LOUISIANA

Administration

1. Official name of agency regulating oil/gas exploration & production: Office of Conservation

2. Contact for regulatory updates: P. O. Box 94275, Capitol Station, Baton Rouge, LA 70804-9275. Phone (225) 342-5540.

3. Docketing procedure: LSA-RS-30:6(F) - Any interested person has the right to have the Commissioner call a hearing for the purpose of taking action in respect to a matter within the jurisdiction of the Commissioner by making a request therefore in writing. Upon receiving the request the Commissioner shall promptly call a hearing. After the hearing, and with all convenient speed and in any event within thirty days after the conclusion of the hearing, the Commissioner shall take whatever action he deems appropriate with regard to the subject matter. In the event of failure or refusal of the Commissioner to issue an order within the period of thirty days, he may be compelled to do so by mandamus at the suit of any interested person. LSA-RS-30:4(C) - The Commissioner has authority to make after notice and hearing as provided in this Chapter, any reasonable rules, regulations, and orders that are necessary from time to time in the proper administration and enforcement of this Chapter, including rules, regulations, or orders. Based on the above cited authority, the Commissioner of Conservation adopted "Rules of Procedure for Conducting Hearings before the Commissioner of Conservation of the State of Louisiana," effective April 1, 1964, and last revised effective October 11, 1983.

    a. Emergency orders: LSA-RS-30: 6C - If the Commissioner finds an existing emergency which in his judgment requires the making, changing, renewal, or extension of a rule, regulation, or order without first having a hearing, the emergency rule, regulation, or order shall have the same validity as if a hearing had been held after due notice. The emergency rule, regulation, or order shall remain in force no longer than fifteen days from its effective date. In any event, it shall expire when the rule, regulation, or order made after notice and hearing with respect to the same subject matter becomes effective.

    b. Notice: LSA-RS-30: 6B - No rules, regulation, order, or change, renewal, or extension thereof, shall, in the absence of an emergency, be made by the Commissioner under the provisions of this Chapter except after a public hearing upon at least ten days' notice given in the manner and form prescribed by the Commissioner. This hearing shall be held at a time and place and in the manner prescribed by the Commissioner. The Commissioner, in his discretion, may designate a member of his staff to conduct public hearings on his behalf. Any person having an interest in the subject matter of the hearing shall be entitled to

be heard. Provided, however, that whenever any application shall be made to the Commissioner of Conservation for creation, revision or modification of any unit or units for production of oil or gas, or for adoption of any plan for spacing of wells or for cycling of gas, pressure maintenance or restoration, or other plan of secondary recovery, the applicant shall be required to file with the application two copies of a map of such unit or units or well spacing pattern or two explanations of such plan of cycling, pressure maintenance or restoration, or other secondary recovery program and at least thirty (30) days' notice shall be given of the hearing to be held thereon, in the manner prescribed by the Commissioner of Conservation, and a copy of such plat or explanation of program shall remain on file in the Office of Conservation in Baton Rouge, and in the Office of the District Manager of the Conservation District in which the property is located, and be open for public inspection, at least thirty (30) days prior to such hearing.

4. Agency regulating air emissions: Louisiana Department of Environmental Quality

5. Agency regulating water quality: Louisiana Department of Environmental Quality

License

1. License required: None.

2. Conditions of license: N/A

Bond/Surety

1. Purpose of surety: To ensure well plugging and abandonment and associated site restoration.

2. Plugging and restoration: Yes

3. Compliance bond required: May be required.

4. Types of surety accepted: Certificate of Deposit, Performance Bond, Letter of Credit

5. Conditions of Financial Security: Statewide Order No. 29-B (LAC 43: XIX.104)

    a. Amount per well:

Land:	Depth (ft.)	Amount
	<3,000	$1.00 per foot

	3,001 - 10,000	$2.00 per foot
	>10,001	$3.00 per foot
Inland Water:	Any	$8.00 per foot
Water:	Any	$12.00 per foot

b. Amount of blanket bond

Wells	Amount – Land	Amount – Inland Water	Amount - Water
<10	$ 25,000.00	$125,000.00	$250,000.00
11-99	$125,000.00	$625,000.00	$1,250,000.00
>100	$250,000.00	$1,250,000.00	$2,500,000.00

Land Leasing

1. Leasing Method: Sealed, public bid opened at monthly Mineral Lease Sale held on second Wednesday of every month.
2. Notice Method: Publication of tract description up for lease in the official journal of the state and in the official journal of the parish where the lands are located - must appear in these journals not more than 60 days prior to the date for the opening bids for that tract.
3. Minimum bidding $ (per acre): Royalty bid cannot be less than 1/8 of all oil or gas produced and saved or utilized (LSA- R.S. 30:127).
4. Qualification of the bidder: Any person or entity authorized to do business in the state of Louisiana and registered with DNR - Office of Mineral Resources as a prospective leaseholder can submit bids.
5. State Statutes: LSA-R.S. 30:124-127
6. Maximum acres: 2,500 acres by State Mineral Board Policy.
7. Royalty rates: May be specified in certain cases.
8. Contact: Rick Heck, Director of Petroleum Lands, Petroleum Lands Division, Office of Mineral Resources, P. O. Box 2827, Baton Rouge, LA 70821-2827. Phone: (225) 342-6122.

Setbacks

1. What rules/regulations/policies does your jurisdiction have regarding well setbacks from private residences and/or other habitable structures for use by humans or animals? RS 30:28 requires a 500' setback, on wells drilled below 10,000', from residential or commercial structures not owned by the applicant, his lessor, or other predecessor in interest. There are other setbacks covered in Order U-HS but they are only for Haynesville wells in urban areas.

   RS 38:225 provides that no person shall, drill, drive, jet, or otherwise sink oil, gas, or deep water wells within two hundred fifty feet of the levees

2. Are there other sources of information on this matter that you could identify? None that I know of.

Spacing

1. Spacing requirements:

   a. Density: No minimum acreage requirements for oil or gas wells.

   b. Lineal: Statewide Order No. 29-E (LAC 43:XIX.1901) applies and states that wells drilled in search of gas shall not be located closer than 330 feet to any property line nor closer than 2,000 feet to any other well completed in, drilling to, or for which a permit shall have been granted to drill to, the same pool.

2. Where Statewide Order No. 29-E (LAC 43:XIX.1901) is applicable, no spacing shall be required for oil wells drilled in search of oil to depths less than 3,000 feet subsea. Wells drilled in search of oil to depths below 3,000 feet subsea shall not be located closer than 330 feet from any property line nor closer than 900 feet from any other well completed in, drilling to, or for which a permit shall have been granted to drill to, the same pool.

3. Statewide Order No. 29-H, applicable to "new" pools, has been terminated by Statewide Order No. 29-H-1. Spacing previously developed under Statewide Order No. 29-H will be regulated by Statewide Order No. 29-E. Any special order which adopted the spacing requirements of Statewide Order No. 29-H has been amended requiring the spacing provisions of Statewide Order 29-E (LAC 43:XIX.1901).

4. Exceptions: Yes.

   a. Basis: Refer to Statewide Order No. 29-E (LAC 43:XIX.1901).

b. Approval: By letter setting forth all pertinent facts and reasons why granting the exception is necessary.

Pooling

1. Authority to establish voluntary: No.
2. Authority to establish compulsory: Yes.

Unitization

1. Compulsory unitization of all or part of a pool or common source of supply: Yes.
2. Minimum percentage of voluntary agreement before approval of compulsory unitization:

   a. Working interest: None, however, 75% - if the unit is created under the provisions of LSA-RS-30:5C (multi-well or enhanced recovery).

   b. Royalty interest: None, however, 75% - if the unit is created under the provisions of LSA-RS-30:5C (multi-well or enhanced recovery).

Drilling Permit

1. Require permits for:

   a. Drilling a producing or service well: Yes, Statewide Order No. 29-B, Section II (LAC 43:XIX.103).

   b. Seismic drilling: No.

   c. Recompletion: Yes, Statewide Order No. 29-B, Section III (LAC 43:XIX.105).

   d. Plugging and abandoning: Yes, Statewide Order NO. 29-B, Section III (LAC 43:XIX.105).

2. Permit fee:

   a. Drilling: Fee schedule subject to change annually. Please refer to the Office of Conservations Web site at www.dnr.state.la.us for a complete current fee schedule.

Depth (ft.)	Amount (6 month)	Amount (1 year)

0 - 3,000	$ 126	$252
3,001 -10,000	$ 631	$1262
10,001 - Plus	$1,264	$2528

b. Seismic drilling: None.

c. Recompletion: None.

d. Plugging and abandoning: None.

3. Require filing report of work performed: Yes, Statewide Order No. 29-B, Section IV (LAC 43:XIX.107).

4. Sundry notices used: No

Vertical Deviation

1. Regulation requirement: Yes, Statewide Order No. 29-B, Section XVIII (LAC 43:XIX.135).

   a. When is directional survey necessary? When the well is directionally controlled and is thereby intentionally deflected from the vertical, or the surface location is less than 330 feet from the nearest property line, and the well is drilled below a depth of 3,786 feet, or the resultant lateral deviation as calculated from Inclination Survey data is a distance greater than the distance from the center of the surface location of the well bore to the nearest property line, or the well bore deviates laterally a resultant distance greater than that determined by a five degree angle from a vertical line passing through the center of the surface location of the well bore.

   b. Filing of survey required? Yes.

   c. Format of filing: Three (3) certified copies are required.

Casing and Tubing

1. Minimum amount required:

   a. Surface casing: Yes, Statewide Order No. 29-B, Section V-B (LAC 43:XIX.109.B).

b. Production casing: Yes, Statewide Order No. 29-B, Section V-D (LAC 43:XIX.109.D).

2. Minimum amount of cement required:

   a. Surface casing: Yes, Statewide Order No. 29-B, Section V-B (LAC 43:XIX.109.B).

   b. Production casing: Yes, Statewide Order No. 29-B, Section V-D (LAC 43:XIX.109.D).

   c. Setting time: Yes. Surface - "under pressure" for 12 hours. Production - "under pressure" for 12 hours, minimum total of 24 hours before initiating test or drilling plug.

3. Tubing requirements: None.

   a. Oil wells: N/A

   b. Gas wells: N/A

Hydraulic Fracturing

1. Permitting:

   a. Before drilling: No

   b. Before fracing: Yes

   c. How long before: At least 12 hours prior to beginning operations.

2. Reporting Requirements:

   a. Where reported: Well History and Work Resumé Report (Form WH-1) including supplemental page 3 must be submitted to the appropriate District Office.

   b. When reported: Within 20 days after completion.

3. Source water requirements:

   The use of surface water is encouraged. Cooperative Endeavor Agreements (CEA) may be created through DNR – Office of Mineral Resources (OMR) for the use of running surface water. (Act 955 of 2010). Notice must be provided to the Office of Conservation – Environmental Division prior to installation of new water wells and prior to a change in

use of existing water wells. Certain E&P Wastes may also be used as a frac fluid component in limited cases.

Water sources and volumes must be reported for wells that are hydraulically fractured. Reporting is accomplished by filing Supplemental Page 3 of the Well History and Work Resumé Report (Form WH-1) within 20 days following well completion.

4. Mechanical Integrity:

    a. Cementing log required: No.

    b. Pressure testing: Yes.

    c. Pressure monitoring: No

    d. Blowout preventer required: Yes

5. Disposal of flowback fluids:

    a. Retaining pits: E&P Wastes may be disposed of on-site in accordance with the requirements of LAC 43:XIX Chapter 3 or offsite in accordance with the requirements of LAC 43:XIX Chapter 5.

    b. Tanks: E&P Wastes may be disposed of on-site in accordance with the requirements of LAC 43:XIX Chapter 3 or offsite in accordance with the requirements of LAC 43:XIX Chapter 5.

    c. Approved discharge to surface water: Discharge is allowed only in conformance with any applicable state or federal discharge program.

    d. Underground injection: Yes, in accordance with the requirements of LAC 43:XIX Chapter 4

6. Chemical disclosure requirement:

    a. Mandatory: Yes

    b. Where disclosed: Supplemental Page 3 of Well History and Work Resumé Report (Form WH-1), or Frac Focus website, or service company documentation.

    c. When disclosed: Post fracing.

    d. Time limit to disclose: Within 20 days after completion.

    e. Information required to be disclosed: Types and volumes of base fluid; purpose, trade-name and supplier of all additives; chemical ingredients, CAS numbers and

maximum concentrations of additives that are subject to the requirements of 29 CFR Section 1910.1200(g)(2).

f. Trade secret protection: Trade secret information is not required to be disclosed.

g. Required disclosure to health/emergency personnel: Where required by state or federal law.

Underground Injection

1. Agencies that control the underground injection of fluid by well class: Class I through V - Office of Conservation, Injection and Mining Division. Class VI – The Office of Conservation is currently drafting rules for promulgation. Once promulgated, the state will seek EPA approval for primacy.

Completion

1. Completion report required: Yes, Statewide Order No. 29-B, Section X (LAC 43:XIX.119).

   a. Time limit: Within 24 hours from time of completion. Notice may be made by telephone or telegram to the district manager if supplemented by written notice on proper form within three days from the completion date.

   b. Where submitted: Appropriate District Office of the Office of Conservation.

2. Well logs required to be filed: Yes, Statewide Order No. 29-B, Section IV (LAC 43:XIX.107).

   a. Time limit: Within 10 days after completion.

   b. Where submitted: Appropriate District Office of the Office of Conservation.

   c. Confidential time period: Yes, upon written request; (Act 4 of the Extraordinary Session of 1973) wells shallower than 15,000 feet--one year with a one-year extension; wells deeper than 15,000 feet--two years with a two-year extension; Act 691 of the Regular Session of 1979--offshore logs, upon written request--two years with a two-year extension.

   d. Available for public use: Yes.

   e. Log catalog available: Yes.

3. Multiple completion regulation: Yes, Statewide Order Nos. 29-C-4 (LAC 43:XIX.1301).

    a. Approval obtained: By administrative application.

4. Commingling in well bore: No, except in certain circumstances we use the same procedures as selective completion equipment as outlined in Statewide Order No. 29-C-4 (LAC 43:XIX.1305(G)).

    a. Approval obtained: By public hearing and administratively.

Oil Production

1. Definition of an oil well: No specific definition. In the event of uncertainty, a PVT analysis is required to be conducted by the operator.

2. Potential tests required: Yes, Statewide Order No. 29-B, Section X (LAC 43:XIX.119).

    a. Time interval: Within five days of completion.

    b. Witness required: Yes, by inspectors of the Office of Conservation.

3. Maximum gas-oil ratio: Yes, Statewide Order No. 45-I-A (LAC 43:XIX.3501). 2,000 cubic feet of gas per barrel of oil.

    a. Provision for limiting gas-oil ratio. Yes. Allowed to produce quantity of oil determined by multiplying base allowable by base GOR and dividing by GOR of well.

    b. Exception to limiting gas-oil ratio: Yes. Refer to Statewide Order 45-I-A (LAC 43:XIX.3501).

4. Bottom-hole pressure test reports required: Bottom hole pressure is requested on Form DM-1-R which is filed on or before the first day of May and November. Bottom hole pressure may also be required by special field order.

    a. Periodical bottom-hole pressure surveys: As answered above.

5. Commingling oil in common facilities: Yes, Statewide Order No. 29-D-1 (LAC 43:XIX.1501).

6. Measurement involving meters: Yes, Statewide Order No. 29-G-1 (LAC 43:XIX.2301).

7. Production reports:

    a. By lease: Yes.

b. By well: No.

c. Time limit: On or before the first day of the third calendar month following the month covered by the report or within 60 days.

Gas Production

1. Definition of a gas well: No specific definition. In the event of uncertainty, a PVT analysis is required to be conducted by the operator.

2. Pressure base 15.025 psia @ 60 degrees F.

3. Initial potential tests: Yes, Statewide Order No. 29-B, Section X (LAC 43:XIX.119).

   a. Time interval: Within five days of completion.

   b. Witness required: Yes.

4. Bottom-hole pressure test reports required: Bottom-hole pressure is requested on Form DT-1 which is filed on or before the first day of May and November. Bottom-hole pressure may also be required by special field orders.

   a. Periodical bottom-hole pressure surveys: As answered above.

5. Commingling of gas in common facilities: Yes, Statewide Order No. 29-D (LAC 43:XIX.1501).

6. Measurement involving meters: Yes, LSA-RS-30:44 (required by statutes).

7. Production reports: Gas production is reported by lease or unit.

   a. By lease: Yes.

   b. By well: No.

   c. Time limit: On or before the first day of the third calendar month following the month covered by report or within 60 days.