

House Committee on Natural Resources and Environment

Minutes of Meeting
2024-2025 Interim
February 10, 2025

I. CALL TO ORDER

Representative Brett F. Geymann, chair of the House Committee on Natural Resources and Environment, called the meeting to order at 11:04 a.m. in Room 4, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Brett F. Geymann, chair
Representative Marcus Anthony Bryant
Representative R. Dewith Carrier
Representative Tehmi Jahi Chassion
Representative Kimberly Landry Coates
Representative Jason Brian DeWitt
Representative Jessica Domangue
Representative Timothy P. Kerner
Representative Shane Mack
Representative Danny McCormick
Representative Joseph A. Orgeron, vice chair
Representative Neil Riser
Representative Jerome Zeringue

MEMBERS ABSENT:

Representative C. Travis Johnson
Representative Jeremy S. LaCombe
Representative Jacob Jules Landry
Representative Lauren Ventrella

STAFF MEMBERS PRESENT:

Robin Stalder, attorney
Jennifer Winkler, legislative analyst
Brandy LADMIRault, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Rebecca Marshall, sergeant at arms

III. BUSINESS**To receive information regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 of the 2024 Regular Session**

Blake Canfield, Department of Energy and Natural Resources, 617 North Third Street, Baton Rouge, LA 70802, spoke for information only and discussed recommendations from the department regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 with a focus on unitization.

Dustin H. Davidson, DENR, 617 North Third Street, Baton Rouge, LA 70802, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6. and reiterated that there is no single, cookie-cutter solution to the current problem highlighting the complexity of the issue. He acknowledged the challenges ahead, especially as future scenarios may vary and require tailored responses and underscored the aim to create a suitable regulatory and operational environment for the state of Louisiana.

Tommy Faucheux, LMOGA, 730 North Boulevard, Baton Rouge, LA 70802, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and emphasized the need for caution in implementing new legislation or one-size-fits-all regulations for CCS projects while echoing concerns from Mr. Canfield about the uniqueness of each project, warning that blanket rules may not fit the varied needs of each case. Mr. Faucheux recognized the importance of considering concerns from local communities and landowners but stressed that the industry is still in the early stages of development and urged for ongoing conversation and continued collaboration as legislative sessions approach.

Greg Upton, LSU Center for Energy Studies, Energy Coast & Environment Boulevard, Baton Rouge, LA 70803, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6. Dr. Upton explained he would address a resolution from Representative McCormick through the lens of economics, focusing on landowners and mineral owners, compared economic issues in sequestration to those already faced in oil and gas extraction in Louisiana, and emphasized that landowner reluctance to participate is an ongoing issue in both oil/gas extraction and sequestration projects. Representative Owen raised concerns about engaging in activities now that might prevent future economic opportunities on the same land or resource. Dr. Upton related these considerations to real options theory in economics, highlighting the importance of evaluating trade-offs between current actions and future possibilities. Dr. Upton gave a housing market example: buying a house now could either be beneficial or limiting depending on future market trends, drawing a parallel to resource development decisions.

Keith Hall, LSU Law School, 1 East Campus Drive, Baton Rouge, LA 70803, discussed property laws as it relates to stranded minerals due to carbon dioxide sequestration and provided a handout, Exhibit A, which is included in the committee records.

Chris McLindon, LSU Center for Energy Studies, 13 South Quad Drive, Baton Rouge, LA 70803, spoke for information only regarding stranded minerals due to carbon dioxide sequestration and answered questions regarding the risks and hazards of drilling through a plume to reach an oil reservoir.

Danny Ford, Louisiana Mineral Servitude Association, 532 Spanish Town Road, Baton Rouge, LA 70802, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and stated that their group is not opposed to carbon capture but they are concerned about stranding minerals due to possible negative economic impact.

Michael Bressett, Mineral Servitude Owners, 301 Main Street, Baton Rouge, LA 70825, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and discussed the need to preserve the right for mineral servitude owners to capture stranded minerals. A map was displayed during the discussion to show zones of operation.

Brad LeBlanc, The Chalkley Companies-Sweet Lake, 7777 Nelson Road, no city and state provided, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and discussed value versus liability of these projects.

Roland Hollins, Louisiana CO2 Alliance, P.O. Box 32, Mittie, LA 70654, expressed concerns regarding stranded minerals due to carbon dioxide sequestration and the requirements of receiving a project permit which Blake Canfield of DENR answered and clarified specifics.

Walter Pillie', 115 Ducayet Drive, Destrehan, no state provided, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and expressed concerns over the speed of progression of carbon dioxide sequestration projects.

Travis London, Step Up Louisiana, Movement Training Network, 6680 Hanks Drive #44, Baton Rouge, LA 70812, expressed concerns about the chemicals used to treat carbon and the negative health effects of chemical exposure to the public.

Thomas Smart, LOGA, 400 Kaliste Saloom Road, Suite 3000, no city and state provided, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6. and spoke of the complexity of property rights in oil and gas projects, particularly the fact that no one-size-fits-all solution exists due to diverse technical and landownership situations. He referenced the correlative rights doctrine, including Mineral Code Article 11, which mandates that both landowners and mineral rights owners exercise their rights with reasonable regard for each other, often requiring case-by-case negotiation, or if conflicts persist,

resolution by the courts. Mr. Smart explained that arbitrary or blanket rules could increase litigation risks, whereas a flexible, fact-driven standard better serves parties' interests. He described recent legislative actions setting up reciprocal notice requirements between storage operators and mineral owners to ensure awareness and the opportunity to assert rights, and discussed the framework for compensating both consenting and non-consenting owners. Mr. Smart also noted current regulatory uncertainty, with significant rules and permit processes (such as Class 6 wells) still developing, and stressed the practical importance of collaboration between operators and rights holders for successful project execution, as well as the linkage between carbon sequestration initiatives and enhanced marketability of Haynesville natural gas.

Bryan Hanks, LOGA, 101 West Farrel Road Building #2, Lafayette, LA 70508, spoke for information only regarding stranded minerals due to carbon dioxide sequestration pursuant to House Study Request No. 6 and provided historical reference regarding unit sizes for ultra deep gas formations in South Louisiana, noting that units as large as 9,000 acres were permitted in 2012-2013. This information was shared to address an earlier discussion on unit sizes and to emphasize the established precedent for permitting large units. Mr. Hanks also reported that a recent article covered a partnership between Engine 1, a private equity group, and Chevron, aimed at supplying natural gas to data centers throughout the central, western, and southern United States, an initiative relevant to the group's current interest in data centers. The article indicated that certain projects within this partnership may feature carbon sequestration or carbon capture components, though specific geographic locations were not detailed.

Representative Charles Owen was present during the meeting and gave a brief statement before adjournment.

Prepared statements were received via email.

IV. ANNOUNCEMENTS

There were no announcements.

V. ADJOURNMENT

Representative Mack offered a motion to adjourn. Without objection, the motion passed by a vote of 9 yeas and 0 nays. Representatives Geymann, Carrier, Chassion, Coates, Domangue, Mack, McCormick, Orgeron, and Zeringue voted yea.

The meeting was adjourned at 2:22 p.m.

Respectfully submitted,

Chair Brett F. Geymann
House Committee on Natural Resources and Environment

Date adopted: