



OFFICE OF THE STATE REGISTER INSERTION ORDER (eff. 08/02)
 Claiborne Building 1201 North Third Street Suite 3-220 Post Office Box 94095
 Baton Rouge, LA 70804-9095 (225)342-5015 FAX (225)342-0284

RECEIVED

(SUBMIT A SEPARATE INSERTION ORDER PER DOCUMENT)

JAN 08 2015

OFFICE OF THE
 STATE REGISTER

EMERGENCY RULE

NOTICE OF INTENT

RULE

**OFFICE OF THE
 STATE REGISTER**

This is your authority to publish in the (month) Jan, 20, 20 15 *Louisiana Register* the document indicated above.

REFER TO INSTRUCTIONS ON REVERSE SIDE

Office of Conservation

Department of Natural Resources

Office/Board/Commission promulgating this document

Department under which office/board/commission is classified

James H. Welsh Commissioner

John Adams 225 342-7889 225 242-3663

(name) (title)
 Name and title of person whose signature will appear in the publication (at the end of this document)

(name) (phone) (fax)
 Name, phone number, and FAX number of person to contact regarding this document

Johnny.Adams@la.gov


E-mail address of contact person

Provide a short descriptive listing for this document to be used in the *Louisiana Register's* TABLE OF CONTENTS/INDEX (note: this description should match the fiscal statement title, if sending a Notice of Intent):

*If sending a diskette, indicate the name of the file on diskette:

Amend. to Statewide Order No. 29-B

Important: If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, AND if the rule text in the ER is identical to the rule text in the NOI, check here:


 Signature of Agency Head or Designee
 James H. Welsh, Commissioner

Print Name and Title of Agency Head or Designee

CERTIFICATION OF AVAILABLE FUNDS DOCUMENT #

ISIS AGENCY: I certify the availability of fiscal year 09/14 appropriated funds for the payment of the above referenced publication and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental sheet for additional lines of coding.

432	4321010500	5950006	43200N0900	DNRMS1000009
AGENCY	Cost Center	G/L	Fund	Internal Order

NON-ISIS AGENCY: I certify the availability of fiscal year _____ appropriated funds for the payment of the above referenced publication and agree to place corresponding invoice in line for payment upon receipt

Billing Address for Agencies:


 Signature of Agency Head or Designee - Phone #

Dept. of Natural Resources

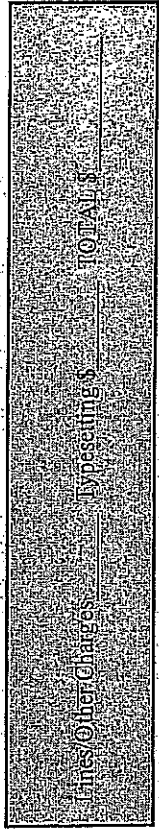
Agency Name

PO Box 94275 Capitol Station

Street Address or Post Office Box

Baton Rouge LA 70804

City State Zip Code



NOTICE OF INTENT

Department of Natural Resources Office of Conservation

Carbon Dioxide Enhanced Oil Recovery (LAC 43:XIX.405)

The Department of Natural Resources, Office of Conservation proposes to amend LAC 43:XIX.Subpart 1 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed amendment is made to implement application requirements for carbon dioxide enhanced oil recovery.

Title 43

NATURAL RESOURCES

Part XIX. Office of Conservation—General Operations

Subpart 1. Statewide Order No. 29-B

Chapter 4. Pollution Control (Class II

Injection/Disposal Well Regulations)

Editor's Note: Statewide Order 29-B was originally codified in LAC 43:XIX as §129. In December 2000, §129 was restructured into Chapters 3, 4 and 5. Chapter 3 contains the oilfield pit regulations. Chapter 4 contains the injection/disposal well regulations. Chapter 5 contains the commercial facility regulations. A cross-reference chart in the December 2000 *Louisiana Register*, page 2798, indicates the locations for the rules in each existing Section.

§405. Application Requirements for New Enhanced

Recovery Injection and New Saltwater Disposal Wells

A. - B.5.f. ...

C. Area of Review for Enhanced Oil Recovery Wells Injecting Carbon Dioxide

1. The area of review (AOR) will be the project area plus the surrounding region where USDWs may be endangered by the carbon dioxide (CO₂) injection activities, at a minimum, no less than 1/4 mile beyond the project area. The AOR will be delineated by a computational model acceptable to the commissioner. For enhanced oil recovery (EOR) projects injecting CO₂ that are permitted as of the effective date of these regulations, the owner or operator of the project has thirty days from the effective date of these regulations to submit a plan to the commissioner to come into compliance with §405.C, D, and E.

2. The owner or operator of a class II EOR CO₂ injection well must submit a plan acceptable to the commissioner to periodically reevaluate the AOR for the proposed CO₂ EOR project and perform corrective action for any identified deficient wells. The AOR must be reevaluated on a frequency not to exceed five years.

3. The owner or operator of the class II EOR CO₂ injection well must identify all penetrations within the defined AOR including active and abandoned wells, underground mines, and any other man-made penetrations that penetrate the confining and injection zones.

4. The owner or operator must determine which wells within the AOR have been constructed and/or plugged in a manner that prevents movement of CO₂ or other fluids that may endanger USDWs, and any wells which may require corrective action to ensure protection of USDWs.

D. Corrective Action for Enhanced Oil Recovery Projects Injecting Carbon Dioxide

1. Owners or operators of class II EOR CO₂ injection wells must perform corrective action on all wells in the area

of review that the commissioner has determined to require corrective action.

2. Owners or operators of class II EOR CO₂ injection wells shall submit a corrective action plan acceptable to the commissioner addressing all identified deficiencies within a time specified by the commissioner.

E. Emergency and Remedial Response for Enhanced Oil Recovery Projects Injecting Carbon Dioxide

1. As part of the permit application for a class II EOR CO₂ well, the owner or operator must provide the commissioner with an emergency and remedial response plan that describes actions the owner or operator must take to address movement of the injection or formation fluids that may cause an endangerment to a USDW during construction, operation, and post-injection site care periods.

2. If the owner or operator obtains evidence that the injected carbon dioxide stream and associated pressure front may cause an endangerment to a USDW, the owner or operator must:

a. take all steps reasonably necessary to identify, characterize, and control any release;

b. notify the commissioner within 24 hours; and

c. implement the emergency and remedial response plan approved by the commissioner.

3. The owner or operator shall review the emergency and remedial response plan developed under §405.E.1 at least once every five years. Based on this review, the owner or operator shall submit an amended emergency and remedial response plan or demonstrate to the commissioner that no amendment to the emergency and remedial response plan is needed. Any amendments to the emergency and remedial response plan must be approved by the commissioner and are subject to the permit modification requirements at §411, as appropriate. Amended plans or demonstrations shall be submitted to the commissioner as follows:

a. within one year of an area of review reevaluation;

b. following any significant changes to the facility, such as addition of injection or monitoring wells; or

c. when required by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, LR 26:2807 (December 2000), amended LR 41:

Family Impact Statement

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

This Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Statement

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

Provider Impact Statement

This Rule has no known impact on providers as described in HCR 170 of 2014.

Public Comments

All interested parties will be afforded the opportunity to submit data, views, or arguments, orally or in writing at the public hearing in accordance with R.S. 49:953. Written comments will be accepted by hand delivery or USPS only, until 4:30 p.m., March 5, 2015, at Office of Conservation, Injection and Mining Division, P.O. Box 94275, Baton

Rouge, LA, 70804-9275; or Office of Conservation, Injection and Mining Division, 617 North Third Street, Room 817, Baton Rouge, LA 70802. Reference Docket No. CON I and M 2014-12 on all correspondence. All inquiries should be directed to Steve Lee at the above addresses or by phone to (225) 342-5569. No preamble was prepared.

Public Hearing

The commissioner of conservation will conduct a public hearing at on Thursday, February 26, 2015 at 9 a.m., in the LaBelle Room located on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA.

James H. Welsh
Commissioner

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

RULE TITLE: Carbon Dioxide Enhanced Oil Recovery

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

There are no anticipated implementation costs to State or local governmental units as a result of the proposed rule change. Application requirements already exist for Enhanced Oil Recovery methods, although none specifically address the use of Carbon Dioxide. The proposed rule seeks to implement application requirements for Carbon Dioxide Enhanced Oil Recovery. Carbon Dioxide Enhanced Oil Recovery is a process in which carbon dioxide is injected into an oil reservoir to push any remaining oil to the top of the reservoir for extraction. It is typically used as a tertiary method of extraction after primary and secondary techniques have extracted the bulk of the oil from a reservoir. As such, the new requirements specific to Carbon Dioxide Enhanced Oil Recovery will be evaluated using existing documents and staff.

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

The proposed rule change will have no effect on revenue collections of state or local governmental units.

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

The group directly affected by these rules changes will be Exploration and Production (E&P) companies. For those who desire to implement or continue to operate Carbon Dioxide Enhanced Oil Recovery projects, additional information beyond what is already required for other Enhanced Oil Recovery operations may be needed. Currently, Denbury Onshore, LLC and Marlin Resources, L.L.C. are the only companies in the state using these techniques for extraction. The standards listed in the proposed rule change are the standards currently in place, resulting in no additional costs. This may change if other companies enter Louisiana with the intent to perform Carbon Dioxide Oil Recovery, but those impacts cannot be accurately assessed at this time.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment

James H. Welsh
Commissioner
1412#056

Evan Brasseaux
Staff Director
Legislative Fiscal Office

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

Person

Preparing
Statement:

Steve Lee

Dept.: Natural Resources

Phone:

225-342-5569

Office: Conservation

Return

Address:

Executive Division

P.O. Box 94275

Baton Rouge, LA 70804-9275

Rule

Title:

General Operations,

Statewide Order 29-B

LAC 43:XIX.405

(Application

Requirements)

Date Rule Takes Effect: March 2015

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)

There are no anticipated implementation costs to State or local governmental units as a result of the proposed rule change. Application requirements already exist for Enhanced Oil Recovery methods, although none specifically address the use of Carbon Dioxide. The proposed rule seeks to implement application requirements for Carbon Dioxide Enhanced Oil Recovery. Carbon Dioxide Enhanced Oil Recovery is a process in which carbon dioxide is injected into an oil reservoir to push any remaining oil to the top of the reservoir for extraction. It is typically used as a tertiary method of extraction after primary and secondary techniques have extracted the bulk of the oil from a reservoir. As such, the new requirements specific to Carbon Dioxide Enhanced Oil Recovery will be evaluated using existing documents and staff.

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

The proposed rule change will have no effect on revenue collections of state or local governmental units.

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

The group directly affected by these rules changes will be Exploration and Production (E&P) companies. For those who desire to implement or continue to operate Carbon Dioxide Enhanced Oil Recovery projects, additional information beyond what is already required for other Enhanced Oil Recovery operations may be needed. Currently, Denbury Onshore, LLC and Marlin Resources, L.L.C. are the only companies in the state using these techniques for extraction. The standards listed in the proposed rule change are the standards currently in place, resulting in no additional costs. This may change if other companies enter Louisiana with the intent to perform Carbon Dioxide Oil Recovery, but those impacts cannot be accurately assessed at this time.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment.

James H. Welsh
Signature of Agency Head or Designee

James H. Welsh, Commissioner of Conservation

Typed Name & Title of Agency Head or Designee

12-3-14

Date of Signature

Erin Brassel Staff Designer
Legislative Fiscal Officer or Designee

12/5/14

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 seeks to implement application requirements for Carbon Dioxide Enhanced Oil Recovery, including an expanded area of review and submission of a corrective action plan.

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

In reviewing applications for Carbon Dioxide Enhanced Oil Recovery, Conservation staff determined that an expanded area of review and submission of a corrective action plan would lead to greater safety and protection of the environment.

- 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 14-15	FY 15-16	FY 16-17
Personal Services	\$ 0.00	\$ 0.00	\$ 0.00
Operating Expenses	\$ 0.00	\$ 0.00	\$ 0.00
Professional Services	\$ 0.00	\$ 0.00	\$ 0.00
Other Charges	\$ 0.00	\$ 0.00	\$ 0.00
Equipment	\$ 0.00	\$ 0.00	\$ 0.00
Major Repairs & Constr.	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00
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. There are no costs or savings to State Agencies resulting from the proposed actions. The proposed rule may under certain circumstances effect an increased cost to Oil and Gas E&P operators in that they may experience increased application requirements in certain circumstances.

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

SOURCE	FY 14-15	FY 15-16	FY 16-17
State General Fund	\$ 0.00	\$ 0.00	\$ 0.00
Agency Self-Generated	\$ 0.00	\$ 0.00	\$ 0.00
Dedicated	\$ 0.00	\$ 0.00	\$ 0.00
Federal Funds	\$ 0.00	\$ 0.00	\$ 0.00
Other (Specify)	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00

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.

The proposed rule amendment is not anticipated to result in costs or savings to local government units.

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 14-15	FY 15-16	FY 16-17
State General Fund	\$ 0.00	\$ 0.00	\$ 0.00
Agency Self-Generated	\$ 0.00	\$ 0.00	\$ 0.00
Dedicated Funds*	\$ 0.00	\$ 0.00	\$ 0.00
Federal Funds	\$ 0.00	\$ 0.00	\$ 0.00
Local Funds	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00

*Specify the particular fund being impacted.

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.

There is no anticipated effect on revenue collections of state and local government units.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

A. What persons 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 group directly affected by these rules changes will be Exploration and Production (E&P) companies. For those who desire to implement or continue to operate Carbon Dioxide Enhanced Oil Recovery projects, additional information beyond what is already required for other Enhanced Oil Recovery operations may be needed. Currently, Denbury Onshore, LLC and Marlin Resources, L.L.C. are the only companies in the state using these techniques for extraction. The standards listed in the proposed rule change are the standards currently in place, resulting in no additional costs. This may change if other companies enter Louisiana with the intent to perform Carbon Dioxide Oil Recovery, but those impacts cannot be accurately assessed at this time.

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 primary group impacted by these rule changes will be Exploration and Production (E&P) companies. There will be an impact on receipts and/or income resulting from this rule change. While it is impossible to truly estimate the impact of this rule, the answer provided in Section A above summarizes the possible new costs to be implemented by the proposed rule change.

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 resulting from the proposed rule change.