

NOTICE OF INTENT

Department of Natural Resources Office of Conservation

Venting and Flaring of Natural Gas (LAC 43:XIX.103, 3503, 3507, 3509, 3511)

In accordance with the provisions of the Administrative Procedure Act (R.S. 49:950, et seq) and Title 30 of the Louisiana Revised Statutes of 1950 (R.S. 30:4 et seq), the Department of Natural Resources, Office of Conservation hereby gives notice of its intent to amend LAC 43:XIX and Subpart 1. (Statewide Order No. 29-B) Chapter 1 (General Provisions) and Subpart 15 (Statewide Order No. 45-I-A) Chapter 35 (Gas/Oil Ratios, Allowables and Venting of Natural Gas) to prohibit venting and flaring of natural gas except as authorized in Subpart 15. Benefits of these amendments include reducing natural gas waste and recovering reserves.

Title 43 NATURAL RESOURCES Part XIX. Office of Conservation—General Operations Subpart 1. Statewide Order No. 29-B

Chapter 1. General Provisions

§103. Application to Drill

A. – A.2. ...

3. After [effective date of rule], the operator shall certify that it has determined at the time of submitting an application for permit to drill that:

a. it will be able to connect the well to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the volume of natural gas the operator anticipates the well will produce; or

b. it will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the volume of natural gas the operator anticipates the well will produce. The operator shall state that they will either:

i. shut-in the well until the operator can comply with §103.A.3.a; or

ii. evaluate if well is candidate for flaring based on economic hardship per §3507.B; or

iii. provide a gas capture plan that evaluates or selects one or more beneficial uses until a natural gas gathering system is available, including:

(a). field use;

(b). power generation for alternative use;

(c). enhanced recovery operations; and

(d). other alternative beneficial use that does not result in venting or flaring.

B. – E.4. ...

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S.30:4 et seq., and R.S. 30:28(I).

HISTORICAL NOTE: Adopted by the Department of Conservation (August 1943), amended (August 1958), (August 1961), (May 1973), amended by the Department of Natural Resources, Office of Conservation, LR 34:2639 (December 2008), LR 39:515 (March 2013), effective on May 1, 2013, LR 49:

Subpart 15. Statewide Order No. 45-I-A

Chapter 35. Gas/Oil Ratios, Allowables, Venting and Flaring of Natural Gas

§3503. Definitions

A. ...

* * *

Routine Flaring—flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market.

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

HISTORICAL NOTE: Adopted by Department of Conservation, July 20, 1943, amended January 1, 1966, December 1, 1973, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 23:581 (May 1997), LR 49: .

§3507. Venting and Flaring of Gas

A. The venting of natural gas from any well producing in the state of Louisiana is hereby expressly prohibited except in those instances where permissible flaring as specified in §3507.B is not an economical or safe alternative.

B. The routine flaring of natural gas from any well producing in the state of Louisiana with a gas/oil ratio > 2000/1 is hereby expressly prohibited except in those instances where the Office of Conservation finds, upon written application, that such prohibition would result in an economic hardship on the operator of the well, lease or production facility from which the gas is proposed to be flared; provided, however, that no such economic hardship can be found in the case where the current market value, at the point of delivery, of the gas proposed to be flared exceeds the cost involved in making such gas available to a market, or where revenue from a beneficial use identified in §103.A.3.b.ii.I-IV exceeds the cost involved in implementing same. Such applications shall be filed with the district office and approval thereof will be at the discretion of the district manager and documented with the allowable. Applications shall include relevant well information and:

1. statement of need;
2. economic justification;
3. evaluation of alternative beneficial use per §103.A.3.b.ii.I-IV;
4. rate; and
5. length of time.

C. The routine flaring of natural gas from any horizontal well in the state of Louisiana with a gas/oil ratio < 2001/1 is hereby expressly prohibited except in those instances where application is made to and approved by the Office of Conservation as outlined in §3507.B.

D. Any permissible flares must be placed a sufficient distance from wells, storage tanks, and any other significant structures or objects so that the flare does not create a safety hazard.

E. Any permissible venting or flaring shall be reported, including measured or estimated volumes of each, on the monthly OGP and R5D.

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

HISTORICAL NOTE: Adopted by Department of Conservation, July 20, 1943, amended January 1, 1966, December 1, 1973, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 23:582 (May 1997), LR 49: .

§3509. Exceptions and Hearings

A. – A.2. ...

3. venting or flaring during drilling, completion, and hydraulic fracturing operations.

B. ...

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

HISTORICAL NOTE: Adopted by Department of Conservation, July 20, 1943, amended January 1, 1966, December 1, 1973, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 23:582 (May 1997), LR 49: .

§3511. Violations

A. Unless specifically prohibited by the commissioner or his authorized staff, the venting or flaring of gas due to unavoidable situations will not be considered a violation of this Statewide Order. However, any venting or flaring which contradicts the spirit or intent of this Statewide Order shall be a violation hereof, and subject the operator to appropriate regulatory sanctions.

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

HISTORICAL NOTE: Adopted by Department of Conservation, July 20, 1943, amended January 1, 1966, December 1, 1973, amended and promulgated by the Department of Natural Resources, Office of Conservation, LR 23:583 (May 1997), LR 49: .

Family Impact Statement

The proposed Rule is not anticipated to have an impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule is not anticipated to have an impact on poverty as defined by R.S. 49:973.

Small Business Analysis

The proposed Rule is not anticipated to have an adverse impact on small businesses as described in R.S. 49:965.6; therefore, a Small Business Economic Impact Statement has not been prepared.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session.

Public Comments

All interested persons are invited to submit written comments on the proposed regulation. Persons commenting should reference “Venting and Flaring of Natural Gas.” Such comments must be received no later than Monday, August 21, 2023, at 4:30 p.m., and should be sent to Carrie Wiebelt, Office of Conservation, Engineering Administrative Division, P. O. Box 94275, Baton Rouge, LA 70804-9275; hand delivered to 617 North Third Street, 9th Floor, Baton Rouge, LA 70802; by email to carrie.wiebelt@la.gov; or by fax to (225) 342-2584.

Public Hearing

If requested, a public hearing will be held on Tuesday, August 29, 2023 at 9:00 a.m. in the LaSalle Building, LaBelle Hearing Room, 617 N. Third Street, Baton Rouge, LA 70802. If accommodations are required under the Americans With Disabilities Act, please advise the Office of Conservation, Engineering Division at P.O. Box 94275, Baton Rouge, LA 70804-9275 in writing within ten (10) working days of the hearing date.

Monique M. Edwards
Commissioner of Conservation

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES **RULE TITLE: Venting and Flaring of Natural Gas**

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

There are no anticipated implementation costs or savings to state or local governmental units due to the proposed rule change.

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

The proposed rule change could result in a revenue increase for local and state governmental units based on additional natural gas volumes to be captured in new completions, resulting in additional royalties and severance taxes.

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

The primary group impacted by these rule changes will be Exploration and Production (E&P) companies. There are additional costs associated with the proposed rule change which should be balanced by revenue increases.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated effect on competition and employment.