



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

RICHARD P. IEYOUB
COMMISSIONER OF

May 26, 2022

Senator Patrick Page Cortez, President
Senator Bob Hensgens, Natural Resources Committee Chairman
Representative Clay Shexnayder, Speaker
Representative Jean-Paul Coussan, Natural Resources and Environment Chairman

Via Statutorily Prescribed Email

Re: Report of Proposed Rule Amendments
Class II Hydrocarbon Storage Wells in Salt Dome Cavities
Office of Conservation Rules and Regulations
LAC 43:XVII Chapter 3 (Statewide Order 29-M)

Dear Oversight Authorities:

The Commissioner of Conservation proposes to amend LAC 43:XVII Chapter 3 in accordance with the provisions of the Administrative Procedures Act R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana.

- I. A copy of the rule as it is proposed for amendment per La R.S. 49:968.C(1):

See the attached Notice of Intent

- II. Statement of the proposed action per La R.S. 49:968.C(2):

The proposed action is a rule amendment for Class II Solution-Mining Injection Wells. The proposed rule amendment updates the existing regulations to streamline and clarify portions of the rule, update specific regulations to be consistent with modern operational practices, and also updates portions of the rule to be consistent with the related Class III Solution-Mining Injection Well regulations and new Class V Gas Storage regulations.

Oversight for the Class II program is held by the Underground Injection Control Program (UIC Program), located within the Louisiana Office of Conservation. Class II wells are a federally-designated well class that allow for the injection of liquid or gaseous hydrocarbons into geologic salt cavities. The UIC Program has held Primary Enforcement Authority from the United States Environmental Protection Agency (US EPA) for Class II wells since 1982.

- III. The specific citation of the enabling legislation purporting to authorize adoption of the rule per La R.S.49:968.C(3):

Th enabling legislation was amended and enacted by Act 209 and Act 585 of the 2014 Legislative Session.

- IV. Statement of the circumstances requiring adoption of the rule per La R.S. 49:968.C(4):

The enabling legislation for related proposed rule LAC 43:XVII Chapter 37 was passed in Louisiana Regular Session of 2021 (House Bill 572), and the Commissioner of Conservation is now issuing these rules as ordered in La R.S. 30:23.C.

Chapter 3 is being updated for consistency with the new Chapter 37 (Class V Storage Wells in Solution-Mined Salt Dome Cavities) and changes to the existing LAC 43:XVII Chapter 33 (Solution-Mining Injection Wells).

- V. Statement of the fiscal and economic impact of the proposed rule per La R.S. 49:968.C(5):

The fiscal and economic impact statement is attached to this report.

A notice of intent to initiate rule-making will be published in the Louisiana Register on June 20, 2022, with a public comment period on the proposed rule scheduled to remain open until July 22, 2022 at 5:00 PM.

Please contact Steve Lee, Director of the Injection and Mining Division, at (225) 342-5569.

Yours very truly,



John Adams, Assistant Commissioner
Louisiana Office of Conservation

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Attachments