

## Establishing a Site Specific Trust Account (SSTA)

- A SSTA can be established only after an oilfield site is transferred from one party to another.
- An oilfield site (including but not limited to wells, equipment, tanks, flowlines and pits) must first be assessed for site restoration costs by an approved Oilfield Site Restoration Contractor. A detailed explanation from the contractor of all factors considered in arriving at the cost estimates must be included. Pictures of the site including wells and equipment must be submitted along with a P&A procedure for the wells; it may be a general procedure that can be used for multiple wells. The site assessment must be less than 6 months old, must be signed by the contractor, and submitted on contractor letterhead.
- Salvage value for downhole equipment, tubing and casing will not be accepted. Salvage value for surface equipment and structures, if any, may be applied only to surface equipment removal and/or surface related restoration cost. Salvage value must be itemized and have appropriate supporting estimates from an approved contractor.
- Well P & A costs must adhere to the minimum funding requirements specified by the provisions of LAC 43:XIX.104.C for individual wells. The blanket financial security provisions for multiple wells are not applicable. The P&A cost of the wells will be either the minimum required by LAC 43:XIX.104.C or the estimate from an approved contractor, whichever is greater. Salvage value may not be applied to well P& A costs.
- All platform and facility locations on state water bottoms require a cost for Underwater Obstruction Removal & Site Clearance Verification.
- Form SSTA (9604) is to be completed utilizing the site restoration costs received from the approved contractor who assessed the site. Signatures are required from both transferor and transferee. The well name and number reflected on Form SSTA (9604) shall be the name and number found in Office of Conservation records. If there are multiple sites, use one Form per site.  
<http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=155>
- Before obtaining financial security, submit all information to the Oilfield Site Restoration Program - Office of Conservation to ensure the account is approvable. All costs listed must have appropriate supporting estimates from an approved contractor. The parties to the transfer shall include within their submittal a proposed method of funding.
- A SSTA may be funded with cash, performance bond, pledge of certificate of deposit, irrevocable letter of credit or any combination thereof. Acceptable forms of performance bond, letter of credit and pledge of certificate of deposit can be viewed at [www.dnr.louisiana.gov](http://www.dnr.louisiana.gov). These forms may not be modified.
- After a SSTA is established, the Secretary and the Commissioner have the right to review the valuation of the salvage, if any, every two (2) years. Further, account holders will be required to reassess site restoration costs every four (4) years to ensure the account is adequately funded.
- LA R.S. 30:88 "Oilfield site trust accounts" can be viewed at [www.legis.state.la.us](http://www.legis.state.la.us). Once established, the site specific trust account shall survive until completion of site restoration of the associated oilfield site.
- Forms submitted with errors will be returned.