

The proposed rule changes will not result in any costs or savings for state or local governmental units. Louisiana Economic Development (LED) intends to administer the program with existing resources and personnel and anticipates the same for local governmental units. LED may incur additional administrative costs associated with implementing the proposed rule changes. Local governmental units may realize marginal expenditure increases to the extent the proposed rule changes allow for the creation of a Local ITEP Committee and possible additional public meetings to discuss applications for contracts under the Industrial Tax Exemption Program (ITEP).

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

The proposed rule changes will reduce revenue collections by an indeterminable magnitude for local governmental units, due primarily to reduced restrictions on ITEP eligibility and on the size of the exemption that may be granted. Proposed rules increase the maximum exemption percentage for Mega Projects from 93% to 100%, and additionally provide that the Governor or the Board of Commerce and Industry (BCI) may overrule local denials of ITEP project applications. LED will likely realize a marginal decrease in self-generated revenues, estimated at up to \$250,000 per year, to the extent that associated filing fees are reduced, consolidated, or eliminated.

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

Firms participating in ITEP, with advance notification filed on or after February 21, 2024 or ITEP projects approved after February 21, 2024, to be governed by the proposed rules, shall no longer be subject to job creation or payroll thresholds requirements. Participating firms will likely enjoy administrative efficiencies and cost savings associated with diminished record keeping requirements.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Companies receiving benefits under this program will gain competitively over companies that do not receive the program's benefits.

Anne G. Villa
Deputy Secretary
2412#030

Ben Vincent
Chief Economist
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Energy and Natural Resources
Office of Conservation
Injection and Mining Division**

**Class VI Injection Wells
(LAC 43:XVII.Chapter 36)**

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and through the power delegated under the laws of the state of Louisiana, notice is hereby given that the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to amend Statewide Order No. 29-N-6 (LAC 43:XVII. Subpart 6. Chapter 36) to facilitate the permitting, siting, construction, operation, monitoring, and site closure of Class VI injection wells, which are used to injection carbon dioxide for the purposes of geologic sequestration.

The Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to

amend provisions governing the oversight of the Class VI carbon sequestration program within the Underground Injection Control (UIC) Program located within the Office of Conservation. Class VI wells are a federally-designated well class for wells that inject carbon dioxide gas underground for long-term containment or sequestration, ultimately limiting net emissions for this greenhouse gas. The UIC Program received primary enforcement authority (primacy) from the United States Environmental Protection Agency on February 5, 2024, modifying the UIC Program oversight to include Class VI wells in addition to current oversight authority for Class I, II, III, IV, and V wells.

Title 43

NATURAL RESOURCES

Part XVII. Injection and Mining

Subpart 6. Statewide Order No. 29-N-6

Chapter 36. Class VI Injection Wells

§3601. Definitions

A. ...

Administratively Complete Application—the complete electronic submission of the Form UIC-60 CCS, or successor form, geologic narrative/site characterization, planned well operations, area or review, corrective action plan, testing and monitoring plan, injection well plugging plan, post-injection site care and site closure plan, emergency and remedial response plan, injection well construction plan, pre-operational testing, and financial responsibility demonstration.

Carbon Dioxide Stream—the carbon dioxide that has been captured from an emission source (e.g., a power plant), plus incidental associated substances derived from the source materials and the capture process, and any substances added to the stream to enable or improve the injection process.

Technically Complete Application—an application that has been fully reviewed, meets all requirements under this Chapter, and can proceed to the draft permit process.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:53 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3603. General Provisions

A. - E.1.a. ...

F. Identification of Underground Sources of Drinking Water and Exempted Aquifers

1. The commissioner may identify (by narrative description, illustrations, maps, or other means) and shall protect as an underground source of drinking water, all aquifers or parts of aquifers which meet the definition of an underground source of drinking water. Aquifer exemptions shall not be issued for Class VI injection wells. Even if an aquifer has not been specifically identified by the commissioner, it is an underground source of drinking water if it meets the definition.

G - H.4. ...

5. In order to protect the health, safety, and welfare of the public, the commissioner shall establish and may, from time to time, amend restrictions on incidental constituents in the carbon dioxide stream of any well permitted pursuant to this Chapter.

I - I.2. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:56 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3605. Permit Requirements, Application, Signatories

A - C.1. ...

a. the applicant shall submit the application in an electronic format approved by the commissioner. The commissioner may request paper copies of the application, either in its entirety or in part, as needed.

b. any paper copies of the application shall contain the following certification statement:

This document is a paper copy of the application titled (*Insert Document Title*) dated (*Insert Application Date*). This paper copy is an exact duplicate of the electronic version submitted to the Louisiana Office of Conservation.

C.1.c - G. ...

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:59 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3607. Application Content

A - C.1.a.ii. ...

iii. the applicant is required to make a diligent search to locate all wells not listed in the public record.

iv - v. ...

vi. the location and extent of geophysical data used to evaluate the subsurface geology within the boundaries of the map.

C.1.b - C.1.b.iv. ...

v. the commissioner may require the applicant to provide geophysical data of the project area.

c. any other maps required by the commissioner to evaluate the proposed project.

d. The commissioner may require revisions to the formatting, scale, and display of map information as needed.

C.2 - C.3. ...

D. Environmental Analysis

1. The applicant for a permit for a Class VI injection well shall submit an environmental analysis as part of the permit application.

2. The environmental analysis required by this Section shall be used to satisfy the public trustee requirements of Article IX, Section 1 of the Constitution of Louisiana and shall address the following questions regarding the proposed permit activity:

a. Have the potential and real adverse environmental effects of the proposed permit activity been avoided to the maximum extent possible?

b. Does a cost-benefit analysis of the environmental impact costs versus the social and economic benefits of the

proposed activities demonstrate that the latter outweighs the former?

c. Are there alternative activities which would offer more protection to the environment than the proposed activity without unduly curtailing nonenvironmental benefits?

d. Are there alternative sites which would offer more protection to the environment than the proposed site without unduly curtailing nonenvironmental benefits?

e. Are there mitigating measures which would offer more protection to the environment than the proposed activity without unduly curtailing nonenvironmental benefits?

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:60 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3609. Legal Permit Conditions

A - C.1. ...

a. a performance bond (surety bond) in sole favor of the Office of Conservation in a form prescribed by the commissioner;

b. a letter-of-credit in sole favor of the Office of Conservation in a form prescribed by the commissioner;

c. site-specific trust account, or

d. any other instrument of financial assurance acceptable to the commissioner.

C.2 - C.4.e. ...

i. in the event that the owner or operator combines more than one instrument for a specific geologic sequestration phase (e.g., well plugging), such combination must be limited to instruments that are not based on financial strength or performance, for example trust funds, surety bonds guaranteeing payment into a trust fund, and letters of credit. In this case, it is the combination of mechanisms, rather than the single mechanism, which must provide financial responsibility for an amount at least equal to the current cost estimate.

C.4.f - T. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:61 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3611. Permitting Process

A - B.1. ...

2. Administrative Completeness:

a. the commissioner shall not issue a permit before receiving an application form and any required supplemental information which are completed to his satisfaction. The completeness of any application for a permit shall be judged independently of the status of any other permit application or permit for the same facility or activity;

b. each application for a permit submitted for a new UIC injection well will be reviewed for administrative completeness by the commissioner and the applicant will be notified of the commissioner's decision in writing within 30 days of its receipt.

c. If the application is not administratively complete, the commissioner shall list in the notification in §3611.B.2.b above, the information necessary to make the application administratively complete. When the application is for an existing UIC injection well, the commissioner shall specify in the notice a date for submitting the necessary information. The commissioner shall notify the applicant that the application is complete upon receiving this information. The commissioner may request additional information from an applicant only when necessary to clarify, modify, or supplement previously submitted material. Requests for such additional information will not render an application incomplete.

d. If an applicant fails or refuses to correct deficiencies found in the application, the permit may be denied and, for existing wells, appropriate enforcement actions may be taken under the applicable statutory provision.

e. Within 30 days of receiving notice of the application being deemed administratively complete, the applicant shall make a good faith effort to provide notice of the submission of the application via United States mail to all of the following:

- i. the last operator of record for any oil and gas well located within the area of review; and
- ii. any person known to the applicant after reasonable search, including owners and operators, acting on behalf of that person, that presently has the right to drill into and produce from a pool and to appropriate production either for himself or others within the predicted or modeled carbon dioxide plume.

f. The designation of administratively complete only confirms the submission of elements required to begin the technical review process. It does not imply or confirm the presence of adequate technical content nor limit requirements for additional submittals or actions required for permit.

3. Technical Completeness

a. After an application is deemed administratively complete, it will be reviewed for technical completeness by the commissioner. The commissioner may request additional information from an applicant only when necessary to clarify, modify, or supplement previously submitted material. Requests for such additional information will not render an application administratively incomplete.

b. If an applicant fails or refuses to correct deficiencies found in the application, the permit may be denied and, for existing wells, appropriate enforcement actions may be taken under the applicable statutory provision.

4. If the commissioner decides that a site visit is necessary for any reason in conjunction with the processing of an application, he shall notify the applicant, state the reason for the visit, and a date shall be scheduled.

C. Draft Permits

1. Once an application is deemed technically complete, the commissioner shall prepare a draft permit or deny the application.

C.2 - E.1.c. ...

2. Timing

a. Public notice of the preparation of a draft permit required under §3611.E.1 shall allow at least 30 days for public comment.

b. Public notice of a public hearing shall be given at least 30 days before the hearing. (Public notice of the hearing may be given at the same time as public notice of the draft permit and the two notices may be combined).

E.3 - F. ...

G. Public Hearings

1. The commissioner shall hold a public hearing whenever he finds, on the basis of requests, a significant degree of public interest in (a) draft permit(s). The commissioner also may hold a public hearing at his discretion, whenever, for instance, such a hearing might clarify one or more issues involved in the permit decision. Public notice of the hearing shall be given as specified in §3611.E.

G.2 - H.2. ...

I. Permit Issuance and Effective Date

1. After closure of the public comment period, including any public hearing, under §3611.G on a draft permit, the commissioner shall issue a final permit decision as soon as practicable. The commissioner shall notify the applicant, each person who has submitted written comments or requested notice of the final permit decision, and the governing authority for any parish within the area of review. This notice shall include reference to the procedure for appealing a decision on a UIC permit under La. Title 30 R.S. §30:15. For the purposes of this section, a final permit decision means a final decision to issue, deny, modify, revoke and reissue, or terminate a permit.

2 - 3. ...

J. Additional Notifications

1. Within 30 days after approval or granting of a permit to construct a Class VI well, the owner or operator shall record in the conveyance records of the clerk of court's office for any parish within the area of review:

a. a notice of the permit which includes the Office of Conservation permit number and the serial number of the Class VI well; and

b. a map or maps bearing the Office of Conservation permit number containing the location or proposed location for the following items, but only to the extent that this information is also required under §3607.C.1:

- i. injection wells;
- ii. monitoring wells;
- iii. producing wells;
- iv. abandoned and orphan wells;
- v. plugged wells and dry holes;
- vi. known and suspected faults;
- vii. water wells;
- viii. surface bodies of water;
- ix. natural springs;
- x. aquifers;
- xi. structures intended for human occupancy;
- xii. roads; and
- xiii. state and parish boundaries.

2. The owner or operator shall notify the governing authority of each parish in which the maps are recorded within 30 days after recordation. Notice may be made by

electronic mail to the parish president, police jury president, or mayor-president, depending on the form of parish government.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:65 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3615. Siting Criteria, AOR, and Corrective Action

A - C.4. ...

D. Additional Siting Requirements

1. The wellhead of a Class VI well shall not be located within five hundred feet of the following:

a. inhabited dwellings not owned by the storage operator or any owner in interest bound by a contract with the storage operator that allows for location of a Class VI injection well within five hundred feet of an inhabited dwellings;

b. schools; and

c. healthcare facilities.

2. Class VI injection operations may not adversely affect any Class I waste plume existing at the time of permitting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:69 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3617. Well Construction and Completion

A - A.3.a.i. ...

b. Casing Seat. The casing seat and cement of any intermediate and injection casings shall be hydrostatically pressure tested after drilling out the casing shoe. At least 10 feet of formation below the respective casing shoes shall be drilled before the test. The test pressure shall be maintained for one hour after pressure stabilization. Allowable pressure loss is limited to five percent of the test pressure over the stabilized test duration.

A.3.b.i - B.1. ...

a. gyroscopic surveys or any other deviation surveys acceptable to the commissioner;;

B.1.b - B.6. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:70 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3621. Operations

A - A.6.a. ...

i. surface injection and bottom-hole pressure;

A.6.a.ii - A.10. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:73 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3623. Emergency Response

A - A.4.c. ...

5. In addition to any other requirements imposed by the commissioner, the emergency and remedial response plan shall provide for continuing training programs for operating and maintenance personnel regarding potential hazards, risk scenarios, and response activities.

6. Prior to the commencement of carbon dioxide injection, the owner or operator shall provide a copy of the approved emergency and remedial plan to the parish president, police jury president, or mayor-president, depending on the form of parish government, for each parish within the area of review for dissemination to the office of homeland security, local emergency preparedness committee, or other emergency preparedness or response agencies.

7. The owner or operator shall conduct at least one tabletop exercise for each storage facility prior to the commencement of injection to simulate emergency situation and responses thereto in coordination with the appropriate emergency preparedness and response agencies, as designated by the governing authority for each parish within the area of review

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:74 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3625. Testing and Monitoring

A - A.3.c. ...

4. quarterly monitoring of the ground water quality and geochemical changes above the confining zone(s) that may be a result of carbon dioxide movement through the confining zone(s) or additional identified zones including:

A.4.a - B.4. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:74 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3629. Reporting

A. Reporting Requirements

1. The owner or operator must provide, at a minimum, the following reports to the commissioner, and the USEPA as specified in §3629.A.3, for each permitted Class VI well:

a. quarterly reports containing:

i - v. ...

vi. monthly annulus fluid volumes gained or lost;

and

vii. the results of monitoring prescribed under §3625.

A.1.b - A.2. ...

3. Owners or operators of Class VI wells, or applicants for Class VI wells must submit all required submittals, reports, and notifications under §§3605, 3607, 3615, 3617, 3619, 3621, 3623, 3625, 3627, 3629, 3631, and 3633 to the USEPA in an electronic format approved by the USEPA.

A.4 - A.4.b. ...

c. raw operating data from the continuous recording devices prescribed by §3621.A.6 shall be retained in digital format at least 10 years after collection.

d. monitoring data collected under §§3625.A.2 through 3625.A.9 shall be retained at least 10 years after site closure.

e. well plugging reports, post-injection site care data, including, if appropriate, data and information used to develop the demonstration of the alternative post-injection site care timeframe, and the site closure report collected pursuant to requirements at §§3633.A.6 and 3633.A.8 shall be retained at least 10 years following site closure.

f. The commissioner may require the owner or operator to retain any records required under these regulations for longer than 10 years after site closure. The commissioner may require the owner or operator to deliver the records to the commissioner at any time prior to or at the conclusion of the retention period.

B. Recordkeeping. Owners or operators of Class VI wells shall retain records as specified in §§3615.C.4, 3629.A.4, 3631.A.5, 3633.A.6, and 3633.A.8.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq., 30:22 et seq., and 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, LR 47:76 (January 2021), amended by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed rule on the family has been considered. The proposed rule has a positive impact on family functioning, stability, or autonomy as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule should not have any known or foreseeable impact on any child, individual or family as defined by R.S. 973.B. In particular, there should be no known or foreseeable effect on:

1. the effect on household income, assets, and financial security;
2. the effect on early childhood development and preschool through postsecondary education development;
3. the effect on employment and workforce development;
4. the effect on taxes and tax credits;
5. the effect on child and dependent care, housing, health care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Analysis

Pursuant to R.S. 49:965.6, methods for reduction of the impact on small business, as defined in the Regulatory Flexibility Act, have been considered when creating this proposed Rule.

This proposed Rule is not anticipated to have an adverse impact on small businesses; therefore, a Small Business Economic Impact Statement has not been prepared.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session. In

particular, there should be no known or foreseeable effect on:

1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments to H. Barlow Holley, Office of Conservation, Louisiana Department of Energy and Natural Resources, 617 North 3rd St., 9th Floor, Baton Rouge, LA 70802 or to info@la.gov. Written comments will be accepted through the close of business, 5 p.m. on January 22, 2025.

Public Hearing

Interested persons may submit written comments to H. Barlow Holley, Office of Conservation, Louisiana Department of Energy and Natural Resources, 617 North 3rd St., 9th Floor, Baton Rouge, LA 70802 or to info@la.gov. Written comments will be accepted through the close of business, 5 p.m. on January 22, 2025. A public hearing is not currently scheduled, but if requested will be held on the evening of Tuesday, January 21, 2025.

Steven M. Giambrone
Interim Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Class VI Injection Wells

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

The proposed rule change is not anticipated to result in costs or savings to state or local governmental units. The proposed rule change makes technical and process changes to the existing rule that governs the operation of Class VI injection wells for carbon sequestration as a result of the passage of Act 702 and Act 645 of the 2024 Regular Session and Act 378 of the 2023 Regular Session, in response to stakeholder feedback, and changes to operational best practices for Class VI wells.

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

This proposed rule change is not anticipated to have any effect on revenue collections for state or local governmental units.

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

The proposed rule change includes minor process and technical updates to reflect changes in operational best practices for the operators of Class VI wells and to reflect recent changes in relevant statutes. Some of these changes may result in additional costs to these operators. Any increase will be based on the particular status of their site and injection well, so quantification of any incremental increase in costs is indeterminable. Operators may expend additional resources to comply with enhanced requirements for environmental monitoring and reporting. These resources will generally be paid to technical and engineering companies that provide services to Louisiana Class VI operators.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change is not anticipated to have any impact on competition or employment.

Steven Giambrone
Interim Director
2412#050

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Energy and Natural Resources Office of Conservation Injection and Mining Division

Class VI Injection Well Supplemental Rules—Fee Schedule (LAC 43:XVII.Chapter 38)

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and through the power delegated under the laws of the state of Louisiana, notice is hereby given that the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to amend Statewide Order No. 29-N-7 (LAC 43:XVII.Subpart 8, Chapter 38), to facilitate the fee issuance and collections relative to the Class VI geologic sequestration well permitting program.

The Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to amend provisions governing the oversight of the Class VI carbon sequestration application fee standards within the Underground Injection Control (UIC) Program located within the Office of Conservation. Class VI wells are a federally-designated well class for wells that inject carbon dioxide gas underground for long-term containment or sequestration, ultimately limiting net emissions for this greenhouse gas. The UIC Program received primary enforcement authority (primacy) from the United States Environmental Protection Agency on February 5, 2024, modifying the UIC Program oversight to include Class VI wells in addition to current oversight authority for Class I, II, III, IV, and V wells. Modification of Statewide Order No. 29-N-7 is proposed in order to clarify the application filing fees for this new program.

Title 43

NATURAL RESOURCES

Part XVII. Injection and Mining

Subpart 8. Statewide Order No. 29-N-7

Chapter 38. Class VI Injection Well Supplemental Rules—Fee Schedule

§3801. Definitions.

* * *

Escrow Account—an account held by the Office of Conservation within the Carbon Dioxide Geologic Storage Trust Fund in favor of each Class VI applicant into which funds paid by the applicant are deposited and from which funds are drawn in order to provide for the review of a Class VI permit application.

* * *

Residual Escrow Funds—any remaining funds on deposit with the Office of Conservation in favor of an applicant or permittee after a final decision on a Class VI permit application is rendered by the commissioner and all qualified expenses have been deducted from the escrow account.

Residual escrow funds do not include any interest accrued on an escrow account.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

§3803. General Provisions.

A - B.2. ...

C. Expedited Permit Review

1. An expedited permit review pursuant to LAC 43:XIX.4701 et seq. by Office of Conservation staff is separate from the reviews pursuant to this Chapter. An applicant may request an expedited permit review, which, if granted, shall require the applicant to pay additional fees.

D - D.2.c. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

§3805. Filing and Application Fees

A - A.2. ...

3. For all Class VI permit applications, additional funds not to exceed the total, actual cost of review may be required to be paid by the applicant pursuant to La R.S. 30:1110.C(3). Accordingly, the application fee for a Class VI permit application may exceed \$200,000.

B - B.1. ...

C. Payment, Deposit, and Withdrawal of Fees

1. An applicant must pay the filing fee to the Office of Conservation upon submission of its Class VI permit application.

2. An applicant must pay any other funds comprising the application fee to the Office of Conservation within 30 days after the issuance to the applicant of a notice and invoice for such amounts. The Office of Conservation shall withdraw funds from each filing fee account upon expenditures associated with incurred costs described in Subsection B of this Section. Upon request by an applicant, the Office of Conservation shall provide a detailed, itemized list of any costs incurred in the review of the applicant's Class VI permit application.

3. The Office of Conservation shall deposit the fees collected under this Chapter into a separate escrow account for each applicant. If an applicant has multiple Class VI permit applications pending before the Office of Conservation, the escrow account for such applicant may be divided into separate accounts for each application. The Office of Conservation may draw upon the escrow account whenever the office determines a draft to be necessary in order to pay for any cost incurred in the review of a permit application.

4. Any interest accrued on an escrow account shall be the property of the Office of Conservation and shall be deposited in the Geologic Storage Trust Fund.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51: