

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement:	<u>Chris Sandoz</u>	Dept.:	<u>Energy and Natural Resources</u>
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Return Address:	<u>Engineering Div. - 9th fl.</u>	Rule Title:	<u>Unconventional Reservoir Development</u>
	<u>617 North 3rd Street</u>		
	<u>Baton Rouge, LA 70802</u>	Date Rule Takes Effect:	<u>Upon Promulgation</u>

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

There are no anticipated implementation costs or savings to state or local governmental units as a result of the proposed rule change.

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

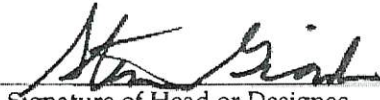
The proposed rule change is estimated to reduce agency self-generated revenue dedicated to the Oil and Gas Regulatory Dedicated Fund Account in the amount of \$7,855 for FY 26, \$7,121 for FY 27 and \$7,488 for FY 28. The reduction in revenue is associated with the elimination of requirements for a comingling application and associated application fee for cross-unit wells.


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

The oil and gas industry will be directly affected by the proposed rule change, however the proposed rule change is not anticipated to result in any increased costs or workload. The oil and gas industry will benefit from the proposed rule change through increased revenue from gas production associated with 10% longer single-unit horizontal laterals and reduced costs associated with more efficient surface and subsurface well placement. The proposed rule change also simplifies the application process for surface comingling required by cross-unit and unit line development and eliminates a duplicative filing fee if the comingling involves cross-unit or unit line wells.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated effect on competition and employment.


Signature of Head or Designee
Steven M. Giambrone, Acting Director,
Conservation
Typed Name & Title of Agency Head or Designee
July 18, 2025
Date of Signature


Legislative Fiscal Officer or Designee
7/21/25
Date of Signature

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

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

The proposed rule change adds provisions for uniform development of the Haynesville Shale in Northwest Louisiana. Benefits of these changes include maximizing production by sanctioning longer laterals and allowing more efficient surface and subsurface well placement while ensuring protection of correlative rights. The proposed rule change simplifies the application process for surface commingling required by cross-unit and unit line development and eliminates a duplicative filing fee if the comingling involves cross-unit or unit line wells.

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

The proposed rule change is a result of communications with regulated industry representatives and agency technical staff recommendations.

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

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

No. The proposed rule change will not result in any increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ YES. If yes, attach documentation.

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

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

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

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

COSTS	FY 26	FY 27	FY 28
PERSONAL SERVICES	\$0	\$0	\$0
OPERATING EXPENSES	\$0	\$0	\$0
PROFESSIONAL SERVICES	\$0	\$0	\$0
OTHER CHARGES	\$0	\$0	\$0
EQUIPMENT	\$0	\$0	\$0
MAJOR REPAIR & CONSTR.	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0
POSITIONS (#)	0	0	0

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

Not applicable.

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

SOURCE	FY 26	FY 27	FY 28
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	\$0	\$0	\$0
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0
OTHER (Specify)	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

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

Not applicable.

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

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

There are no anticipated costs or savings to local governmental units as a result of the proposed rule change.

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

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

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

REVENUE INCREASE/DECREASE	FY 26	FY 27	FY 28
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	(\$7,855)	(\$7,121)	(\$7,488)
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0
LOCAL FUNDS	\$0	\$0	\$0
TOTAL	(\$7,855)	(\$7,121)	(\$7,488)

*Specify the particular fund being impacted.

*The Impacted Fund is the Oil and Gas Regulatory Dedicated Fund Account

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

The reduction in revenue is associated with the elimination of requirements for a comingling application and associated application fee for cross-unit wells. FY 26 revenue impact is estimated using an average of the actual FY 24 collections and a full-year projection of actual FY 25 collections through Q3. FY 27 revenue impact is estimated using an average of the FY 25 and FY 26 estimates. FY 28 revenue impact is estimated using an average of the FY 26 and FY 27 estimates.

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III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

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

The oil and gas industry will be directly affected by the proposed rule change, however the proposed rule change is not anticipated to result in any increased costs or workload.

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

The oil and gas industry will benefit from the proposed rule change through increased revenue from gas production associated with 10% longer single-unit horizontal laterals and reduced costs associated with more efficient surface and subsurface well placement. The proposed rule change simplifies the application process for surface commingling required by cross-unit and unit line development and eliminates a duplicative filing fee if the comingling involves cross-unit or unit line wells.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

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

There are no anticipated effects on competition and employment as a result of the proposed rule change.