



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL
RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

May 26, 2022

Senator Patrick Page Cortez, President
Senator Bob Hensgens, Natural Resources Committee Chairman
Representative Clay Shexnayder, Speaker
Representative Jean-Paul Coussan, Natural Resources and Environment Chairman

Via Statutorily Prescribed Email

Re: Report of Proposed New Rule
Class V Storage Wells in Solution-Mined Salt Dome Cavities
Office of Conservation Rules and Regulations
LAC 43:XVII Chapter 37 (Statewide Order 29-M-5)

Dear Oversight Authorities:

The Commissioner of Conservation proposes to promulgate new rule LAC 43:XVII Chapter 37 in accordance with the provisions of the Administrative Procedures Act R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana.

I. A copy of the rule as it is proposed for amendment per La R.S. 49:968.C(1):

See the attached Notice of Intent

II. Statement of the proposed action per La R.S. 49:968.C(2):

The proposed action is a rule adoption for Class V Storage Wells in Solution-Mined Salt Dome Cavities. The new proposed rule governs oversight of the Class V storage in salt caverns program for the storage of hydrogen, nitrogen, ammonia, compressed air, and noble (inert and nonreactive) gases. Oversight is held by the Underground Injection Control Program (UIC Program), located within the Louisiana Office of Conservation. Class V wells are a federally-designated well class that allow for the temporary storage of the noted gases in salt cavities. The UIC Program already holds Primary Enforcement Authority from the United States Environmental Protection Agency (US EPA) for Class V wells; this new proposed rule regulates Class V storage wells from inception to plugging and abandonment and site closure, ensuring the health, safety, and welfare of the public and the environment

III. The specific citation of the enabling legislation purporting to authorize adoption of the rule per La R.S.49:968.C(3):

La R.S. 30:23(Louisiana Regular Session of 2021, House Bill 572/Act 326)

IV. Statement of the circumstances requiring adoption of the rule per La R.S. 49:968.C(4):

Although the UIC Program has held regulatory oversight for these types of wells since 1982, interest in clean energy projects utilizing the noted gases has grown in recent years. The enabling legislation was passed in Louisiana Regular Session of 2021 (House Bill 572), and the Commissioner of Conservation is now issuing these rules as ordered in La R.S. 30:23.C.

V. Statement of the fiscal and economic impact of the proposed rule per La R.S. 49:968.C(5):

The fiscal and economic impact statement is attached to this report.

A notice of intent to initiate rule-making will be published in the Louisiana Register on June 20, 2022, with a public comment period on the proposed rule scheduled to remain open until July 22, 2022 at 5:00 PM.

Please contact Steve Lee, Director of the Injection and Mining Division, at (225) 342-5569.

Yours very truly,

A handwritten signature in blue ink, appearing to read "John Adams", is written over the closing text.

John Adams, Assistant Commissioner
Louisiana Office of Conservation

GPR:shl:ces

Attachments