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GOVERNOR

State of Louisiana  
DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF CONSERVATION

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COMMISSIONER OF CONSERVATION

MEMORANDUM

October 8, 2021

**To: ALL CONCERNED**

**From: RICHARD IEYOUB, COMMISSIONER OF CONSERVATION**

**Subject: ORPHAN WELL REWORK PROGRAM  
PURSUANT TO ACT 391 OF THE 2021 REGULAR SESSION  
(R.S. 47:633 ET SEQ.)**

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Act 391 of the 2021 Regular Session of the Legislature enacted a new severance tax incentive for orphaned wells. Act 391 allows for a three-month tax exemption on oil production from formerly orphan wells that have undergone enhancements and brought back on production after being inactive for a minimum of 12 months. The purpose of this memorandum is to provide guidelines for filing and processing applications for the Orphan Well Rework Program.

- 1) **Qualified Well** – Any orphaned oil well that did not produce in a one (1) year period ending between October 1, 2021 and before June 30, 2031 and has undergone well enhancements which lead to new production.
  - **Incentive** – Oil production from a qualifying well is eligible to pay no severance tax normally due for a period of three (3) months and thereafter all severance tax paid shall be credited to the associated Site Specific Trust Account (SSTA).
  - **Requirements**
    - File Form STRP-OR. The Form is available on our website: [www.dnr.la.gov/strp](http://www.dnr.la.gov/strp)
    - Qualifying wells must be orphan through or after June 23, 2021.
    - Well must be in the name of the applicant.
    - Application fee as established by Statewide Order No. 29-R per wellbore.
- 2) **Other Clarifications:**
  - The exemption period will begin on the date of first production after the qualifying period and end three months thereafter.
  - The incentive is limited to oil production only.
  - Following the three-month exemption period, the operator must remit an amount equal to the severance tax applicable to the well which shall be credited to the SSTA.
  - Well enhancements is defined as any activity that requires a Work Permit (Form DM-4R).
  - Any production from dual, triple, etc., completions would count against the 12-month inactive period.