secretary
Paul Miller	Technology Assessment Director
Donald Haydel	Atchafalaya Basin Director
Karen Young	Budget Administrator
Gwen Thomas	Accountant Administrator
Phyllis Darensbourg	Public Information Director
Guillermo Iturralde	Staff Attorney
Rikki Nicole David	Human Resources Director
Sherri Gregoire	Staff Attorney
April Newman	Coastal Resources Scientist

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MISSION: The Office of the Secretary was created by R.S. 36:354(A)(4) and provides leadership, guidance, and coordination to ensure consistency within the Department, as well as externally. The program serves to promote the Department, implement the Governor’s and Legislature’s directives, and functions as Louisiana’s natural resources ambassador to the world. Its customers are the Governor, Legislature, oil and gas industry, alternative energy industries, coastal management stakeholders, employees of the Department and other state agencies and departments, other governmental entities, and the citizens of the state of Louisiana.

I. GOAL: Uphold and implement the mission and vision of the Department.

Program Activity: **Executive Administration**

Objective I.1: Assess customer satisfaction for at least five sections/divisions of the Department by 2022.

Strategy A: Identify which sections of the Department have the greatest public contact and develop a survey to assess the level of satisfaction of those customers annually.

Performance Indicators:

Outcome: Number of sections assessed for customer satisfaction.

Outcome: Percentage of customers who rate service satisfactory or better.

Program Activity: **Executive Administration**

Objective I.2: Develop and implement a schedule to review, and update if necessary, 95% of Departmental Policies in order to ensure consistency and compliance with applicable federal and state laws, regulatory guidelines, and Civil Service Rules.

Strategy A: Through internal meetings with executive and management staff, assess the need for update and/or creation of departmental policies.

Strategy B: Disseminate revised and/or new policies to all DNR staff.

Performance Indicator:

Output: Percentage of policies reviewed.

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II. GOAL: Improve the quality of the DNR's services through increased investment in the Department's employees.

Program Activity: **Business Support Services**

Objective II.1: Provide agency management with the support and tools necessary to maximize the effectiveness of the Performance Evaluation System (PES).

Strategy A: Assist in monitoring timely completion (i.e. within applicable timeframes).

Strategy B: Provide training (whether online, instructor-led or one-on-one) to aid supervisors in effectively coaching employee performance.

Strategy C: Aid Appointing Authorities in addressing employee behavior and/or performance issues, when appropriate, through the formal counseling and disciplinary processes.

Strategy D: Encourage and support use of performance appraisals when making personnel decisions such as promotion, position changes, etc.

Performance Indicators:

Outcome: Number of PES plannings and ratings conducted within established timeframes.

General: Number of PES ratings upheld during Agency Review and/or Review by the Director of Civil Service.

Program Activity: **Business Support Services**

Objective II.2: Assist agency management in ensuring continuity of services by maintaining an overall turnover rate (excluding student, WAE's and Board Members) that is at least 1% less than the average statewide turnover rate as reported by the Department of Civil Service.

Strategy A: Establish a challenging retention goal in comparison to the statewide average.

Strategy B: Analyze turnover rates by classification/geographical area on an annual basis.

Strategy C: Increase use of Department's special pay tools to address areas affected by recruiting and retention difficulty.

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Strategy D: Adopt new and/or promote utilization of current Department policies that foster employee engagement, including rewards and recognition; flexible work schedules; tuition reimbursement; etc.

Performance Indicators:

Outcome: Turnover percentage per fiscal year.

III. GOAL: Streamline and coordinate Department functions and services to provide a cost effective administration of accounting and budget controls, procurement and contract management, data processing (SONRIS), management and program analysis, human resources management and grants management that complies with state and federal laws and account principles and become an exemplary department in the areas of service delivery, cost efficiency, and internal operations.

Program Activity: Business Support Services

Objective III.1: Eliminate repeat audit exceptions by 2022.

Strategy A: Review prior year audit findings and conduct internal audits to ensure that adequate controls exist to help eliminate repeat findings.

Performance Indicators:

Outcome: Number of repeat audit exceptions.

IV. GOAL: Promote efficient use of natural resources and energy, and encourage the development of renewable, non-renewable, and alternative sources of energy by providing training, technical assistance, information, and policy analysis.

Program Activity: State Energy Program

Objective IV.1: Promote energy conservation, the use of renewable energy, and the use of cleaner alternative fuels by Louisiana's citizens including the public, business, industry, and government by developing and sharing the information through outreach events.

Strategy A: In order to effectively promote the responsible use of Louisiana's natural resources the Technology Assessment Division is to provide the information on energy efficiency opportunities and available renewable energy resources to Louisiana citizens.

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Performance Indicators:

Outcome: The number of workshops, vendor shows, school and community outreach events that Technology Assessment staff participated in.

Objective IV.2: To provide a low interest loan program for targeted assistance to various market sectors to be served through the State Energy Program to promote energy conservation, the use of renewable energy, and the use of Cleaner alternative fuels such as natural gas, propane, and electricity.

Strategy A: Loans solicitations will be conducted by the State Energy Program through formal notices in the major newspapers of Louisiana, the Department's web-site, and outreach events.

Performance Indicators:

Outcome: The number of new loans executed.

V. GOAL: Conserve and restore, where possible, the natural habitat of the Atchafalaya Basin, and offer enhanced opportunities for the public's enjoyment of the Atchafalaya Basin experience. In Vision 2020 Objectives III.5 and III.6 improved water quality is the key component in the restoration of the ecosystem of the Atchafalaya Basin and will lead to improved fisheries and habitat for wildlife which will lead to greater enjoyment and use of the resources of the Basin.

Program Activity: Atchafalaya Basin

Objective V.1: Through the Atchafalaya Basin Activity, toward the goal of restoring water quality/hydrology in the Atchafalaya Basin and enhancing opportunities for the public's enjoyment of the Basin experience, the program will work with the Technical Advisory Group to identify and bring two water quality/hydrology projects to bid and will work to increase the utilization of the Atchafalaya Basin as a result of constructing new or rehabilitated access points.

Strategy A: In 2008, The Louisiana Legislature adopted Act 606, authorizing an Annual Plan for the Basin that will include water management and access projects consistent with the mission statement of the Atchafalaya Basin Master Plan.

Performance Indicator:

Outcome: Number of new or rehabilitated access points constructed and/or water quality projects brought to bid, if funded.

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OFFICE OF CONSERVATION

The following staff members of the Office of the Secretary and the Office of Conservation participated in the development of this plan:

Thomas Harris	Secretary
Beverly Hodges	Undersecretary
Richard P. Ieyoub	Commissioner of Conservation and Assistant Secretary
Gary Ross	Assistant Commissioner of Conservation and Deputy Assistant Secretary
Stephen Lee	Director, Injection and Mining Division
Abby Alkire	Geologist Supervisor, Injection and Mining Division, Surface Mining Section
Steven Giambrone	Director, Pipeline Division
Gary Snellgrove	Director, Environmental Division
Brent Campbell	Director, Engineering Regulatory Division
Matt Simon	Engineer 6, Engineering Regulatory Division, Oilfield Site Restoration Section
Todd Keating	Director, Engineering Administrative Division
David Elfert	Director, Geological Oil and Gas Division
Pam LeBlanc	Geologist Supervisor, Geological Oil and Gas Division
Kay O'Brien	Executive Staff Officer, Executive Division
Mark Browning	Engineer 6, Pipeline Division
Michael Peikert	Engineer 6, Engineering Regulatory Division, Inspection and Enforcement
Jeff Wells	Petroleum Analyst Manager, Permits
Ashlee McNeely	Confidential Assistant to the Secretary, Office of the Secretary

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MISSION: The mission of the Office of Conservation is to regulate the exploration and production of oil, gas, and other natural resources, and thereby protect public health, the environment, and the correlative rights of all parties involved (Louisiana Constitution Article IX, Section 1; L.S.A.-R.S.30:1 et seq). The Department of Conservation was originally created in 1912 by the Legislature and eventually several entities were incorporated into the current Department of Natural Resources. L.S.A.-R.S.36:351.

OIL AND GAS REGULATORY MISSION: To protect the correlative rights of all parties involved in the exploration and production of non-renewable oil, gas, and other natural resources, while preventing the waste of these resources; and thereby protecting the public and the environment.

I. GOAL: Manage the conservation and development of the non-renewable natural resources in the state, while minimizing the negative environmental impact of the development. Ensure protection of public health and the environment from hazards associate with the transportation of hazardous liquids and with the exploration, production, transportation, distribution, and disposition of oil, gas, lignite and associate wastes, and conservation of groundwater resources.

Program Activity: **Oil and Gas Administration**

Objective I.1: Demonstrate success in protecting the correlative rights of all parties involved in oil and gas exploration and production by ensuring that 90% of the Conservation Orders issued as a result of oil and gas hearings are issued within 30 days of the hearing date; that 99% of the Critical Date Requests are issued within the requested time frame, annually through 2022.

Strategy A: Ensure Conservation Orders issued as a result of oil and gas hearings are processed timely.

Performance Indicators:

Efficiency: Percentage of Conservation Orders issued within 30 days.

Percentage of Conservation Orders with critical dates issued within the requested time frame.

Program Activity: **Inspection**

Objective I.2: Ensure that 93% of well sites inspected are in compliance with OC regulations, that 80% of Field Violation Compliance Orders are resolved by the specified date, and the inspection of each existing well on a risk based matrix, annually through 2022.

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Strategy A: Conduct periodic inspection of existing wells; develop and maintain an inspection database and notification system to guide and document inspection activities of the Conservation Enforcement Specialists (inspectors); and ensure timely resolution of resulting Field Violation Compliance Orders.

Performance Indicators:

Efficiency: Percentage of Field Violation Compliance Orders resolved by the specified date.

Outcome: Percentage of well sites inspected which are in violation of applicable rules.

Percentage of required distinct wells inspected annually.

Number of field inspection reports.

Input: Number of required distinct wells inspected.

Program Activity: Oilfield Site Restoration

Objective I.3: To perform the organized plugging, abandonment, and restoration of a cumulative 90 (+/- 10) urgent and high priority orphan wells by June 30, 2022, to thereby protect the environment and render previously unusable oilfield sites suitable for redevelopment.

Strategy A: Maximize the number of urgent and high priority orphan sites restored/wells plugged annually with available funds by achieving cost-savings through bidding multiple sites in large packages (average 18 to 20 sites/wells per fiscal year), and distribute available resources to address sites in multiple geographic areas across the state.

Performance Indicators:

Efficiency: Percent of Program Revenue utilized to restore urgent and high priority orphaned well sites during fiscal year.

Output: Number of urgent and high priority orphaned well sites restored during the fiscal year.

Number of orphaned wells restored during fiscal year.

Wells restored by other means.

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Unrestored orphaned wellsites.

Newly identified orphaned wellsites during fiscal year.

Number of public safety incidents.

Program Activity: Oil and Gas Administration

Objective I.4: To ensure that 95% of permits for new oil and gas well drilling applications are issued within 30 days of receipt resulting in a permitting process that is efficiently and effectively conducted to serve the public and industry while protecting citizens' rights, safety, and the production and conservation of the state's non-renewable resources and to ensure 95% of annual production fees are collected.

Strategy A: Ensure the permitting and production audit activities are processed timely to monitor drilling activity and adjust to increases in drilling and production; and to ensure annual production fees are collected.

Performance Indicators:

Efficiency: Percentage of permits to drill oil and gas wells issued within 30 days.

Percentage of annual production fee revenue collected of the total amount invoiced.

Output: Production from permitted wells (BOE).

Number of permits to drill and amend.

Program Activity: Pipeline (including Underwater Obstructions)

Objective I.5: Ensure the level of protection to the public and compliance in the pipeline transportation of crude oil, natural gas, and related products by ensuring the ratio of Louisiana reportable accidents per 1,000 miles of jurisdictional pipeline is at or below the federal/national ratio of reportable accidents per 1,000 miles of jurisdictional pipeline, annually through 2022.

Strategy A: Perform pipeline safety inspections on jurisdictional operators to ensure compliance with the regulations and a safer pipeline system.

Performance Indicators:

Efficiency: Rate of reportable accidents on Louisiana jurisdictional pipelines.

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Percentage of current units in compliance with regulations.

Output: Number of inspections performed.

Program Activity: Pipeline (including Underwater Obstructions)

Objective I.6: Demonstrate success in ensuring adequate competitive gas supplies are available for public and industry use by ensuring 98% of Conservation Pipeline Orders issued as a result of pipeline applications and/or hearings are issued within 30 days from the effective date or from the hearing date, annually through 2022.

Strategy A: Continue to improve the data collection process for maintenance of a comprehensive pipeline information database.

Performance Indicators:

Efficiency: Percentage of Pipeline Orders issued within 30 days from the effective date.

Program Activity: Injection and Mining

Objective I.7: Ensure the protection of underground sources of drinking water, public health and the environment from degradation by regulating subsurface injection of waste, other fluids and gases, and surface coal mining resulting in zero verified unauthorized releases from injection waste wells and zero off-site impacts from surface coal mining, annually through 2022.

Strategy A: Conduct inspections at each surface coal mining facility to identify and correct violations before they endanger public health and the environment.

Performance Indicators:

Outcome: Injection/disposal wells inspected as a percentage of total wells

Number of inspections of permitted surface mines.

Output: Number of inspections of injection/disposal wells.

Program Activity: Environmental

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Objective I.8: Ensure the protection of public health, safety, welfare, the environment, and groundwater resources by regulating offsite storage, treatment and disposal of oil and gas exploration and production waste (E&P waste) resulting in zero verified incidents of improper handling and disposal of E&P waste; and by managing and regulating groundwater resources resulting in zero new areas of ground water concern, annually through 2022.

Strategy A: The implementation and enforcement of E&P waste generator requirements, waste tracking, commercial waste facility location, design, and operational criteria, and E&P waste facility closure funding and pollution liability coverage requirements; the implementation and enforcement of groundwater laws and regulations.

Performance Indicators:

Outcome: Number of verified incidents of improper handling and disposal of exploration and production waste resulting in unauthorized releases or impacts to the environment that have necessitated evaluation or remediation activity above and beyond initial response activities.

Output: New areas of ground water concern determined or issues by the Commissioner of Conservation.

Program Activity: Environmental

Objective I.9: Ensure protection of public health, safety, welfare, and the environment through the evaluation and remediation of E&P waste impacted sites resulting in 85% of Act 312 of 2006 court referral evaluation or remediation plans are reviewed and approved by the Division and implemented by the responsible party, annually through 2022.

Strategy A: Remediation of environmental media to applicable standards through regulatory oversight (authorized in Act 312 of 2006).

Performance Indicators:

Outcome: Percentage of Act 312 of 2006 court referral evaluation or remediation plans reviewed and approved by the division and implemented.

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OFFICE OF MINERAL RESOURCES

The following staff members of the Office of the Secretary and the Office of Mineral Resources participated in the construction of this plan:

Thomas Harris	Secretary
Beverly Hodges	Undersecretary
David Boulet	Assistant Secretary
Stacey Talley	Deputy Assistant Secretary
Frederick Heck	Director of Petroleum Lands Division
Rachel Newman	Audit Director
Victor Vaughn	Geologist Administrator, Geological and Engineering Division
Byron Miller	Geologist Supervisor
Jason Talbot	Geologist Supervisor
Anthony Fontenot	Assistant Director of Petroleum Lands Division
Ashlee McNeely	Confidential Assistant to the Secretary, Office of the Secretary

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MISSION: To lease and/or explore for the development and production of minerals, oil gas, or alternative energy sources on state-owned lands and water bottoms in an environmentally sound and safe manner. To prudently manage said resources by, providing timely, accurate, and cost effective mineral royalty collection and disbursement services. These functions are performed under the authority and direction of the State Mineral and Energy Board. The primary customers of this Office are the citizens of Louisiana, the oil and gas industry, mineral right holders, alternative energy producers, the Legislature and the Division of Administration. Louisiana Constitution Article IX, Section 3-6, R.S. 36:351, R.S. 30:121.

I. GOAL: Ensure that the state-owned lands and water bottoms produce an optimal return on investment for the state of Louisiana.

Program Activity: **Lease Sales and Administration**

Objective I.1: Monitor and diligently maintain productive acreage on state-owned lands and water bottoms.

Strategy A: Accurately and timely process applications and bids for mineral leases.

Strategy B: Continue to execute and hold monthly State Mineral and Energy Board Lease Sales.

Strategy C: Increase revenue by compelling each state oil, gas, and mineral lessee to provide and execute a plan of development.

Strategy D: Collaborate with industry and other state agencies to identify and remove barriers to oil and gas production on state lands and water bottoms.

Strategy E: Maximize revenue by increasing marketing and the utilization of efficiency tools.

Strategy F: Monitor alternative energy research and development in other states and federal agencies to facilitate the development of alternative energy resources within Louisiana.

Performance Indicators:

General: State acreage under contract.

Productive state acreage.

Outcomes: Percentage of productive acreage to total acreage under contract.

Percentage of accurately processed applications and bids for mineral and alternative energy leases.

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Develop additional GIS layers and increase the total number of leases reviewed annually.

Increase number of outreach activities year over year.

Objective 1.2: Monitor the life cycle (e.g., drilling, sidetracking, completions, recompletions, etc.) of wells throughout the State where the State has a mineral interest.

Strategy A: Review all new well permits, scout activity on completions and recompletions, and track such wells in SONRIS.

Performance Indicators:

Outcomes: Number of new state leases or agreements executed by tracking outside lease activity.

Program Activity: Revenue Classification and Audit

Objective 1.3: Maintain a level of auditing royalties to ensure the maximum collections to the state and include cost-beneficial audits of payors. Examine processes to improve the timeliness and accuracy of royalties remitted to the state. Continue to improve systems and processes for collecting royalties, allocating the revenues, and ensuring that all revenue due is paid on time.

Strategy A: Timely audit and aggressively pursue the collection of royalties from state oil, gas, and mineral leases.

Strategy B: Timely audit and report under payments in conjunction with royalty audits.

Strategy C: Focus efforts on preventing, as well as, finding noncompliance. View an incorrect or untimely payment as a training opportunity to prevent future occurrences, not only as revenue to collect now.

Strategy D: Reduce percentage of audit expense by utilizing efficiency tools to streamline audit function.

Performance Indicators:

Efficiency: Percentage of royalties audited to total royalties paid.

Outcomes: Percentage of repeat audit findings

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State audit exceptions billed (millions).

Percent of accurately completed and paid royalty reports desk audited within 60 days.

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OFFICE OF COASTAL MANAGEMENT

The following staff members of the Office of the Secretary and the Office of Coastal Management participated in the development of this plan:

Thomas Harris	Secretary
Beverly Hodges	Undersecretary
Keith Lovell	Assistant Secretary
Karl Morgan	Administrator, Permits & Mitigation Division
Don Haydel	Acting Administrator, Interagency Affairs and Field Services Division
Ashlee McNeely	Confidential Assistant to the Secretary, Office of the Secretary

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MISSION: The Office of Coastal Management (OCM) is the agency responsible for the conservation, protection and management of Louisiana’s coastal resources. It implements the Louisiana Coastal Resources Program (LCRP), established by Act 261 of the 1978 Louisiana Legislature. The LCRP is Louisiana’s federally approved coastal zone management program. The OCM also coordinates with various federal and state task forces, other federal and state agencies, the office of the Governor, the public, the Louisiana Legislature and the Louisiana Congressional Delegation on matters related to the protection, conservation, enhancement and management of Louisiana’s coastal resources. Its clients include the U. S. Congress, legislature, federal agencies, state agencies, the citizens and political subdivision of the coastal parishes within Louisiana’s coastal zone and ultimately all the citizens of Louisiana and the nation whose economy is impacted by the sustainability of Louisiana’s coastal wetlands.

Goal I: Conserve coastal wetlands by carrying out the no net loss of wetlands policies of the State and Local Coastal Resources Management Act and the Coastal Wetlands Conservation Plan.

Program Activity: Coastal Zone Management

Objective I.1: Ensure the loss of wetlands resulting from activities regulated by the program will be offset by actions that fully compensate for the loss (as stipulated by permit conditions on an annual basis).

Strategy A: Utilize local, state and federal regulatory processes to ensure that developmental activities cause minimal impacts to wetlands, and that unavoidable wetland impacts are mitigated from the duration of the strategic planning period.

Strategy B: Work with local, state and federal agency partners to resolve mitigation issues requiring interagency coordination for the duration of the strategic planning period.

Performance Indicators:

Outcomes: Percentage of disturbed wetlands area mitigated by full compensation of habitat loss.

Efficiency: Measurement of Permit processing times.

Input: Number of permit applications received.

APPENDIX

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STRATEGIC PLANNING CHECKLIST

Planning Process

- General description of process implementation included in plan process documentation
- Consultant used. If so, identify: _____
- Department/agency explanation of how duplication of program operations will be avoided included in plan process documentation
- Incorporated statewide strategic initiatives
- Incorporated organization internal workforce plans and information technology plans

Analysis Tools Used

- SWOT analysis
 - Cost/benefit analysis
 - Financial audit(s)
 - Performance audit(s)
 - Program evaluation(s)
 - Benchmarking for best management practices
 - Benchmarking for best measurement practices
 - Stakeholder or customer surveys
 - Undersecretary management report (Act 160 Report) used
 - Other analysis or evaluation tools used. If so, identify: _____
- Attach analysis projects, reports, studies, evaluations, and other analysis tools.

Stakeholders (Customers, Compliers, Expectation Groups, Others) identified

- Involved in planning process
- Discussion of stakeholders included in plan process documentation

Authorization for goals

- Authorization exists
- Authorization needed
- Authorization included in plan process documentation

External Operating Environment

- Factors identified and assessed
- Description of how external factors may affect plan included in plan process documentation

Formulation of Objectives

- Variables (target group; program & policy variables; and external variables) assessed
- Objectives are SMART

Building Strategies

- Organizational capacity analyzed
- Needed organizational structural or procedural changes identified
- Resource needs identified
- Strategies developed to implement needed changes or address resource needs

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Action plans developed; timelines confirmed; and responsibilities assigned

Building in Accountability

Balanced sets of performance indicators developed for each objective

Documentation Sheets completed for each performance indicator

Internal accountability process or system implemented to measure progress

Data preservation and maintenance plan developed and implemented

Fiscal Impact of Plan

Impact on operating budget

Impact on capital outlay budget

Means of finance identified for budget change

Return on investment determined to be favorable

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CONTINUATION OF PAST STRATEGIES

Human Resources Policies Benefiting Women and Families

The Department of Natural Resources has a number of policies in place to benefit women in the workplace. Since 2000, the Department has offered FMLA leave making it possible for employees to take leave from work to address medical needs for themselves or family members. The Department also provides a Lactation Room for nursing mothers to express breast milk, along with adequate breaks during the day to utilize the room. There are numerous postings throughout the different sections to advertise the availability of the Lactation Room. DNR also offers a Crisis Leave Pool which affords paid leave to any employee who has either personally experienced a catastrophic illness or injury, or who has an eligible family member who has experienced a catastrophic illness or injury. Additionally, DNR maintains several Alternative Work Schedules to allow maximum flexibility for employees.

Streamlining Department Functions

Due to budget cuts over the last several years, the Department is operating at an all-time low in regards to staff. We have managed by maintaining vacant positions and spreading additional duties around to existing staff. These actions have served to stretch existing resources and have also ensured no duplication of effort throughout the Department. Additionally, DNR has participated in the consolidation of both Information Services and Procurement, resulting in those functions being overseen by the Division of Administration.

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STRATEGIC PLANNING WORKSHEET

Office: Office of the Secretary
Program: Executive
Goal: I. Uphold and implement the mission and vision of the Department.
Statutory Requirement: R.S.36:354(A)(4)

Principal Clients and Users of Program:

- ❖ Governor
- ❖ Legislature
- ❖ Various industries
- ❖ Employees of the Department
- ❖ Citizens of the State of Louisiana

Specific Services or Benefits Derived:

- ❖ Compliance with legislative and executive mandates as it relates to preservation of Louisiana's natural resources and economic development.

External Factors That Could Affect Goal Achievement:

- ❖ Legislative or executive changes in funding priorities.

Duplication with Other Programs: No

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STRATEGIC PLANNING WORKSHEET

Office: Office of the Secretary

Program: Executive

Goal: I. Improve the quality of the DNR's services through increased investment in the Department's employees.

Statutory Requirement: R.S.36:356

Principal Clients and Users of Program:

- ❖ DNR managers
- ❖ DNR supervisors
- ❖ DNR employees

Specific Services or Benefits Derived:

- ❖ All of the Department's services are derived from its employees, which makes investment in our staff crucial to our organizational success.

External Factors That Could Affect Goal Achievement:

- ❖ Budgetary issues which could reduce and/or eliminate DNR's ability to offer competitive salaries; offer training and professional development opportunities; and maintain adequate staffing levels.

Duplication with Other Programs: No

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STRATEGIC PLANNING WORKSHEET

Office: Office of the Secretary

Program: Executive

Goal: II. Utilize information technologies to provide an efficient information exchange mechanism with the oil and gas industry and other DNR partners.

Statutory Requirement: R.S.36:356

Principal Clients and Users of Program:

- ❖ Public (oil and gas customers)
- ❖ Environmental community

Specific Services or Benefits Derived:

- ❖ Online access to the majority of oil and gas and environmental public records in the Department and facilitation of business transactions through the use of technology.

External Factors That Could Affect Goal Achievement:

- ❖ Failure of the public and customers to adapt to the new technology.

Duplication with Other Programs: No

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STRATEGIC PLANNING WORKSHEET

Office: Office of the Secretary

Program: Executive

Goal: III. Streamline and coordinate Department functions and services to become an exemplary Department in the areas of service delivery, cost efficiency, and internal operations.

Statutory Requirement: R.S.36:356

Principal Clients and Users of Program:

- ❖ DNR managers
- ❖ DNR supervisors
- ❖ DNR employees
- ❖ Legislative Oversight staff

Specific Services or Benefits Derived:

- ❖ A Department that is efficiently run, goal oriented, and seeks cost-saving measures.

External Factors That Could Affect Goal Achievement:

- ❖ Budgetary issues such as revenue shortfalls related to low oil and gas prices could impair DNR's ability to maintain efficient service delivery or ability to respond to new efficiencies that would require a financial investment to achieve long-term improvements.

Duplication with Other Programs: No

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Executive

Objective Name: Assess customer satisfaction for at least five (5) sections in the Department by 2022.

Activity: Executive Administration

Indicator Name: Number of sections assessed for customer satisfaction.

Indicator LaPAS Code: 10584

1. **Type and Level:** Outcome – Key.
2. **Rationale:** This Performance Indicator provides documentation of the Department’s commitment to mission, with attention to customer satisfaction.
3. **Use:** This Performance Indicator is used to identify and address areas of customer concerns.
4. **Clarity:** Clear.
5. **Validity, Reliability, and Accuracy:** This Performance Indicator has not been audited, but is a clear measure of attention to customer satisfaction.
6. **Data Source, Collection, and Reporting:** This information is collected in an internal database and is reported annually.
7. **Calculation Methodology:** Simple count of the number of sections surveyed.
8. **Scope:** Aggregate.
9. **Caveats:** None at this time.
10. **Responsible Person:** Phyllis Darensbourg, Public Information Director;
Phyllis.Darensbourg@la.gov; Phone: (225) 342-8955

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Executive

Objective Name: Develop and implement a schedule to review, and update if necessary, 95% of Departmental Policies, in order to ensure consistency and compliance with applicable federal and state laws, regulatory guidelines, and Civil Service Rules.

Activity: Executive Administration

Indicator Name: Percentage of policies reviewed

Indicator LaPAS Code: NEW

1. **Type and Level:** Output – Key.
2. **Rationale:** This Performance Indicator provides documentation of the Department’s commitment to the evaluation and updating of policies and procedures for purposes of efficiency and compliance.
3. **Use:** This Performance Indicator is used to quantify the process.
4. **Clarity:** Clear.
5. **Validity, Reliability, and Accuracy:** This Performance Indicator has not been audited by the Legislative Auditor, but is a defined measure of the identified objective.
6. **Data Source, Collection, and Reporting:** This information is collected by counting the number of policies reviewed and/or created during internal meetings with executive and management staff.
7. **Calculation Methodology:** Total the number of policies reviewed and divide by the total number of Department policies.
8. **Scope:** Aggregate.
9. **Caveats:** None at this time.
10. **Responsible Person:** Rikki Nicole David, Human Resources Director; Rikki.David@la.gov; Phone: (225)342-4522

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Office of Management and Finance

Activity: Business Support Services

Objective Name: Provide agency management with the support and tools necessary to maximize the effectiveness of the Performance Evaluation System (PES).

Indicator Name: Number of PES plannings and ratings conducted within established timeframes.

Indicator LaPAS Code: New

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** The performance indicator evidences the Department’s commitment to appropriate and timely documentation of employee expectations and ratings, understand that employee performance directly affects the Department’s ability to achieve its goals and mission.
- 3. Use:** Use of employee performance appraisals supports personnel decision-making and will assist supervisors and employees by improved, regular communication regarding expectations for job performance.
- 4. Clarity:** This indicator is clear because there are specific, identifiable deadlines in which plannings and ratings must be submitted.
- 5. Validity, Reliability and Accuracy:** This performance indicator has not been audited by the Legislative Auditor, but the performance evaluation and planning process is audited annually by the Department of State Civil Service, in addition to internal review by the Human Resources Division.
- 6. Data Source, Collection and Reporting:** Information on individual employee performance appraisals is entered into the LaGov HCM system after planning and/or rating forms are reviewed by the Human Resources Division. This is done on a daily basis as plannings and evaluations are received and reviewed throughout the year. An annual report on the number of ratings conducted in compliance with the required timeframe is prepared for submission to the Department of Civil Service no later than July 31 each year, immediately following the end of each fiscal year.
- 7. Calculation Methodology:** The numbers are derived by obtaining counts of employee performance ratings conducted during the applicable fiscal year.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

8. **Scope:** This indicator is aggregated as it represents the total number of ratings completed by all supervisors on their assigned employees.
9. **Caveats:** Performance evaluations are subjective judgments by supervisors. Therefore there could be inter-rater reliability issues; however, differences among raters are lessened by providing continued supervisory training in this area, as well as open communication and consultation with the Human Resources Division.
10. **Responsible Person:** Rikki Nicole David, Human Resources Director; Rikki.David@la.gov;
Phone: (225)342-4522

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Office of Management and Finance

Activity: Business Support Services

Objective Name: Assist agency management in ensuring continuity of services by maintaining an overall turnover rate (excluding students, WAE's and Board Members) that is at least 1% less than the average statewide turnover rate as reported by the Department of Civil Service.

Indicator Name: Turnover percentage per fiscal year.

Indicator LaPAS Code: New

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** This Performance Indicator provides documentation of the Department's commitment to the retention of qualified staff as a means of ensuring continuity of services.
- 3. Use:** Review of annual turnover rates in comparison to the statewide average helps the Department to assess its competitiveness regarding the retention of employees and supports the decision-making process related to the adoption/revision of policies that foster employee engagement.
- 4. Clarity:** This indicator is clear because it shows whether DNR has been successful in retaining employees when compared to the rest of State government.
- 5. Validity, Reliability and Accuracy:** This performance indicator has not been audited by the Legislative Auditor, but is a reliable calculation as described further in item 7 below.
- 6. Data Source, Collection and Reporting:** Information regarding employee separations is entered into the LaGov HCM system based on documentation provided to the Human Resources Division. Reports from the LaGov HCM system are then generated annually to determine the turnover percentage.
- 7. Calculation Methodology:** The number of employees (excluding students, WAE's and Board Members) is totaled, then divided by the approved Table of Organization (T.O.) count for the applicable Fiscal Year.
- 8. Scope:** This indicator is percentage of employee separations to total authorized positions.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** None
10. **Responsible Person:** Rikki Nicole David, Human Resources Director; Rikki.David@la.gov;
Phone: (225) 342-4522

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Executive

Activity: Business Support Services

Objective Name: Ensure the quality of department information from all divisions through the data integrity program which will ensure that all audits and reviews, including but not limited to risk management, P-Card (DOA), Louisiana Legislative Auditor, federal, internal, civil service, financial, operational, performance, regulatory & compliance, continue to meet or exceed administrative and regulatory requirements and eliminate repeat audit exceptions in all areas.

Indicator Name: Number of audits and reviews successfully passed without repeat audit exceptions

Indicator LaPAS Code: New

- 1. Type and Level:** Outcome - Key
- 2. Rationale:** The rationale for monitoring audit results to ensure accuracy of data on department employees used in decision-making and for planning purposes, etc. and determine the effectiveness of internal controls and employee knowledge of rules and regulations.
- 3. Use:** For monitoring audit results to ensure accuracy of data on department employees used in decision-making and for planning purposes, etc. and determine the effectiveness of internal controls and employee knowledge of rules and regulations.
- 4. Clarity:** This indicator name clearly identifies what is being measured.
- 5. Validity, Reliability and Accuracy:** Data is extracted from the reports of the different audits and reviews. Discrepancies are reviewed and any required corrections are made. Audit exceptions are a product of the auditing agencies.
- 6. Data Source, Collection and Reporting:** Data is extracted from the reports of the different audits and reviews.
- 7. Calculation Methodology:** Simple count of repeat exceptions by the auditing agency.
- 8. Scope:** This indicator is aggregated as it represents the agency's data integrity of all information maintained and aggregate of repeat exceptions.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** Assumption is made that all audit exceptions are valid. Audit exceptions are in fact an opinion and by definition it is possible and reasonable that a difference of opinion may occur with agency management.
10. **Responsible Person:** Ha Louis, Internal Auditor; Ha.Louis@la.gov; Phone: (225) 342-6768

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Executive

Activity: Technology Assessment

Objective Name: Meet 100% of the information and analysis requests of the Secretary, and other Departmental officials, Legislature, Governor, and the U.S. Department of Energy (U.S.D.O.E.) within the requested deadline by 2019.

Indicator Name: Percentage of Customers who rate the Division responses satisfactory on accuracy and timelines.

Indicator LaPAS Code: 23102

- 1. Type and Level:** Outcome – Key
- 2. Rationale:** The usefulness of these products is based on accurate and timely delivery.
- 3. Use:** This is used as a measure of individual performance to measure each employee's work product and accumulated to measure the Division's performance.
- 4. Clarity:** Not applicable
- 5. Validity, Reliability and Accuracy:** This is a direct measure of work product and has been reviewed by DNR management and has been used in past years.
- 6. Data Source, Collection and Reporting:** The data is from a survey of random report recipients and other Division clients.
- 7. Calculation Methodology:** A tabulation of responses and percentage of those ranking satisfactory or better.
- 8. Scope:** The indicator is an aggregate of all Division employees but can be broken down if needed. The meaning changes somewhat since many employees work on projects as a team.
- 9. Caveats:** Requests from outside of the Department are often unpredictable and may occur at peak load occasions and may create resource allocation changes.
- 10. Responsible Person:** Edward O'Brien, Economist; Edward.Obrien@la.gov; Phone: (225) 342-8573

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Secretary

Program: Executive

Activity: State Energy Program

Objective Name: To promote energy conservation, the use of renewable energy, and the use of cleaner alternative fuels by Louisiana's citizens including the public, business, industry, and government by developing and sharing the information through outreach events.

Indicator Name: Facilitate or participate in workshops, seminars, vendor shows, school and community outreach events.

Indicator LaPAS Code: New

- 1. Type and Level:** General
- 2. Rationale:** In order to effectively promote the responsible use of Louisiana's natural resources the Technology Assessment Division needs to provide the information on energy efficiency opportunities and available renewable energy resources to Louisiana citizens so that they can make informed decisions with regard to their energy usage.
- 3. Use:** Indicator will be used for internal management purposes only.
- 4. Clarity:** Indicator is clearly defined.
- 5. Validity, Reliability and Accuracy:** The indicator has not been audited by the Legislative Auditor. Information will be verified by the Technology Assessment Division through cross-referencing available information.
- 6. Data Source, Collection and Reporting:** Data is collected through keeping a record of all outreach opportunities that the Division participates in. This data will be cross-referenced with the data reported to the US DOE information to ensure complete and consistent reporting.
- 7. Calculation Methodology:** Data collection and verification.
- 8. Scope:** Technology Assessment Division will facilitate or participate in workshops, seminars, vendor shows, school and community outreach events.
- 9. Caveats:** None

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10. **Responsible Person:** Buddy Justice, Federal Energy Section Manager;
Buddy.Justice@la.gov; Phone: (225)342-4498

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Secretary

Program: Executive

Activity: State Energy Program

Objective Name: To provide a low interest loan program for targeted assistance to various market sectors to be served through the State Energy Program Revolving Loan Fund and HELP Loan Program to promote energy conservation, the use of renewable energy, and the use of Cleaner alternative fuels such as natural gas, propane, and electricity.

Indicator Name: Number of active energy efficiency, renewable energy, and alternative fuel loans managed.

Indicator LaPAS Code: New

1. **Type and Level:** Outcome/Key
2. **Rationale:** In order to effectively promote the responsible use of Louisiana's natural resources the Technology Assessment Division needs to provide low interest loans to encourage energy efficiency, the use of renewable energy, and the use of alternative fuels.
3. **Use:** Indicator will be used for internal management purposes only
4. **Clarity:** Indicator is clearly defined
5. **Validity, Reliability and Accuracy:** Data is collected through keeping a record of all currently managed loans. This data will be cross-referenced with the data reporting to the US DOE to ensure complete and consistent reporting.
6. **Data Source, Collection and Reporting:** Loans solicitations are conducted by the State Energy Program through formal notices in the major newspapers of Louisiana, the Department's web-site, and outreach events. The resulting Loans are serviced through the Louisiana Public Facilities Authority and La Capital Federal Credit Union. The records of those loans are likewise kept in a database by the Technology Assessment Division for both Federal and State reporting
7. **Calculation Methodology:** Data collection and verification

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8. **Scope:** Technology Assessment Division will report the number of loans managed.
9. **Caveats:** None
10. **Responsible Person:** Louis McArthur, Federal Energy Section Manager;
Louis.mcarthur@la.gov; Phone: (225) 342-1298

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of the Secretary

Program: Executive

Activity: Atchafalaya Basin

Objective Name: Through the Atchafalaya Basin Activity, toward the goal of restoring water quality/hydrology in the Atchafalaya Basin and enhancing opportunities for the public's enjoyment of the Basin experience, the program will work with the Technical Advisory Group to identify and bring two water quality/hydrology projects to bid and will work to increase the utilization of the Atchafalaya Basin as a result of constructing new or rehabilitated access points.

Indicator Name: Number of new or rehabilitated access points constructed and/or water quality projects brought to bid, if funded.

Indicator LaPAS Code: 23106

- 1. Type and Level:** This indicator is outcome based and a Key level indicator.
- 2. Rationale:** This indicator demonstrates and measures the increased utilization and improved water quality of the Atchafalaya Basin by keeping track of the number of new or rehabilitated access points and water quality/hydrology projects constructed by the Program in and around the Atchafalaya Basin.
- 3. Use:** This indicator will be used to measure the need for increased access into the Atchafalaya Basin by the public and all stakeholders (consumptive and non-consumptive users - commercial and non-commercial fishermen, hunters, bird watchers, hikers and others). It also provides a way to track and monitor constructed water quality/hydrology projects.
- 4. Clarity:** The number of access points constructed or renovated means the number of boat launches or roads that provide public access to public areas of the Atchafalaya Basin in compliance with the provisions of the current legislation and state master plan. All water quality/hydrology projects constructed should be selected by the Technical Advisory Group and designed to improve water quality, interior circulation, water access (reduced sedimentation), or general ecosystem functions by means of sediment reduction, removal, or diversion.
- 5. Validity, Reliability and Accuracy:** This indicator should prove to be a reliable measure of the Program's efforts to increase the utilization of the Basin and to construct projects that are designed to improve water quality/hydrology.

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- 6. Data Source, Collection and Reporting:** The Annual Plan Process affords the public an opportunity each year to nominate access and water quality/hydrology projects that they believe will enhance their recreational or commercial opportunities in the Atchafalaya Basin. In keeping with existing legislation and as part of the Annual Plan Process, the data source will be the project nomination sheets collected from the public before, during, and after the first round of public meetings held each year. All project nomination sheets will be collected by staff of the Program and compiled for review and consideration by the Technical Advisory Group and Research and Promotion Board. Once reviewed, if chosen, the project moves forward for inclusion in the Program's Annual Plan for that given fiscal year.
- 7. Calculation & Methodology:** Toward the goal of enhancing opportunities for the public's enjoyment of the Atchafalaya Basin, a physical count will be made of the projects constructed that allow or improve public access into the Basin and/or are designed to improve water quality/hydrology.
- 8. Scope:** All constructed projects will meet the intent of the current legislation, the Program's objective, and shall be in keeping with the intent of the Program's Annual Plan process.
- 9. Caveats:** This indicator is based upon the Technical Advisory Group and Research and Promotion Board's determination of which proposed projects should be recommended for inclusion in the ABP Annual Plan. Projects placed in the Annual Plan will be approved by the Technical Advisory Group, approved by the Research & Promotion Board, submitted to CPRA for approval, and then sent to the Legislature for approval and funding. If approved and funded, projects will be planned, designed and constructed.
- 10. Responsible Person:** Donald Haydel; Director, Atchafalaya Basin Program;
Donald.Haydel@La.gov; Phone: (225)342-8953

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Demonstrate success in protecting the correlative rights of all parties involved in oil and gas exploration and production by ensuring that 90% of the Conservation Orders issued as a result of oil and gas hearings are issued within 30 days of the hearing date; and that 99% of the Conservation Orders with Critical Date Requests are issued within the requested time frame, annually through 2022.

Activity: Oil and Gas Administration

Indicator Name: Percentage of Conservation Orders issued within 30 days.

Indicator LaPAS Code: 6785

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** It is required in Title 30 and a party could sue if the agency doesn't meet these deadlines. Affected parties would potentially lose their mineral interests. Facilitates commerce.
- 3. Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also, determine if agency policies or regulations require revision.
- 4. Clarity:** Conservation Orders refers specifically to those Orders issued by the Geological Division, Orders Management Section, as a result of oil and gas hearings held before the Commissioner of Conservation.

Thirty days from hearing date is calculated as "the first day counted would be the day immediately following the date of the hearing, and in the event the thirtieth day falls on a weekend, or a state legal holiday, then the thirtieth day shall be considered the first business day immediately thereafter.

- 5. Validity, Reliability, and Accuracy:** This Performance Indicator has been audited on several occasions by the Legislative Auditor's Office. A formal report of the results of the audits was not submitted to this agency; however, the program staff went through every step-by-step aspect, for this Performance Indicator with the Legislative Auditor's staff and they verbally expressed their approval of same.

The accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft Excel); collected daily and reported quarterly.
7. **Calculation Methodology:** Number of Conservation Orders issued within 30 days divided by the total number of Conservation Orders issued.
8. **Scope:** Aggregate.
9. **Caveats:** Complexity of the hearing dockets' geological, engineering, and/or legal review process, as well as other issues that may be controversial in nature to applicants and/or opponents, may lengthen the review process. Sustained increases in oil and gas prices result in increased activity, and are evident by an increased number of oil and gas hearing dockets to be reviewed, with the same level of staffing. Additionally, applicants' delays in submitting requested information after the hearing may delay the issuance of an Order. Any reduced level of staffing may lengthen the time for completion of Orders.
10. **Responsible Person:** Pam LeBlanc, Geologist Supervisor; Pam.LeBlanc@la.gov; Phone: (225)342-5520

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Demonstrate success in protecting the correlative rights of all parties involved in oil and gas exploration and production by ensuring that 90% of the Conservation Orders issued as a result of oil and gas hearings are issued within 30 days of the hearing date; and that 99% of the Conservation Orders with Critical Date Requests are issued within the requested time frame, annually through 2022.

Activity: Oil and Gas Administration

Indicator Name: Percentage of Conservation Orders with Critical Dates issued within the requested time frame.

Indicator LaPAS Code: 6786

1. **Type and Level:** Efficiency – Key.
2. **Rationale:** Failure of the agency to issue the Orders by the requested date could result in a substantial negative economic impact to the oil and gas industry. Affected parties may also potentially lose their mineral interests. Timely issuance facilitates commerce and economic development.
3. **Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also, determine if agency policies or regulations require revision.
4. **Clarity:** Conservation Orders refers specifically to those Orders issued by the Geological Division, Orders Management Section, as a result of oil and gas hearings held before the Commissioner of Conservation.

Critical date requests are defined as "requests from Applicants of oil and gas hearings to obtain an Order by a specified date due to factors such as lease expiration and rig availability."

5. **Validity, Reliability, and Accuracy:** This Performance Indicator has been audited on several occasions by the Legislative Auditor's Office. A formal report of the results of the audits was not submitted to this agency; however, the program staff went through every step-by-step aspect, for this Performance Indicator with the Legislative Auditor's staff and they verbally expressed their approval of same.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

The accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft Excel) and paper copies of Critical Date Requests – Economic Impact Forms submitted to agency by affected parties; collected daily and reported quarterly.
7. **Calculation Methodology:** Number of Conservation Orders with Critical Dates issued by requested date divided by the total number of Conservation Orders with Critical Date Requests.
8. **Scope:** Aggregate.
9. **Caveats:** The requested critical date may be inappropriate due to the complexity of the hearing dockets' geological, engineering, and/or legal review process, as well as other issues that may be controversial in nature to applicants and/or opponents, which may lengthen the review process. Sustained increases in oil and gas prices result in increased activity, and are evidenced by an increased number of oil and gas hearing dockets to be reviewed, with the same level of staffing. Additionally, applicants' delays in submitting requested information after the hearing may delay the issuance of an Order. Any reduced level of staffing may lengthen the time for completion of Orders.
10. **Responsible Person:** Pam LeBlanc, Geologist Supervisor; Pam.LeBlanc@la.gov; Phone: (225)342-5520

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure that 93% of wells inspected are in compliance with OC regulations, that 80% of Field Violation Compliance Orders are resolved by the specified date, and the inspection of each existing well on a risk based matrix, annually through 2022.

Activity: Inspection

Indicator Name: Percentage of Field Violation Compliance Orders resolved by the specified date.

Indicator LaPAS Code: 10634

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** Ensuring the Field Violation Compliance Orders are resolved by the specified date demonstrates the staff's efficiency and effectiveness in returning non-compliant operators to compliance; thereby reducing potential hazards associated with non-compliant operations.
- 3. Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also used to determine if agency policies or regulations require revisions.
- 4. Clarity:** Resolved – doesn't necessarily mean the field violation was returned to compliance since it could also reflect the final resolution of designation as an orphaned well site.
- 5. Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program's adherence to the timely resolution of operators non-compliant with agency rules and regulations to minimize potential hazards to the public and environment. The values reported for this Performance Indicator are reliable because they are entered timely and maintained in the Department's database to insure consistent follow-up activity is conducted for all field violation compliance issues.

The accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.
- 6. Data Source, Collection, and Reporting:** Internal database (SONRIS); collected daily and reported quarterly.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

7. **Calculation Methodology:** Number of Field Compliance Violation Orders resolved by the specified date divided by the total number of Field Violation Compliance Orders due during the reporting period.
8. **Scope:** Aggregate.
9. **Caveats:** It should be noted that the final resolution of a Field Violation Compliance Order may require additional time from the date originally specified in the Compliance Order, due to various factors, such as: the inability of the agency to locate the Operator of Record; during periods of sustained increased oil and gas prices, the inability of operators to timely locate contractors available to perform the work, etc. When deemed necessary, the program will extend the original date specified in the Order to allow sufficient time for adequate resolution of the violation; therefore, the new specified resolution date would be the actual date submitted for Performance Indicator supporting documentation.

There is also a time lag between when an action that affects the data utilized occurs and when it is reflected in the database. Figures utilized are a snapshot of the database in time and may not be duplicated at any other time.

This Performance Indicator requires the ability to employ/retain adequate numbers of trained agents of Conservation and sufficient travel and equipment funds to accomplish projected inspection, enforcement and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. **Responsible Person:** Michael Peikert, Engineer 6; Michael.Peikert@la.gov; Phone: (225)342-5548

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure that 93% of wells inspected are in compliance with OC regulations, that 80% of Field Violation Compliance Orders are resolved by the specified date, and the inspection of each existing well on a risk based matrix, annually through 2022.

Activity: Inspection

Indicator Name: Percentage of wellsites inspected which are in violation of applicable rules.

Indicator LaPAS Code: 23109

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** Demonstrates the effectiveness of the Office of Conservation in encouraging compliance with rules and regulation through wellsite inspection.
- 3. Use:** Used to determine if reallocation of personnel/resources or additional staffing is required. Also used to determine the effectiveness agency policies or regulations and as an indicator of the regulated community's familiarity with these policies and regulations.
- 4. Clarity:** An existing wellsite is defined as a well with an active permit to drill that was drilled or will be drilled for the purpose of oil and/or natural gas production which has not been plugged and abandoned according to OOC rules and regulations or classified by the OOC as "unable to locate" following a diligent inspection effort by an agent. Each serial number is assumed to be one (1) well.
- 5. Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program's efforts to identify operations that are non-compliant with agency rules and regulations, thereby minimizing potential hazards to the public and the environment. The values reported for this performance indicator are reliable because they are maintained in the Department's database. This Performance Indicator is new and has not been audited by the Department of Natural Resources Internal Auditor for accuracy.
- 6. Data Source, Collection, and Reporting:** Internal database (SONRIS); collected daily and reported quarterly.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

7. **Calculation Methodology:** Over a specified period of time, the number of distinct wells inspected which are in violation of applicable rules divided by the number of distinct wells inspected.
8. **Scope:** Cumulative.
9. **Caveats:** Figures utilized are a snapshot of the database in time and may not be duplicated at any other time.

This Performance Indicator requires the ability to employ and retain adequate number of trained field agents along with sufficient travel and equipment funds to accomplish projected inspection, enforcement and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

This performance indicator is also dependent on several factors that are not within the control of the Office of Conservation, including, but not limited to, operator culture, operator finances and energy prices.

10. **Responsible Person:** Michael Peikert, Engineer 6; Michael.Peikert@la.gov; Phone: (225)342-5548

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulation

Objective: Ensure that 93% of wells inspected are in compliance with OC regulations, that 80% of Field Violation Compliance Orders are resolved by the specified date, and the inspection of each existing well on a risk based matrix, annually through 2022.

Indicator Name: Percentage of required distinct wells inspected, annually.

Indicator LaPAS Code: 25876

1. **Type and Level:** Outcome – Key.
2. **Rationale:** Ensures that a sufficient percentage of existing wells are inspected each year to meet the specified objective, thereby, deterring non-compliant operations and reducing the associated potential hazards.
3. **Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also used to determine if agency policies or regulations require revisions.
4. **Clarity:** An existing well is defined as a well that was drilled for the purpose of oil and/or natural gas production or saltwater disposal which has not been plugged and abandoned according to OOC rules and regulations or classified by the OOC as "unable to locate" following a diligent inspection effort by a CES. See list below for specific well status codes that make up the existing wells.

Well Status Code	Well Status Code Description
08	INACTIVE INJECTION WELL (COMMERCIAL OR OTHER) ***
09	ACTIVE- INJECTION ***
10	ACTIVE - PRODUCING
11	ACTIVE PRODUCING/CYCLIC INJECT
13	OPERATOR CHANGE - NO MD10RA
16	MULTIPLE COMPLETED/PA-35 WELL
17	EDUCATIONAL/SERVICE COMPANY
18	TEMPORARILY ABANDONED WELL
19	INACTIVE WELL, NO RESP. PARTY
20	PA-35 TEMPORARY INACTIVE WELL TO BE OMITTED FROM PROD.REPORT
23	ACT 404 ORPHAN WELL-ENG
24	RVRTD L/O-RESIDENT CONSUMPTION

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

26	ACT 404 ORPHAN WELL-INJECTION AND MINING
27	ABANDONED SWD - NOT PLUGGED
31	SHUT-IN DRY HOLE -FUTURE UTILITY
32	SHUT-IN DRY HOLE - NO FUTURE UTILITY
33	SHUT-IN PRODUCTIVE -FUTURE UTILITY
34	SHUT-IN PRODUCTIVE -NO FUTURE UTILITY
35	PLUGGED BACK - NO PERFORATIONS - NO LUW
36	SHUT-IN WAITING ON PIPELINE
37	SHUT-IN WAITING ON MARKET
46	FORMATION STORAGE - GAS
49	OBSERVATION WELL-FORMATION GAS STORAGE
64	ACTIVE PRODUCING/ANNULAR SWD
82	CONVERSION TO OIL / GAS WELL

***Only SWDs with the following 'Well Type Class Codes' will be included as an active well

3	ORPHANED INJECTION AND MINING
4	PRODUCING/CYCLIC INJECTION
5	PRODUCED SALT WATER
5-C	COMMUNITY SALT WATER DISPOSAL
6	ANNULAR SWD
9-C	ER - COMMUNITY
9-CO	ER -- INJECTION (CO2)
9-FF	ER -- FIRE FLOOD
9-IG	ER -- INJECTION (GAS)
9-IGW	ER -- INJECTION (GAS AND WATER)
9-IO	ER -- INJECTION (OTHER)
9-IW	ER -- INJECTION (WATER)
9-O	ER -- OBSERVATION

Multiple inspections of the same well are only counted once in the one of the 3 risk-based cycles (1 year – Urgent and High Priority orphan wells, 3 year – remaining orphan wells and wells located in the Atchafalaya Basin and the Coastal Zone area, and 5 year – remaining existing wells). Each serial number is assumed to be one (1) well.

The only reports that count toward the PI as an inspection are the Lease Facility Inspection Report (LFIR) and Orphaned Oilfield Site Inspection Report (OOSIR).

- 5. Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program’s efforts to identify operations that are non-compliant with agency rules and regulations, thereby, minimizing potential hazards to the public and environment. The values reported for this Performance Indicator are reliable because they are timely entered and maintained in the department's database. This Performance Indicator is new and has not been audited by the Legislative Auditor;

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however in the Legislative Auditor’s performance audit entitled “Regulation of Oil and Gas Wells and Management of Orphaned Wells” dated May 28, 2014, it was suggested that Conservation consider developing a risk-based inspection process. In addition, the Performance Indicator will be audited by the Department of Natural Resources Internal Auditor for accuracy.

6. **Data Source, Collection, and Reporting:** Internal database (SONRIS); collected daily and reported quarterly.
7. **Calculation Methodology:** As a result of the varying inspection frequencies, the new target for the Performance Indicator, “percentage of active wells inspected”, will be to inspect 100% of the percentage breakdown of existing wells in each risked-based group per year as denoted in the table below. For example, during the first year of the 5 year inspection cycle 100% of the following existing wells would be inspected: -302 Urgent and High Priority Orphan Wells (distinct inspections); -939 Remaining Orphan Wells (distinct inspections); -3,642 Wells located in the Atchafalaya Basin and Coastal Zone (distinct inspections); -9,510 remaining active wells in the State (distinct inspections) existing wells.

Inspect- ion Interval	Risked- based Group	Total Wells in each category	Number of active wells inspected 1 st Year	Number of active wells inspected 2 nd Year	Number of active wells inspected 3 rd Year	Number of active wells inspected 4 th Year	Number of active wells inspected 5 th Year
Every Year	Urgent and High Priority Orphan Wells	302	302 ¹ (100%)				
Once in 3 Years	Active wells located in the Coastal Zone and Atchafalay a Basin	10,928	3,642 (33%)	3,642 (33%)	3,642 (33%)	3,642 ² (33%)	3,642 ² (33%)
Once in 3 Years	Remaining Orphaned Wells	2,818	939 (33%)	939 (33%)	939 (33%)	939 ² (33%)	939 ² (33%)
Once in 5 Years	Remaining Active Wells in the State	47,546	9510 (20%)	9510 (20%)	9510 (20%)	9510 (20%)	9510 (20%)
Total Per year			14,394	14,394	14,394	14,394	14,394
Percent age Inspect			100%	100%	100%	100%	100%

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

ed per year							
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1. The annual inspection cycle starts over each year.
2. The 3 year inspection cycle starts over in the 4th year.

8. Scope: Aggregate and cumulative.

9. Caveats: Figures utilized are a snapshot of the database in time and may not be duplicated at any other time. Fluctuations in the number of existing wells will affect the percentage of existing wells inspected.

This Performance Indicator requires the ability to employ/retain adequate numbers of training agents of Conservation and sufficient travel and equipment funds to accomplish projected inspection, enforcement, and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. Responsible Person: Michael Peikert, Engineer; Michael.Peikert@LA.GOV; Phone: (225)342-5548

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulation

Objective: Ensure that 93% of wells inspected are in compliance with OC regulations, that 80% of Field Violation Compliance Orders are resolved by the specified date, and the inspection of each existing well on a risk based matrix, annually through 2022.

Indicator Name: Number of distinct wells inspected.

Indicator LaPAS Code: 22179

1. **Type and Level:** Input - Supplemental.
2. **Rationale:** Ensures that a sufficient percentage of existing wells are inspected each year to meet the specified objective, thereby, deterring non-compliant operations and reducing the associated potential hazards.
3. **Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also used to determine if agency policies or regulations require revisions.
4. **Clarity:** An existing well is defined as a well that was drilled for the purpose of oil and/or natural gas production or saltwater disposal which has not been plugged and abandoned according to OOC rules and regulations or classified by the OOC as "unable to locate" following a diligent inspection effort by a CES. See list below for specific well status codes that make up the existing wells.

Well Status Code	Well Status Code Description
08	INACTIVE INJECTION WELL (COMMERCIAL OR OTHER) ***
09	ACTIVE- INJECTION ***
10	ACTIVE - PRODUCING
11	ACTIVE PRODUCING/CYCLIC INJECT
13	OPERATOR CHANGE - NO MD10RA
16	MULTIPLE COMPLETED/PA-35 WELL
17	EDUCATIONAL/SERVICE COMPANY
18	TEMPORARILY ABANDONED WELL
19	INACTIVE WELL, NO RESP. PARTY
20	PA-35 TEMPORARY INACTIVE WELL TO BE OMITTED FROM PROD.REPORT
23	ACT 404 ORPHAN WELL-ENG
24	RVRTD L/O-RESIDENT CONSUMPTION

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26	ACT 404 ORPHAN WELL-INJECTION AND MINING
27	ABANDONED SWD - NOT PLUGGED
31	SHUT-IN DRY HOLE -FUTURE UTILITY
32	SHUT-IN DRY HOLE - NO FUTURE UTILITY
33	SHUT-IN PRODUCTIVE -FUTURE UTILITY
34	SHUT-IN PRODUCTIVE -NO FUTURE UTILITY
35	PLUGGED BACK - NO PERFORATIONS - NO LUW
36	SHUT-IN WAITING ON PIPELINE
37	SHUT-IN WAITING ON MARKET
46	FORMATION STORAGE - GAS
49	OBSERVATION WELL-FORMATION GAS STORAGE
64	ACTIVE PRODUCING/ANNULAR SWD
82	CONVERSION TO OIL / GAS WELL

***Only SWDs with the following 'Well Type Class Codes' will be included as an active well

3	ORPHANED INJECTION AND MINING
4	PRODUCING/CYCLIC INJECTION
5	PRODUCED SALT WATER
5-C	COMMUNITY SALT WATER DISPOSAL
6	ANNULAR SWD
9-C	ER - COMMUNITY
9-CO	ER -- INJECTION (CO2)
9-FF	ER -- FIRE FLOOD
9-IG	ER -- INJECTION (GAS)
9-IGW	ER -- INJECTION (GAS AND WATER)
9-IO	ER -- INJECTION (OTHER)
9-IW	ER -- INJECTION (WATER)
9-O	ER -- OBSERVATION

Multiple inspections of the same well are only counted once in the one of the 3 risk-based cycles (1 year – Urgent and High Priority orphan wells, 3 year – remaining orphan wells and wells located in the Atchafalaya Basin and the Coastal Zone area, and 5 year – remaining existing wells). Each serial number is assumed to be one (1) well.

The only reports that count toward the PI as an inspection are the Lease Facility Inspection Report (LFIR) and Orphaned Oilfield Site Inspection Report (OOSIR).

- 5. Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program's efforts to identify operations that are non-compliant with agency rules and regulations, thereby, minimizing potential hazards to the public and environment. The values reported for this Performance Indicator are reliable because they are timely entered and maintained in the department's database. This Performance Indicator is new and has not been audited by the Legislative Auditor;

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however in the Legislative Auditor’s performance audit entitled “Regulation of Oil and Gas Wells and Management of Orphaned Wells” dated May 28, 2014, it was suggested that Conservation consider developing a risk-based inspection process. In addition, the Performance Indicator will be audited by the Department of Natural Resources Internal Auditor for accuracy.

6. **Data Source, Collection, and Reporting:** Internal database (SONRIS); collected daily and reported quarterly.
7. **Calculation Methodology:** Count (Inspections as a result of risk based matrix) As a result of the varying inspection frequencies, related to the new target for the Performance Indicator, “percentage of active wells inspected”, will be to inspect 100% of the percentage breakdown of existing wells in each risked-based group per year as denoted in the table below. For example, during the first year of the 5 year inspection cycle 100% of the following existing wells would be inspected:

-302 Urgent and High Priority Orphan Wells (distinct inspections); -939 Remaining Orphan Wells (distinct inspections); -3,642 Wells located in the Atchafalaya Basin and Coastal Zone (distinct inspections); -9,510 remaining active wells in the State (distinct inspections) existing wells.

Inspection Interval	Risk-based Group	Total Wells in each category	Number of active wells inspected 1 st Year	Number of active wells inspected 2 nd Year	Number of active wells inspected 3 rd Year	Number of active wells inspected 4 th Year	Number of active wells inspected 5 th Year
Every Year	Urgent and High Priority Orphan Wells	302	302 ¹ (100%)				
Once in 3 Years	Active wells located in the Coastal Zone and Atchafalaya Basin	10,928	3,642 (33%)	3,642 (33%)	3,642 (33%)	3,642 ² (33%)	3,642 ² (33%)
Once in 3 Years	Remaining Orphaned Wells	2,818	939 (33%)	939 (33%)	939 (33%)	939 ² (33%)	939 ² (33%)
Once in 5 Years	Remaining Active Wells in the State	47,546	9510 (20%)	9510 (20%)	9510 (20%)	9510 (20%)	9510 (20%)
Total Per year			14,394	14,394	14,394	14,394	14,394

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Percent age Inspect ed per year			100%	100%	100%	100%	100%
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1. The annual inspection cycle starts over each year.
2. The 3 year inspection cycle starts over in the 4th year.

8. Scope: Count - cumulative.

9. Caveats: Figures utilized are a snapshot of the database in time and may not be duplicated at any other time. Fluctuations in the number of existing wells will affect the percentage of existing wells inspected.

This Performance Indicator requires the ability to employ/retain adequate numbers of training agents of Conservation and sufficient travel and equipment funds to accomplish projected inspection, enforcement, and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. Responsible Person: Michael Peikert, Engineer; Michael.Peikert@LA.GOV; Phone: (225)342-5548

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: To eventuate zero public safety incidents involving orphaned well sites by means of the organized plugging, abandonment, and restoration of a cumulative 90 (+/- 10) Urgent and High Priority orphan wells by June 30, 2022, thereby protecting the environment.

Activity: Oilfield Site Restoration

Indicator Name: Number of Urgent and High priority orphaned well sites restored during fiscal year.

Indicator LaPAS Code: 24415

- 1. Type and Level:** Output – Key.
- 2. Rationale:** Reflects the program’s effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.); thus, preventing further environmental degradation by restoring Urgent and High priority orphaned well sites during the fiscal year, as well as efficiency in awarding competitive bid contracts to accomplish restoration activities using the program’s limited available funds.
- 3. Use:** Utilizes the priority matrix for orphaned well sites to be restored due to the potential for environmental or public safety, as well as the amount of funds required for future site restoration. May also determine if reallocation of personnel/ resources or additional staffing is required. This Performance Indicator could also be used to address the need for revision of agency policies or regulations, or statutory revisions.
- 4. Clarity:** For purposes of the values reported for this Performance Indicator, the words Urgent and High priority orphaned well sites restored refers to sites wells which have been assigned top priority due to leaking wells, a hazard to navigation on water, location near general public and/or surface water, public concern, and etc. Priority score of 20 or greater qualifies the well site as urgent or high priority based on the Oilfield Site Restoration Commission approved rating criteria.

A well site may include more than one Well Serial Number if the well is completed as a dual of triple well (multiple well completions within a single wellbore).

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The values reported for this Performance Indicator may include cost of pits and/or removal of equipment and facilities associated with a well site, and remediation of the well site.

5. **Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program's effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.). This is a valid Performance Indicator because it reports the actual number of Urgent and High Priority orphaned well sites restored by the Office of Conservation Oilfield Site Restoration Program during the fiscal year. The values reported for this Performance Indicator are also verified by the background data reported with the contracts awarded by the Department of Natural Resources to contractors to provide restoration activities for the orphaned well sites. This background data includes Form P&A submitted by the contractor and signed off as approved by the agents of Conservation. In addition, there are also daily contractor reports and daily CES reports to back up the Form P&A.

Additionally, the accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** On-line database (SONRIS); collected daily and reported quarterly.
7. **Calculation Methodology:** Cumulative counting.
8. **Scope:** Aggregate.
9. **Caveats:** The cost of restoration of the projected number of Urgent and High priority orphaned well sites can result in a lower than projected result due to the potential for huge restoration costs to restore some sites, limiting the funds available to restore additional sites.

Additionally, the projected year-end performance standard may vary substantially due to potential restoration activities initiated by other funding sources (i.e., EPA, Coast Guard). This program would be required to add the number of unanticipated restored orphaned well sites by these other funding sources for the year-end actual values since the program staff would be instrumental in managing these restoration projects.

This Performance Indicator requires the ability to employ/retain adequate numbers of Engineers and trained agents of Conservation, in addition to sufficient travel, equipment and restoration funds to accomplish projected restoration activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may

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hamper the agents of Conservations' ability to engage in field travel and conduct field inspections necessary for restoration activities. Additionally, adverse weather conditions may delay restoration activities by contractors since they may not be able to access the restoration site or bring necessary heavy equipment on-site until ground conditions are favorable (i.e., extremely wet ground can't handle the excessive weight of some equipment, etc.).

As noted in item No. 4 above, for purposes of the values reported for this Performance Indicator, the words "orphaned well sites restored" refers only to those sites on which a well is located, as opposed to sites that have only pits or facilities that remain. This practice stems from the fact that only the well is permitted by the operator with the Office of Conservation. Pits and production facilities are allowed to be constructed by rule. These components of oilfield sites are generally associated by the Office of Conservation to the nearest well. Generally, when a site restoration project is evaluated, all impoundments and structures tied to the well are included. Since the main objective of the program is to plug orphaned wells, sites which contain only pits and facilities are restored usually only when a contractor is working at plugging wells in the general vicinity. Since the Agency's database only captures a well serial number, the Oilfield Site Restoration Program could potentially restore more sites than the actual reported values reflect. Conversely, a multiply completed wellbore having more than one unique serial number is counted as a well site restored for each such serial number.

- 10. Responsible Person:** Matt Simon, Engineer 6; Matt.Simon@LA.GOV; Phone: (225)342-6089

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office:	Office of Conservation
Program:	Oil and Gas Regulatory
Objective:	To eventuate zero reported public safety incidents involving orphaned well sites by means of the organized plugging, abandonment, and restoration of a cumulative 90 (+/- 10) Urgent and High Priority orphan wells by June 30, 2022, thereby protecting the environment.
Activity:	Oilfield Site Restoration
Indicator Name:	Percentage of program revenue utilized to restore urgent and high priority orphaned well sites during the fiscal year.

Indicator LaPAS Code: 24416

- 1. Type and Level:** Output – Key.
- 2. Rationale:** Reflects the program’s effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.); thus, preventing further environmental degradation by restoring orphaned well sites with Urgent and High Priority rankings during the fiscal year.
- 3. Use:** Utilizing the priority matrix for orphaned well sites to be restored due to the potential for environmental or public safety. May also determine if reallocation of personnel/ resources or additional staffing is required. This Performance Indicator could also be used to address the need for revision of agency policies or regulations, or statutory revisions.
- 4. Clarity:** For purposes of the values reported for this Performance Indicator, the words Urgent and High priority orphaned well sites restored refers to sites wells which have been assigned top priority due to leaking wells, a hazard to navigation on water, location near general public and/or surface water, public concern, and etc. Priority score of 20 or greater qualifies the well site as urgent or high priority based on the Oilfield Site Restoration Commission approved rating criteria.

A well site may include more than one Well Serial Number if the well is completed as a dual or triple well (multiple well completions within a single wellbore).

The values reported for this Performance Indicator may include cost of pits and/or removal of equipment and facilities associated with a well site, and remediation of the well site.

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5. **Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program's effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.). This is a valid Performance Indicator because it reports the percentage of actual program revenue allocated to the restoration of Urgent and High Priority orphaned well sites during the fiscal year. The values reported for this Performance Indicator are verified by the contracts awarded by the Department of Natural Resources to contractors to provide restoration activities for the orphaned well sites.

Additionally, the accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft excel): collected on an ongoing basis and reported quarterly.
7. **Calculation Methodology:** Summation of Urgent and High priority contract costs divided by program total contract costs for all well sites during a fiscal year.
8. **Scope:** Aggregate.
9. **Caveats:** The cost of restoration of the projected number of orphaned well sites can result in a lower than projected result due to the potential for huge restoration costs to restore some sites, limiting the funds available to restore additional sites.

Additionally, the projected year-end performance standard may vary substantially due to potential restoration activities initiated by other funding sources (i.e., EPA, Coast Guard).

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may delay restoration activities by contractors since they may not be able to access the restoration site or bring necessary heavy equipment on-site until ground conditions are favorable (i.e., extremely wet ground can't handle the excessive weight of some equipment, etc.)

Multiple contracts awarded to the same lowest bidding contractor during a given Fiscal Year may create a problem restoring all well sites within the Fiscal Year. This would result in failure to meet the minimum number of well sites to be completed for a given Fiscal Year and consequently affect the percentage of funds used to restore Urgent and High Priority well sites.

This Performance Indicator requires the ability to employ/retain adequate numbers of Engineers and trained agents of Conservation, in addition to sufficient travel, equipment and restoration funds to accomplish projected restoration activities.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

10. **Responsible Person:** Matt Simon, Engineer 6; Matt.Simon@LA.GOV; Phone (225)342-6089

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: To eventuate zero reported public safety incidents involving orphaned well sites by means of the organized plugging, abandonment, and restoration of a cumulative 90 (+/- 10) Urgent and High Priority orphan wells by June 30, 2022, also thereby protecting the environment.

Activity: Oilfield Site Restoration

Indicator Name: Number of orphaned well sites restored during fiscal year.

Indicator LaPAS Code: 3401

- 1. Type and Level:** Output – Key.
- 2. Rationale:** Reflects the program’s effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.); thus, preventing further environmental degradation by restoring orphaned well sites during the fiscal year, as well as efficiency in awarding competitive bid contracts to accomplish restoration activities using the program’s limited available funds.
- 3. Use:** Supports the determination of the priority order for orphaned well sites to be restored due to the potential for environmental or public safety, as well as the amount of funds required for future site restoration. May also determine if reallocation of personnel/ resources or additional staffing is required. This Performance Indicator could also be used to address the need for revision of agency policies or regulations, or statutory revisions.
- 4. Clarity:** For purposes of the values reported for this Performance Indicator, the words Urgent and High priority orphaned well sites restored refers to sites wells which have been assigned top priority due to leaking wells, a hazard to navigation on water, location near general public and/or surface water, public concern, and etc. Priority score of 20 or greater qualifies the well site as urgent or high priority based on the Oilfield Site Restoration Commission approved rating criteria.

A well site may include more than one Well Serial Number if the well is completed as a dual or triple well (multiple well completions within a single wellbore).

Department of Natural Resources Strategic Plan

Fiscal Year 2017-18 to 2021-22

The values reported for the Performance Indicator may include cost of pits and/or removal of equipment and facilities associate with a well site, and remediation of the well site.

- 5. Validity, Reliability, and Accuracy:** This is a valid Performance Indicator because it reflects the program’s effectiveness in administering the Louisiana Oilfield Site Restoration Law (LSA R.S.30:80, et seq.). This is a valid Performance Indicator because it reports the actual number of orphaned well sites restored by the Office of Conservation Oilfield Site Restoration Program during the fiscal year. The values reported for this Performance Indicator are also verified by the background data reported with the contracts awarded by the Department of Natural Resources to contractors to provide restoration activities for the orphaned well sites. This background data includes Form P&A submitted by the contractor and signed off as approved by the agents of Conservation. In addition, there are also daily contractor reports and daily CES reports to back up the Form P&A.

Additionally, the accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

- 6. Data Source, Collection, and Reporting:** On-line database (SONRIS); collected daily and reported quarterly.
- 7. Calculation Methodology:** Cumulative counting.
- 8. Scope:** Aggregate.
- 9. Caveats:** The cost of restoration of the projected number of orphaned well sites can result in a lower than projected result due to the potential for huge restoration costs to restore some sites, limiting the funds available to restore additional sites.

Additionally, the projected year-end performance standard may vary substantially due to potential restoration activities initiated by other funding sources (i.e., EPA, Coast Guard). This program would be required to add the number of unanticipated restored orphaned well sites by these other funding sources for the year-end actual values since the program staff would be instrumental in managing these restoration projects.

This Performance Indicator requires the ability to employ/retain adequate numbers of Engineers and trained agents of Conservation, in addition to sufficient travel, equipment and restoration funds to accomplish projected restoration activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the agents of Conservations ability to engage in field travel and conduct field

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inspections necessary for restoration activities. Additionally, adverse weather conditions may delay restoration activities by contractors since they may not be able to access the restoration site or bring necessary heavy equipment on-site until ground conditions are favorable (i.e., extremely wet ground can't handle the excessive weight of some equipment, etc.).

As noted in item No. 4 above, for purposes of the values reported for this Performance Indicator, the words "orphaned well sites restored" refers only to those sites on which a well is located, as opposed to sites that have only pits or facilities that remain. This practice stems from the fact that only the well is permitted by the operator with the Office of Conservation. Pits and production facilities are allowed to be constructed by rule. These components of oilfield sites are generally associated by the Office of Conservation to the nearest well. Generally, when a site restoration project is evaluated, all impoundments and structures tied to the well are included. Since the main objective of the program is to plug orphaned wells, sites which contain only pits and facilities are restored usually only when a contractor is working at plugging wells in the general vicinity. Since the Agency's database only captures a well serial number, the Oilfield Site Restoration Program could potentially restore more sites than the actual reported values reflect. Conversely, a multiply completed wellbore having more than one unique serial number is counted as a well site restored for each such serial number.

- 10. Responsible Person:** Matt Simon, Engineer 6; Matt.Simon@LA.GOV; Phone: (225)342-6089

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: To ensure that 95% of permits for new oil and gas well drilling applications are issued within 30 days of receipt resulting in a permitting process that is efficiently and effectively conducted to serve the public and industry while protecting citizens' rights, safety, and the production and conservation of the state's non-renewable resources and to ensure that 95% of the annual production fees due the Office of Conservation relating to oil and gas production is collected.

Activity: Oil and Gas Administration

Indicator Name: Percentage of Permits to Drill Oil and Gas Wells issued within 30 days.

Indicator LaPAS Code: 21106

1. **Type and Level:** Efficiency – Key.
2. **Rationale:** LSA R.S.30:28 requires a permit be obtained for the drilling of wells in search of minerals. Affected parties would potentially lose their mineral interests if a permit is not issued timely. Facilitates commerce.
3. **Use:** Determine if reallocation of personnel/resources or additional staffing is required. Also, determine if agency policies or regulations require revision.
4. **Clarity:** The 30-day period begins upon the receipt date of an Application to Drill. Additionally, an Application for Permit to Drill for Oil or Gas Well only refers to those applications received by the Main Office (Baton Rouge), Office of Conservation that are in full compliance with Office of Conservation policies, rules, and regulations and are not subsequently withdrawn by the applicant.
5. **Validity, Reliability, and Accuracy:** This new Performance Indicator added to the Agency's Strategic Plan in compliance with Vision 2020, Action Plan 2004 (No. 26), namely the timely issuance of oil and gas drilling permits has been recognized as a valid priority by the Governor's Office; therefore, a related Objective and Key Performance Indicator has been added to the Agency's Strategic Plan. The values reported herein will provide valid data reflecting possible weaknesses/strengths in insuring the timely issuance of Permits to Drill for Oil and Gas Wells.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

The accuracy of the values reported for this Performance Indicator will be audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** On-line database (SONRIS); collected daily and reported quarterly.
7. **Calculation Methodology:** Number of Permits to Drill Oil and Gas Wells issued within 30 days divided by the total number of oil and gas well drilling permits issued during reporting period.
8. **Scope:** Aggregate.
9. **Caveats:** This Performance Indicator will require revisions in the Agency's current database to capture the receipt date of the application and sufficient resource allocation to update and maintain this data.

This Performance Indicator requires sufficient state budget allocations and the ability to employ/retain adequate numbers of Engineers and Mineral Production Analysts and to accomplish the projected activities.

Complexity of various geological, engineering, and/or legal factors relative to the area(s) impacted by the Application for a Permit to Drill an Oil or Gas Well may delay the issuance of a permit. May also be impacted by other issues that may be controversial in nature to applicants and/or opponents, and further lengthen the review process.

Sustained increases in oil and gas prices normally result in increased drilling, as evidenced by increased Applications to Drill Oil or Gas Wells, which must be reviewed with the same level of staffing.

Additionally, applicants' delays in submitting requested information after receipt of the initial application by the Main Office (Baton Rouge), Office of Conservation, may delay the issuance of a Permit to Drill.

10. **Responsible Person:** Todd Keating, Engineer 8; Todd.Keating@la.gov; Phone: (225)342-5507

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: To ensure that 95% of permits for new oil and gas well drilling applications are issued within 30 days of receipt resulting in a permitting process that is efficiently and effectively conducted to serve the public and industry while protecting citizens' rights, safety, and the production and conservation of the state's non-renewable resources and to ensure that 95% of the annual production fees due the Office of Conservation relating to oil and gas production is collected.

Activity: Oil and Gas Administration

Indicator Name: Percent of annual production fee revenue collected of the total amount invoiced.

Indicator LaPAS Code: 23107

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** Demonstrates the effectiveness of the Office of Conservation in providing an actual source of revenue from capable oil wells and capable gas wells.
- 3. Use:** Used to fund Oil and Gas Regulatory activities.
- 4. Clarity:** Yes
- 5. Validity, Reliability, and Accuracy:** Yes. At present, this Performance Indicator has not been audited by the Legislative Auditor's Office, therefore, the reliability of the values reported for the Performance Indicator have not been evaluated. The accuracy of the values reported for the Performance Indicator will be audited each Fiscal Year by the Department of Natural Resources Internal Auditor.
- 6. Data Source, Collection, and Reporting:** Annual production fees report.
- 7. Calculation Methodology:** Cumulative percentage of the production fees collected within a fiscal year. Total invoiced amount is defined as the total amount of correct and/or revised invoices' amounts collected. Revised invoices result when status codes, condition codes and transporter codes changed on a well. This Performance Indicator will be reported in the fourth quarter only.

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8. **Scope:** Aggregate.
9. **Caveats:** The Production Fee is an annual fee payable to the Office of Conservation, in a form and schedule prescribed by the Office of Conservation, by oil and gas operators on capable oil wells and capable gas wells based on a tiered system to establish parity on a dollar amount between the wells. The tiered system shall be established annually by rule on capable oil and capable gas production, including nonexempt wells reporting zero production during the annual base period, in an amount not to exceed the CAP. This Performance Indicator will be reported in the fourth quarter of each Fiscal Year ending June 30th.
10. **Responsible Person:** Becky Henry, Mineral Production Manager, Production Audit; Becky.Henry@la.gov; Phone: (225) 342-5530

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the level of protection to the public and compliance in the pipeline transportation of crude oil, natural gas, and related products by ensuring that the ratio of Louisiana reportable accidents per 1,000 miles of jurisdictional pipeline is at or below the federal/national ratio of reportable accidents per 1,000 miles of jurisdictional pipeline, annually through 2022.

Activity: Pipeline (Including Underwater Obstructions)

Indicator Name: Rate of reportable accidents on Louisiana jurisdictional pipelines.

Indicator LaPAS Code: 10402

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** In accordance with LSA R.S.30:501, et seq., LSA R.S.30:701, et seq., and 49 CFR, Parts 191, 192, 195, and 199, this Agency is statutorily mandated to administer a comprehensive regulatory and enforcement program relative to the State’s regulated jurisdictional gas pipelines and hazardous liquids pipelines. Also used to determine if public safety is being protected at or above national level.
- 3. Use:** Determine if reallocation of personnel, resources and/or additional staffing, and other resources (i.e. travel, professional services, equipment, etc.) are required. May also indicate necessity to increase program emphasis on operators’ education and awareness of the Pipeline Program’s public safety practices and requirements.
- 4. Clarity:** Jurisdictional Pipeline as per Pipeline Safety Regulations 101.A (excluding those pipeline facilities not included in 49 CFR Part 192) and 195.1.

For hazardous liquid pipelines, accidents meeting the reporting criteria are limited to the following: Accidents with gross loss greater than or equal to 5 barrels; those involving any fatality or injury; fire/explosion not intentionally set; Highly Volatile Liquid releases with gross loss of five (5) barrels; or those involving total costs greater than or equal to \$50,000.

Also, accidents must be determined reportable by the end of the quarter in order to be included as a reportable accident in the quarter.

- 5. Validity, Reliability, and Accuracy:** The values reported for this Performance Indicator are reliable and accurate as they are reported and audited annually by the State’s

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federal oversight agency, the U.S. Department of Transportation/Office of Pipeline Safety (U.S. DOT). This is a valid Performance Indicator in that it compares the state of Louisiana's job performance with those of the other states under the jurisdiction of the U.S. Department of Transportation, and any discrepancies noted may result in penalties by the U.S. DOT by proportionally reducing the annual federal award granted to the State's program if it feels Louisiana's Pipeline Safety Program didn't adequately perform its mandated duties or if inaccuracies are noted during the annual review process.

Additionally, the accuracy of the values reported for this Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft Excel); collected on an ongoing basis and reported quarterly.
7. **Calculation Methodology:** [Cumulative number of reportable accidents divided by miles of Louisiana Jurisdictional pipelines] x 1,000.
8. **Scope:** Aggregate.
9. **Caveats:** This program actively educates and regulates pipeline operators on pipeline safety issues; however, there is always the potential for accidents due to factors beyond the control of the operators. Historically, the highest category of accidents has been due to third-party damages which are outside the control of the state's Pipeline Safety Program and for which the operators have little control.

Additionally, this Performance Indicator requires sufficient federal and/or state budget allocations to employ/retain adequate numbers of trained agents of Conservation and sufficient travel, equipment and professional services funds to accomplish inspection, enforcement, and surveillance activities.

10. **Responsible Person:** Steven Giambrone, Director, Pipeline Division;
Steven.Giambrone@la.gov; Phone: (225) 342-2989

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Demonstrate success in ensuring adequate competitive gas supplies are available for public and industry use by ensuring 98% of Conservation Pipeline Orders issued as a result of pipeline applications and/or hearings are issued within 30 days from the effective date or from the hearing date, annually through 2022.

Activity: Pipeline (Including Underwater Obstructions)

Indicator Name: Percentage of Pipeline Orders issued within 30 days from the effective date.

Indicator LaPAS Code: 6803

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** It is required in Title 30 and a party could sue if the Agency doesn't meet these deadlines. Additionally, the Orders issued ensure adequate competitive gas supplies are available for use by the public and industry. Facilitates commerce. Affected parties would potentially suffer economic loss.
- 3. Use:** Determine if reallocation of personnel, resources, and/or additional staffing and other resources (i.e., funds for travel, professional services, equipment, etc.) is required. Also, if applications are consistently in error, evaluate the need for additional educational or informational opportunities that would benefit the industry served.
- 4. Clarity:** Pipeline Orders refers to those Orders issued for applications that require special hearings, or for applications processed administratively, such as Notices and Protests, Gas Supply Service Area (GSSA), or Gas Supply Acquisition Service Area (GSASA).

Thirty days from effective date is calculated "as the first day counted would be the day immediately following the date of the public hearing, or for a Notice and Protest, twelve (12) days from the date received, or for a GSSA and GSASA, twenty (20) days from the date received. In the event the thirtieth day falls on a weekend, or a state legal holiday, the thirtieth day shall be considered the first business day immediately thereafter."

- 5. Validity, Reliability, and Accuracy:** The values reported for this Performance Indicator are audited quarterly by the Department's Internal Auditor. This Performance Indicator is in reporting the staff's efficiency in timely issuing Pipeline Orders and is in compliance

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with Vision 2020, Action Plan 2004 (No. 26), namely the timely issuance of permits related to pipeline activities. The values reported herein will provide valid data reflecting possible weaknesses/strengths in insuring the timely issuance of Conservation Orders relative to pipeline activities as referenced in item No. 4 above.

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft Excel); collected continuously and reported quarterly.
7. **Calculation Methodology:** Number of Orders issued within 30 days of hearing date or effective date divided by total number of Orders issued.
8. **Scope:** Aggregate.
9. **Caveats:** None.
10. **Responsible Person:** Steven Giambrone, Director, Pipeline Division;
Steven.Giambrone@la.gov; Phone: (225)342-2989

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure that the level of protection to the public and compliance in the pipeline transportation of crude oil, natural gas, and related products by ensuring that the ratio of Louisiana reportable accidents per 1,000 miles of jurisdictional pipeline is at or below the federal/national ratio of reportable accidents per 1,000 miles of jurisdictional pipeline, annually through 2022.

Activity: Pipeline (Including Underwater Obstructions)

Indicator Name: Percent of current units in compliance with regulations.

Indicator LaPAS Code: 24417

- 1. Type and Level:** Output - Key
- 2. Rationale:** In accordance with LSA R.S. 30:501, et seq., LSA R.S.30:701, et seq., and 49 CFR, Parts 191,192, 195, and 199, this agency is statutorily mandated to administer a comprehensive regulatory and enforcement program relative to the State's regulated jurisdictional gas pipelines and hazardous liquids pipelines. Also used to discover where operators may need to direct attention to meet the Program's public safety requirements, and by insuring their compliance, the result should reflect fewer violations and ultimately prevent accidents that may present potential hazards to the public.
- 3. Use:** Determine if reallocation of personnel, resources, and/or additional staffing and other resources (i.e., funds for travel, professional services, equipment, etc.) is required. Increased violations may also reflect the necessity to increase program emphasis on educating industry on program public safety practices or determine if there is a need to revise program policies and regulations.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** The values reported for this Performance Indicator are reliable and accurate as they are reported and audited annually by the State's federal oversight agency, the U.S. Department of Transportation/Office of Pipeline Safety (U.S. DOT). This is a valid Performance Indicator in that it compares the state of Louisiana's job performance with those of the other states under the jurisdiction of the U.S. DOT, and any discrepancies noted may result in penalties by the U.S. DOT by proportionally reducing the annual federal award granted to the State's program if it

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feels Louisiana's Pipeline Safety Program didn't adequately perform its mandated duties or if inaccuracies are noted during the annual review process.

Additionally, the accuracy of the values reported for the Performance Indicator is audited each reporting period by the Department of Natural Resources Internal Auditor.

6. **Data Source, Collection, and Reporting:** Internal database (Microsoft Excel); collected on an ongoing basis and reported quarterly.
7. **Calculation Methodology:** [The number of current units in compliance with regulations ÷ the total number of operator inspection units] x 100
8. **Scope:** Aggregate.
9. **Caveats:** Citations issued for non-compliance issues may span multiple quarters before all of the non-compliance issues are brought into compliance. Therefore, an operator inspection unit is counted as a unit with non-compliance issues until a re-inspection is performed verifying compliance, closing the citation, which may span multiple quarters.

This Performance Indicator requires sufficient federal and/or state budget allocations to employ/retain adequate numbers of trained agents of Conservation and sufficient travel, equipment, and professional services funds to accomplish inspection, enforcement, and surveillance activities.

Additionally, as new federal and/or state regulations are adopted, additional inspections may be required that will require additional staff, travel funds, and professional services funds to accomplish mandated inspection, enforcement, and surveillance activities. Since the correction of non-compliance issues is noted during re-inspections, the federal mandate to conduct additional inspections without sufficient resources will require that the program prioritize inspections by conducting "first inspections only, hereby, potentially reducing the values reported for this Performance Indicator to correct the non-compliance issues would be conducted only if sufficient time allows."

10. **Responsible Person:** Steven Giambrone, Director, Pipeline Division; Steven.Giambrone@la.gov; Phone: (225)342-2989

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the protection of underground sources of drinking water, public health and environment from degradation by regulating subsurface injection of waste, other fluids and gases, and surface coal mining resulting in zero verified unauthorized releases from injection waste wells and zero off-site impacts from surface coal mining, annually through 2022.

Indicator Name: Number of inspections of permitted surface mines.

Indicator LaPAS Code: 25879

- 1. Type and Level:** Efficiency – Key
- 2. Rationale:** To quantify onsite surveillance performed by agency personnel to ensure regulatory compliance/ environmental protection. Periodic inspections of surface mines allow the Agency to identify and correct violations before they endanger public health or the environment. Good field presence helps boost public confidence in the Agency.
- 3. Use:** Resource allocation and workload adjustments to meet goals and objectives. May also be used in determining the need for operator training, amending, or writing regulations and/or policies.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** The values reported for this Performance Indicator are reliable and accurate as they are reported and audited annually by the State's federal oversight agency, the Federal Office of Surface Mining (OSM). Any discrepancies noted in the audits may result in penalties by the OSM by proportionally reducing the annual federal award granted to the State's program if it feels Louisiana's program did not adequately perform its mandated duties.

The accuracy of the values reported for this Performance Indicator is audited by the Department of Natural Resources.

- 6. Data Source, Collection, and Reporting:** Internal log or database; inspections documented on reports prepared and filed by agents of Conservation; collected on an ongoing basis and reported quarterly.
- 7. Calculation Methodology:** Simple count of total surface mine inspections.

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8. **Scope:** Aggregate.
9. **Caveats:** This Performance Indicator requires sufficient federal and/or State budget allocations to employ/retain adequate numbers of trained agents of Conservation and sufficient travel, equipment, and professional services funds to accomplish inspection, enforcement, and surveillance activities.

Additionally, as new federal and/or State regulations are adopted, additional inspections may be required that will require additional staff, travel funds, professional services funds to accomplish inspection, enforcement, and surveillance activities.

Adverse weather conditions (i.e. excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. **Responsible Person:** Abby Alkire, Geologist Supervisor, IMD/Surface Mining Program; Abby.Alkire@la.gov; Phone: (225) 342-5588

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the protection of underground sources of drinking water, public health and environment from degradation by regulating subsurface injection of waste, other fluids and gases, and surface coal mining resulting in zero verified unauthorized releases from injection waste wells and zero off-site impacts from surface coal mining, annually through 2022.

Indicator Name: Injection/disposal wells inspected as a percentage of total wells.

Indicator LaPAS Code: 10414

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** Quantifies onsite surveillance performed by agency personnel to ensure regulatory compliance/environmental protection. Periodic inspections and injection/disposal well tests allow the Agency to identify and correct violations before they endanger public safety or the environment. Good field presence also helps boost public confidence in the Agency.
- 3. Use:** Resource allocation and workload adjustments to meet goals and objectives and to ensure that all regulated injection/disposal wells are inspected on a rotating basis.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** The values reported for this Performance Indicator are reliable and accurate as they are reported and audited annually by the State’s federal oversight agency, the U.S. Environmental Protection Agency (U.S. EPA). Any discrepancies noted in the audits may result in penalties by the U.S. EPA by proportionally reducing the annual federal award granted to the State’s program if it feels Louisiana’s program did not adequately perform its mandated duties.

Additionally, this Performance Indicator has been audited by the Legislative Auditor’s Office, resulting in the Agency revising procedures to ensure the values reported for this Performance Indicator comply with the Legislative Auditor’s recommendations to insure validity and reliability of the reported values.

The accuracy of the values reported for this Performance Indicator is audited by the Department of Natural Resources Internal Auditor.

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6. **Data Source, Collection, and Reporting:** Internal log or database; onsite tests and inspections documented on reports prepared and filed by agents of Conservation; collected on an ongoing basis and reported quarterly.
7. **Calculation Methodology:** Cumulative number of distinct injection/disposal wells inspected by UIC field agents during the current fiscal year divided by number of wells in inventory at end of reporting period.
8. **Scope:** Aggregate.
9. **Caveats:** This indicator requires sufficient federal and/or State budget allocations to employ/retain adequate numbers of trained agents of Conservation; and sufficient travel, equipment, and professional services funds to accomplish inspection, enforcement, and surveillance activities.

Additionally, as new federal and/or State regulations are adopted, additional inspections may be required that will require additional staff, travel funds, and professional services funds to accomplish inspection, enforcement, and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) may impact the values reported for this Performance Indicator since these conditions may hamper the field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. **Responsible Person:** Stephen Lee, Director, Injection and Mining Division; Stephen.Lee@la.gov; Phone: (225) 342-5569

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the protection of public health, safety, welfare, the environment and groundwater resources by regulating offsite storage, treatment and disposal of oil and gas exploration and production waste (E&P waste) resulting in zero verified incidents of improper handling and disposal of E&P waste; and by managing and regulating groundwater resources resulting in zero new Areas of Ground Water Concern, annually through 2022.

Activity: Environmental

Indicator Name: Number of verified incidents of improper handling and disposal of exploration and production waste resulting in unauthorized releases or impacts to the environment that has necessitated evaluation or remediation activity beyond initial response activities.

Indicator LaPAS Code: 23112

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** Provides a means to quantify the overall effectiveness of exploration and production waste (E&P waste) commercial facility and transfer station operator’s waste management policies and practices in protecting the environment and public safety from unauthorized E&P waste releases or impacts.
- 3. Use:** To determine the need for resource allocation, workload adjustments, rule-making, or policy amendments to meet goals and objectives for protecting the environment and public safety.
- 4. Clarity:** Unauthorized Releases is defined as the movement of any E&P waste material defined in LAC 43:XIX.501 beyond the boundaries of approved spill collection or containment areas at permitted commercial facility or transfer station sites.

Verified is defined as being documented with actual field inspections on reports prepared and filed by Office of Conservation (Conservation) field personnel or as reported in writing to Conservation by commercial facility or transfer station operators.

- 5. Validity, Reliability, and Accuracy:** The accuracy of the values reported for this Performance Indicator is subject to audit by the Department of Natural Resources Internal Auditor.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

6. **Data Source, Collection, and Reporting:** Internal log or database.
7. **Calculation Methodology:** The number of plans approved and implemented divided by the number of plans approved.
8. **Scope:** Cumulative counting.
9. **Caveats:** This indicator requires sufficient budget allocations to employ/retain adequate numbers of trained personnel and secure sufficient field travel and equipment funds to perform field inspections, enforcement and surveillance activities.

Adverse weather conditions (i.e., excessive rain, hurricanes, tropical storms, etc.) or other Acts of God may impact the values reported for this Performance Indicator since these conditions may cause for unauthorized releases to occur or hamper field agents' ability to engage in field travel and conduct field inspections, enforcement, and surveillance activities.

10. **Responsible Person:** Gary Snellgrove, Division Director, Environmental Division; Gary.Snellgrove@la.gov; Phone: (225)342-7222

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the protection of public health, safety, welfare, the environment, and groundwater resources by regulating offsite storage, treatment and disposal of oil and gas exploration and production waste (E&P waste) resulting in zero verified incidents of improper handling and disposal of E&P waste; and by managing and regulating groundwater resources resulting in zero new Areas of Ground Water Concern, annually through 2022.

Activity: Environmental

Indicator Name: New Areas of Ground Water Concern determined or issued by the Commissioner of Conservation.

Indicator LaPAS Code: 23324

1. **Type and Level:** Outcome – Key.
2. **Rationale:** Provides a means to quantify the overall effectiveness of the Ground Water Resources Program and statutory authority granted to the agency to manage the state’s ground water aquifer systems for resource sustainability.
3. **Use:** To determine the need for resource allocation, workload adjustments, or policy, rule-making, or statutory amendments to meet goals and objectives for ground water resource sustainability.
4. **Clarity:** New Areas of Ground Water Concern is defined as any Area of Ground Water Concern issued by order of the commission of Conservation in accordance with LAC 43:VI.Subpart 1 and made effective on or after 29, 2009.
5. **Validity, Reliability, and Accuracy:** The accuracy of the values reported for this Performance Indicator is subject to audit by the Department of Natural Resources Internal Auditor.
6. **Data Source, Collection, and Reporting:** Internal log or database.
7. **Calculation Methodology:** Cumulative counting.
8. **Scope:** Aggregate.

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9. **Caveats:** This indicator requires sufficient State budget allocations to employ/retain adequate numbers of trained personnel and secure sufficient field travel and equipment funds to perform adequate aquifer modeling, water well production evaluations, compliant and compliance investigations, and inspections, regulator enforcement and related administrative, regulatory and policy activities.

Adverse weather conditions (i.e., excessive drought conditions, hurricane and tropical storm surges, etc.) or other Acts of God may impact the values of this Performance Indicator since these conditions may result in environmental conditions necessitating the issuance of Areas of Ground Water Concern.

10. **Responsible Person:** Gary Snellgrove, Division Director, Environmental Division; Gary.Snellgrove@la.gov; Phone: (225)342-7222

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Conservation

Program: Oil and Gas Regulatory

Objective: Ensure the protection of public health, safety, welfare, and the environment through the evaluation and remediation of E&P waste impacted sites resulting in 85% of Act 312 of 2006 court referral evaluation or remediation plans are reviewed and approved by the Division and implemented by the responsible party, annually through 2022.

Activity: Environmental

Indicator Name: Percentage of ACT 312 of 2006 court referral evaluation or remediation plans reviewed and approved by the division and implemented.

Indicator LaPAS Code: 23323

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** To quantify and ensure implementation of approved evaluation or remediation plans as required under R.S.30:29 to resolve any remaining legacy site public health or environmental issues.
- 3. Use:** Resource allocation and workload adjustments to meet goals and objectives. May also be used in determining the need for amending or writing regulations or policies.
- 4. Clarity:** Legacy site means oil field site or exploration and production (E&P) site as defined in R.S.30:29 and LAC 43:XIX.603. Plan(s) means any submittal made in accordance with R.S.30:29 and LAC 43:XIX.Subpart 1.Chapter 6 for the evaluation and remediation of an affected tract. Affected tract means any real property known or reasonably believed to have suffered environmental damage as defined in R.S.30:29.
- 5. Validity, Reliability, and Accuracy:** The accuracy of the values reported for this Performance Indicator is expected to be audited by the Department of Natural Resources Internal Auditor. Additional confirmation could be accessed through public court records which will include court directive to initiate plan approval or development by the agency and agency correspondence to respective courts to provide agency approved or developed plans.
- 6. Data Source, Collection, and Reporting:** Internal log or database, correspondence files, collected on an ongoing basis and reported quarterly.

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7. **Calculation Methodology:** The number of plans approved and implemented divided by the number of plans approved.
8. **Scope:** Aggregate.
9. **Caveats:** This Performance Indicator requires sufficient State budget allocations to employ/retain experienced and knowledgeable staff, as well as to secure sufficient travel, equipment, and professional services funds to ensure the timely review, approval, or development of evaluation or remediation plans anticipated to be referred to the agency following enactment of applicable provisions R.S.30:29.

The Performance Indicator could be impacted by legal challenges to the provisions of R.S.30:29 or other litigious circumstances which may prevent or delay plan approval or development within prescribed time limits.

Acts of God preventing timely completion of plan approval or development.

10. **Responsible Person:** Gary Snellgrove, Division Director, Environmental Division; Gary.Snellgrove@la.gov; Phone: (225)342-7222

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: Percentage of productive state acreage to total acreage under contract.

Indicator LaPAS Code: 3424

- 1. Type and Level:** Key – Outcome.
- 2. Rationale:** Lets the Office of Mineral Resources know how effective its program of leasing and granting operating agreements is, in optimizing revenue to the State, as compared to the prior year.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
- 4. Clarity:** Prior year is defined as the year for which actual numbers are available which will generally be the prior year at the time the initial calculation is made.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the data, which are used to derive this Key Indicator each year. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into a database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** The total productive state-leased acreage under contract from the prior year as defined above is divided by the total state-leased acreage under contract to derive a percentage.
- 8. Scope:** Aggregate.
- 9. Caveats:** Given that the indicator is a percentage, there is an inherent problem, because, as either of the input indicators change, the percentage will change. The price of petroleum products may affect this Performance Indicator, as well as the availability of investment capital for industry.

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10. **Responsible Person:** Victor Vaughn; Geologist Administrator; Victor.Vaughn@la.gov;
Phone: (225)342-7121

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: Productive state acreage.

Indicator LaPAS Code: 3426

- 1. Type and Level:** General
- 2. Rationale:** Adds acreage to productive acreage for State, which is an actual source of revenue to the state. Demonstrates the effectiveness of the Office of Mineral Resources' geologists in identifying which acreage is productive for the State in State Leases and Operating Agreements.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor collects data on this every year and the DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The geologists will identify all state acreage drained by producing wells and enters identified information into a database. The data is collected into a database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Use prior month's balance and subtract the acreage that was released and add new acreage that was leased. Alternatively, the current active leases acreage total could be used.
- 8. Scope:** Aggregate.
- 9. Caveats:** This Performance Indicator depends upon leased land, lease language, and funds available to industry for drilling.
- 10. Responsible Person:** Victor Vaughn; Geologist Administrator; Victor.Vaughn@La.gov; Phone: (225)342-7121; Jason Talbot; Jason.Talbot@La.Gov; Phone: (225)342-4621

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: State acreage under contract.

Indicator LaPAS Code: 3425

- 1. Type and Level:** General
- 2. Rationale:** Demonstrates the effectiveness of the Office of Mineral Resources in providing an actual source of revenue from productive State-owned lands and water bottoms as a potential revenue base for the state of Louisiana.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor collects data on this every year and the DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into a database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Use last month's balance and subtract the acreage that was released and add new acreage that was leased. Alternately, the current active leases acreage total could be used.
- 8. Scope:** Aggregate.
- 9. Caveats:** This Performance Indicator is beyond the control of the agency and is based on industry activity.
- 10. Responsible Person:** Rick Heck, Director of Petroleum Lands, Rick.Heck@la.gov; Phone: (225)342-6122

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PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: Percentage of accurately processed applications and bids for mineral and alternative energy leases.

Indicator LaPAS Code: New

- 1. Type and Level:** Key – Outcome.
- 2. Rationale:** Demonstrates the efficiency of the Office of Mineral Resources in processing applications and leases as a potential revenue base for the state of Louisiana.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor will collect data on this every year and the DNR Internal Audit staff will monitor this as well.
- 6. Data Source, Collection, and Reporting:** The data will be collected into a database monthly and is kept current. The data will be reported annually.
- 7. Calculation Methodology:** Use last month's balances for applications and bids received and processed and add current month's activity. Divide the number of processed applications by the number of applications received. Divide the number of bids processed by the number awarded by the State Mineral and Energy Board.
- 8. Scope:** Aggregate.
- 9. Caveats:** None.
- 10. Responsible Person:** Rick Heck, Director of Petroleum Lands, Rick.Heck@la.gov; Phone: (225)342-6122

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: Develop additional GIS layers and total number of leases reviewed annually.

Indicator LaPAS Code: New

1. **Type and Level:** Key – Outcome.
2. **Rationale:** Adding additional GIS layers will improve the effectiveness of lease reviews. Demonstrates the efficiency of the Office of Mineral Resources in reviewing leases to ensure that the maximum level of development is attained, which provides an actual source of revenue from productive State-owned lands and water bottoms as a potential revenue base for the state of Louisiana.
3. **Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
4. **Clarity:** Yes.
5. **Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor will collect data on this every year and the DNR Internal Audit staff will monitor this as well.
6. **Data Source, Collection, and Reporting:** The data will be collected into a database monthly and is kept current. The data will be reported annually.
7. **Calculation Methodology:** Keep an annual tally of new GIS layers created and published. Use last month's balance of leases reviewed and add the number of active leases that were reviewed during the month.
8. **Scope:** Aggregate.
9. **Caveats:** None
10. **Responsible Person:** Victor Vaughn; Geologist Administrator; Victor.Vaughn@La.gov; Phone: (225)342-7121; Jason Talbot; Jason.Talbot@La.Gov; Phone: (225)342-4621

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor and diligently maintain productive mineral acreage on state-owned lands and water bottoms.

Activity: Lease Sales and Administration

Indicator Name: Increase number of outreach activities.

Indicator LaPAS Code: New

1. **Type and Level:** Key – Outcome.
2. **Rationale:** Demonstrates the efforts of the Office of Mineral Resources in attempting to generate new leasing for State-owned lands and water bottoms as a potential revenue base for the state of Louisiana.
3. **Use:** Performance Indicator is used to demonstrate revenue maximization activities undertaken by the Agency.
4. **Clarity:** Yes.
5. **Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor will collect data on this every year and the DNR Internal Audit staff will monitor this as well.
6. **Data Source, Collection, and Reporting:** The data will be collected into a database monthly and kept current. The data will be reported annually.
7. **Calculation Methodology:** Use last month's balance and activities that occurred during the current month.
8. **Scope:** Aggregate.
9. **Caveats:** None.
10. **Responsible Person:** Victor Vaughn; Geologist Administrator; Victor.Vaughn@La.gov; Phone: (225)342-7121; Byron Miller; Byron.Miller@La.Gov; Phone: (225)342-5285

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Monitor the life cycle (e.g., drilling sidetracking, completions, recompletions, etc.) of wells throughout the State where the State has a mineral interest.

Activity: Lease Sales and Administration

Indicator Name: Number of new state leases, new pooling units with state interest, or agreements executed by tracking outside lease activity.

Indicator LaPAS Code: New

- 1. Type and Level:** Outcome – Key.
- 2. Rationale:** Lets the Office of Mineral Resources know how effective it has been in identifying new leasing opportunities by tracking wells with State mineral interests.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the Agency.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the process, summaries, and collection of numbers. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into an internal database monthly and is kept current. The data will be reported annually when and if it is included in the executive budget.
- 7. Calculation Methodology:** Add the number of new leases awarded and new pooling units as a result of tracking well activity.
- 8. Scope:** Aggregate.
- 9. Caveats:** This Performance Indicator depends upon the success of new wells and a company's ability to secure resources for leasing state acreage. These factors are beyond the control of the agency.
- 10. Responsible Person:** Victor Vaughn; Geologist Administrator; Victor.Vaughn@La.gov; Phone: (225)342-7121; Jason Talbot, Geologist Supervisor; Jason.Talbot@la.gov; Phone: (225) 342-4621

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Maintain a level of auditing royalties to ensure that audits are performed that will most likely return the maximum collections to the state and that will also include cost-beneficial audits of smaller payors. OMR will examine its process to find ways to improve the timeliness and accuracy of royalties due to the state. OMR will continue to improve its systems and processes for collecting royalties and disbursing the revenues and ensuring that all revenue is paid on time.

Activity: Revenue Classification and Audit

Indicator Name: Percentage of royalties audited to total royalties paid.

Indicator LaPAS Code: 3428

- 1. Type and Level:** Efficiency – Key.
- 2. Rationale:** Ensures that, over a period of time, the Agency is maximizing income due to the State from royalties, both in terms of ensuring accuracy of payment and in maximizing efficiency by ensuring the largest payors are audited in a timely manner.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the agency, as well as the allocation of staff auditors. The allocation of staff auditors is based on which companies are to be audited. There is a direct correlation between audit coverage decisions and the staffing levels needed.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the process, summaries, and collection of numbers. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into an internal database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Audited payor companies total royalty dollars paid for fiscal year are divided by total royalty dollars for all payors for the fiscal year.
- 8. Scope:** Aggregate.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** The scope of the problem is not necessarily proportionate to the royalties paid. May fluctuate with staffing level, special projects associated with lawsuits, and bankruptcies.

10. **Responsible Person:** Rachel Newman; Audit Director; Rachel.Newman@La.gov; Phone: (225)342-4499; Mary Sanders; Mineral Income Field Audit; Mary.Sanders@La.gov; Phone: (903)355-1400; Brian Barry, Mineral Income Field Audit, Brian.Barry@la.gov; Phone: (713)337-3055

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Maintain a level of auditing royalties to ensure that audits are performed that will most likely return the maximum collections to the state and that will also include cost-beneficial audits of smaller payors. OMR will examine its process to find ways to improve the timeliness and accuracy of royalties due to the state. OMR will continue to improve its systems and processes for collecting royalties and disbursing the revenues and ensuring that all revenue is paid on time.

Activity: Revenue Classification and Audit

Indicator Name: Percentage of repeat audit findings.

Indicator LaPAS Code: 23114

- 1. Type and Level:** General
- 2. Rationale:** Ensures that over a period of time payor companies learn from the auditing process and do not continue to make the same mistakes in paying royalties.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the agency, as well as the allocation of staff auditors. The allocation of staff auditors is based on which companies are to be audited. There is a direct correlation between audit coverage decisions and the staffing levels needed.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the process, summaries, and collection of numbers. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into an internal database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Repeat audit findings reported during the fiscal year are divided by total audit findings for all payors for the fiscal year.
- 8. Scope:** Aggregate.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** The scope of the problem is not necessarily proportionate to the royalties paid. May fluctuate with staffing level, special projects associated with lawsuits and bankruptcies.

10. **Responsible Person:** Rachel Newman; Audit Director; Rachel.Newman@La.gov; Phone: (225)342-4499; Mary Sanders; Mineral Income Field Audit; Mary.Sanders@La.gov; Phone: (903)355-1400; Brian Barry, Mineral Income Field Audit, Brian.Barry@la.gov; Phone: (713)337-3055

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Maintain a level of auditing royalties to ensure that audits are performed that will most likely return the maximum collections to the state and that will also include cost-beneficial audits of smaller payors. OMR will examine its process to find ways to improve the timeliness and accuracy of royalties due to the state. OMR will continue to improve its systems and processes for collecting royalties and disbursing the revenues and ensuring that all revenue is paid on time.

Activity: Revenue Classification and Audit

Indicator Name: State Audit Exceptions Billed (millions).

Indicator LaPAS Code: 3429

- 1. Type and Level:** General
- 2. Rationale:** Ensures that, over a period of time, we are maximizing income due to the State from royalties, both in terms of ensuring accuracy of payment and in maximizing efficiency by ensuring the largest payors are audited in a timely manner.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the agency, as well as the allocation of staff auditors. The allocation of staff auditors is based on which companies are to be audited. There is a direct correlation between audit coverage decisions and the staffing levels needed.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the process, summaries, and collection of numbers. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into an internal database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Use the prior month's total of audit exceptions billed and add the exceptions billed for the current fiscal year.
- 8. Scope:** Aggregate.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** The scope of the problem is not necessarily proportionate to the royalties paid. May fluctuate with staffing level, special projects associated with lawsuits, and bankruptcies.

10. **Responsible Person:** Rachel Newman; Audit Director; Rachel.Newman@La.gov; Phone: (225)342-4499; Mary Sanders; Mineral Income Field Audit; Mary.Sanders@La.gov; Phone: (903)355-1400; Brian Barry, Mineral Income Field Audit, Brian.Barry@la.gov; Phone: (713)337-3055

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Office of Mineral Resources

Program: Mineral Resources Management

Objective: Maintain a level of auditing royalties to ensure that audits are performed that will most likely return the maximum collections to the state and that will also include cost-beneficial audits of smaller payors. OMR will examine its process to find ways to improve the timeliness and accuracy of royalties due to the state. OMR will continue to improve its systems and processes for collecting royalties and disbursing the revenues and ensuring that all revenue is paid on time.

Activity: Revenue Classification and Audit

Indicator Name: Percent of accurately completed and paid royalty reports desk audited within 60 days.

Indicator LaPAS Code: N/A—this is a new indicator and a number has not yet been assigned.

- 1. Type and Level:** Outcome - Key
- 2. Rationale:** Ensures that over a period of time we are maximizing income due to the State from royalties, both in terms of ensuring accuracy of payment and in maximizing efficiency by ensuring the largest payors are audited in a timely manner.
- 3. Use:** Performance Indicator is used to determine priorities and resources needed and allocations made within the agency, as well as the allocation of staff auditors. The allocation of staff auditors is based on which companies are to be audited. There is a direct correlation between audit coverage decisions and the staffing levels needed.
- 4. Clarity:** Yes.
- 5. Validity, Reliability, and Accuracy:** Yes. The Legislative Auditor audits the process, summaries, and collection of numbers. The DNR Internal Audit staff monitors this as well.
- 6. Data Source, Collection, and Reporting:** The data is collected into an internal database monthly and is kept current. The data is reported annually.
- 7. Calculation Methodology:** Use last month's balances for reports received and audited and add current month's activity. Divide the number of audited reports by the number of reports received.
- 8. Scope:** Aggregate.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

9. **Caveats:** None
10. **Responsible Person:** Rachel Newman; Audit Director; Rachel.Newman@La.gov; Phone: (225)342-4499; Taletha Shorter; Mineral Income Royalty Reporting; Taletha.Shorter@La.gov; Phone: (225)342-3069

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Coastal Management

Program: Coastal Management

Objective: Ensure that the loss of wetlands resulting from activities regulated by the program will be offset by actions that fully compensate for their loss (as stipulated by permit conditions) on an annual basis.

Indicator Name: Number of permit applications received.

Indicator LaPAS Code: 3435

- 1. Type and Level:** General.
- 2. Rationale:** This Performance Indicator provides OCM with information on the total amount of Coastal Use Permit applications received. This enables OCM to keep track of its workload.
- 3. Use:** This Performance Indicator provides a way to allocate staff resources and determine priorities. It can indicate the health of the coastal economy during that period. There is usually a correlation between the number of applications and the health of the economy.
- 4. Clarity:** N/A.
- 5. Validity, Reliability, and Accuracy:** The Performance Indicator has been audited by the Legislative Auditor and found to be reliable in measuring what it was intended to measure.
- 6. Data Source, Collection, and Reporting:** Each permit application is assigned a number when it is received. The data is entered into the OCM Permit Tracking System (PTS) database. The Performance Indicator report information is derived from the PTS. Collection is daily and reporting is quarterly.
- 7. Calculation Methodology:** The Performance Indicator is calculated by using a computer program to extract the data and calculate the total.
- 8. Scope:** Aggregate.
- 9. Caveats:** This Performance Indicator is completely based upon outside factors reflecting the level of economic activity and the price of oil and gas. About 60% of all applications are for oil and gas.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

- 10. Responsible Person:** Karl Morgan, Administrator, Office of Coastal Management, Permits & Mitigation; Karl.Morgan@la.gov; Phone: (225)342-6470 or Christine Charrier, Manager, Permits Manager; Christine.Charrier@la.gov; Phone: (225)342-7953

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Coastal Management

Program: Coastal Management

Objective: Ensure that the loss of wetlands resulting from activities regulated by the program will be offset by actions that fully compensate for their loss (as stipulated by permit conditions) on an annual basis.

Activity: Coastal Zone Management

Indicator Name: Percentage of disturbed wetland area mitigated by full compensation of habitat loss.

Indicator LaPAS Code: 3432

- 1. Type and Level:** Outcome – key.
- 2. Rationale:** R.S. 49:214.41 of the State and local Coastal Resources Management Act requires that compensatory mitigation be required to replace or substitute for the ecological value of the wetlands lost as a result of each permitted activity. The Louisiana Coastal Wetlands Conservation Plan (LCWCP) which was created pursuant to the Federal Breaux Act provides that wetland values unavoidably lost to regulated activities will be replaced through mitigation. The existence of the LCWCP, and Louisiana’s compliance with it, ensures that Louisiana’s cost share for coastal restoration projects will be 15% instead of 25%.
- 3. Use:** This Performance Indicator is used to evaluate the effectiveness of the program. It also is useful to document no net loss of wetlands as required to maintain the 85% to 15% match ratio for CWPPRA funding.
- 4. Clarity:** Impacts and benefits to wetlands are measured in habitat units. Habitat value is a biologically-accepted term as defined by the Breaux Act. It is designed to provide a common denominator to indicate equivalency of habitat loss and gain. Acres of impacts are tracked and reported.
- 5. Validity, Reliability, and Accuracy:** N/A
- 6. Data Source, Collection, and Reporting:** The data from each Coastal Use Permit is entered into the CMD Permit Tracking System (PTS) database. The Performance Indicator report information is derived from the PTS. Collection is daily and reporting is quarterly.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

7. **Calculation Methodology:** For all permits issued during the report period, the total number of habitat value units lost is added together and the total number of habitat value units gained by mitigation is added together. Then the total amount of mitigation is divided by the total amount of loss.
8. **Scope:** Aggregate.
9. **Caveats:** These are projections. Both the wetland loss due to the permitted activity and the mitigation that will be performed to offset that loss are projections based on what is proposed rather than actual observed field conditions. This Performance Indicator is intended to measure the regulatory process. Another caveat is that the data is presented in habitat value units rather than acres, so it is not an acre-to-acre comparison.
11. **Responsible Person:** Karl Morgan, Administrator, Office of Coastal Management, Permits & Mitigation; Karl.Morgan@la.gov; Phone: (225)342-6470 or Kelley Templet; Kelley.Templet@la.gov; Phone: (225)342-3124

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

PERFORMANCE INDICATOR DOCUMENTATION SHEET

Office: Coastal Management

Program: Coastal Management

Objective: Ensure that the loss of wetlands resulting from activities regulated by the program will be offset by actions that fully compensate for their loss (as stipulated by permit conditions) on an annual basis.

Activity: Coastal Zone Management

Indicator Name: Permit processing time – days of review.

Indicator LaPAS Code: 23,115

- 1. Type and Level:** Efficiency – Supporting
- 2. Rationale:** To maintain an average permit processing time of 23 days or less. Permit applicant types are divided into Oil and Gas, Other industry, Commercial, Individual, and Government Agencies.
- 3. Use:** This Performance Indicator is used to evaluate the effectiveness of the program.
- 4. Clarity:** The results show directly the effect of procedures and Staff effort on process times. Individual permit authorizations are not a good reporting indicator and short time lines would not be either, as individual projects vary. But over a few months' time, the indicators are valuable.
- 5. Validity, Reliability, and Accuracy:** N/A
- 6. Data Source, Collection, and Reporting:** The data from each Coastal Use Permit is entered into the OCM Permit Tracking System (PTS) database, and critical dates are automatically stored by the system. The Performance Indicator report information is derived from the PTS. Collection is daily and reporting is quarterly.
- 7. Calculation Methodology:** The system calculates the processing times using system dates established by actions on the permit application. These time periods include total time of processing, time of active processing, and time on hold for information.
- 8. Scope:** Aggregate.
- 9. Caveats:** Processing times vary depending on the type of authorization to be issued. The average time is for all types of authorizations.

Department of Natural Resources Strategic Plan Fiscal Year 2017-18 to 2021-22

10. **Responsible Person:** Karl Morgan, Administrator, Permits & Mitigation, Karl.Morgan@la.gov; Phone: (225)342-6470 or Christine Charrier; Christine.Charrier@la.gov; Phone: (225)342-7953.