

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

Person Preparing Statement: Stephen Lee Dept.: Department of Natural Resources
 Phone: 225-342-5569 Office: Office of Conservation
 Return Address: Injection & Mining Rule Title: Statewide Order No. 29-B
617 N. Third St. LAC 43:XIX.317
Baton Rouge, LA, 70802 Date Rule Takes Effect: Upon Promulgation

SUMMARY
(Use complete sentences)

In accordance with Section 953 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)

This proposed rule change is not anticipated to result in costs or savings to state or local governmental units. The proposed rule adds language that allows for the operation of non-commercial community enhanced recovery injection well projects.

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

This 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 NON-GOVERNMENTAL GROUPS (Summary)

This rule change will allow operators to re-use produced water or brine on a non-commercial basis for enhanced recovery projects. This rule change is likely to create a costs savings for operators of oil and gas wells located near enhanced recovery injection projects by not having to install injection wells or commercially dispose of their waste. Also, operators who operate these enhanced recovery projects will benefit by not having to install brine or water source wells.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

John Cole, Asst. Commissioner

Signature of Agency Head or Designee

Legislative Fiscal Officer or Designee

For

Richard P. Ieyoub, Commissioner of Conservation

Typed Name & Title of Agency Head or Designee

10-10-22

Date of Signature

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

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 adds language that allows for the operation of non-commercial community enhanced recovery injection well projects. The existing rule does not contain a provision for the use of produced water or brine on a non-commercial, community basis. The revised rule expands the existing rule to include this capability.

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

The Office of Conservation has received requests from operators who wish to send their produced water to nearby enhanced recovery projects rather than install a new disposal well to permanently dispose of this fluid. The re-use of produced water or brine in this way is consistent with the enabling federal and state law that support the Louisiana Underground Injection Well regulatory program, but the state rule requires updating to enable this process to occur.

- 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 expenditure increase.

- (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 23	FY 24	FY 25
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 Repairs & 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.

No additional costs are anticipated.

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

SOURCE	FY 23	FY 24	FY 25
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?

No additional funds are needed to implement the proposed rule change.

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.

The new proposed rule is not anticipated to impact local governmental units.

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

No local government funding sources are anticipated to be affected by the new proposed rule.

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

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

<u>REVENUE INCREASE/DECREASE</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
State General Fund	\$0	\$0	\$0
Agency Self-Generated	\$0	\$0	\$0
Dedicated Funds			
<i>Oil and Gas Regulatory Fund</i>	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

- 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.

No changes in revenue are predicted to occur from the proposed rule change.

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.

Operators of oil and gas production wells located near enhanced recovery projects may benefit by not having to pay to install injection wells or commercially dispose of their waste, so these select operators should benefit from this rule change. Enhanced recovery injection well project operators may also benefit by not having to install brine or water source wells to obtain the required injection fluid volume to successfully operate their projects.

- 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 proposed rule change should not impact receipts or income, because the expansion of this rule is only for the non-commercial, community designation for produced water or brine. However, operators of oil and gas wells and enhanced recovery projects who enter together into a community agreement of this type brine should ultimately realize cost savings in their respective operations.

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.

Implementation of this rule is not predicted to impact competition or employment.